SCRUTINY COMMITTEE

Tuesday, 18th March, 2025

10.00 am

Council Chamber, Sessions House, County Hall, Maidstone

Kent County Council
kent.gov.uk

Kent County Council
kent.gov.uk

AGENDA

SCRUTINY COMMITTEE

Tuesday, 18th March, 2025, at 10.00 am		Ask for:	**Anna Taylor**
Council Chamber, Sessions House, County Hall, Maidstone		Telephone:	**03000 416478**

Membership

Conservative (10):	Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr T Bond, Mr D L Brazier, Mrs L Game, Mrs S Prendergast, Mr O Richardson and Mr S Webb
Labour (1):	Mr A Brady
Liberal Democrat (1):	Mr A J Hook
Green and Independent (1):	Ms J Hawkins
Independent:	Mr M Whiting
Church Representatives (3):	Mr J Constanti, Mr M Reidy and Mr Q Roper
Parent Governor (2):	Ms R Ainslie-Malik and Ms H Carter

County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

UNRESTRICTED ITEMS

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

A - Required Items

A1 Introduction/Webcast Announcement

A2 Apologies and Substitutes

A3 Declarations of Interests by Members in items on the Agenda for this Meeting

A4 Minutes of the meetings held on 29 January and 26 February 2025 (Pages 1 - 24)

B - Any items called-in

C - Any items placed on the agenda by any Member of the Council for discussion

C1 Devolution and Local Government Reorganisation (Pages 25 - 26)

C2 Revenue and Capital Budget Monitoring Report – November 2024-25 (Pages 27 - 100)

C3 Late Changes to the 25-26 Budget and 25-28 Medium Term Financial Plan (Pages 101 - 108)

C4 Safety Valve Programme (Pages 109 - 126)

C5 Decision - 23/00100 - Commissioned Youth Service Contracts (Pages 127 - 132)

C6 SEND Scrutiny - Quarterly Reporting (3rd report) (Pages 133 - 136)

D - To Note

D1 Work Programme (Pages 137 - 140)

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
03000 416814

Monday, 10 March 2025

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 29 January 2025.

PRESENT: Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr T Bond, Mr A Brady, Mr D L Brazier, Mrs L Game, Ms J Hawkins, Mr A J Hook, Mr S Webb and Mr M Whiting

ALSO PRESENT: Mr N Baker, Mrs C Bell, Mrs S Chandler, Mrs T Dean, MBE, Mr R W Gough, Mr D Jeffrey, Mr A Kennedy, Rich Lehmann, Mr B H Lewis, Mr R C Love, OBE, Ms J Meade, Mr P J Oakford, Mr H Rayner, Mr R G Streatfeild, MBE and Mr R J Thomas

IN ATTENDANCE: Mr D Adams (Assistant Director Education (South Kent)), Mr J Betts (Interim Corporate Director Finance), Mr C Chapman (Head of Fair Access), Mr J Cook (Democratic Services Manager), Ms S Dann (Interim Assistant Director of Quality Assurance), Mrs S Hammond (Corporate Director Children, Young People and Education), Mr S Jones (Corporate Director of Growth, Environment and Transport), Mr R McDonnell (Head of STLS Sensory and Physical Disabilities), Mr B Sherreard (Programme Manager), Mr D Shipton (Head of Finance Policy, Planning and Strategy), Mrs A Taylor (Scrutiny Research Officer) and Mr B Watts (General Counsel)

UNRESTRICTED ITEMS

87. Apologies and Substitutes
(Item A2)

Apologies had been received from Mrs Prendergast for whom Sir Paul Carter, CBE was in attendance as substitute.

88. Declarations of Interests by Members in items on the Agenda for this Meeting
(Item A3)

1. The Chairman declared that he spoke at the County Council meeting on the 7th November 2024 in relation to Item E4.

2. Mrs Game declared that she was a Governor of Laleham Gap School.

3. Ms Binks declared that she spoke at the Children, Young People and Education Cabinet Committee on 21st November 2024 in relation to Item E4.

4. Mr Webb declared that he was a Senior Officer within KCC when the Family Hubs were designed and he was a KCC employee at Danley Middle School which was where Seashell's Family Hub was located.

5. Mr Whiting declared that he spoke at the County Council meeting on the 7th November 2024 and the Children, Young People and Education Cabinet Committee on 21st November 2024 in relation to Item E4.

6. Sir Paul Carter, CBE declared that he was a Director at the Leigh Academy Trust.

7. Jenni Hawkins declared that she spoke at the Children, Young People and Education Cabinet Committee on 21st November 2024 in relation to Item E4.

8. Mr Brady declared that he spoke at the Children, Young People and Education Cabinet Committee on 21st November 2024 in relation to Item E4.

89. Minutes of the meetings held on 5 November and 4 December 2024
(Item A4)

RESOLVED that the minutes of the meetings held on 5 November 2024 and 4 December 2024 were correct records and that they be signed by the Chair.

90. Draft Revenue Budget 2025-26, Medium Term Financial Plan (MTFP) 2025-28, Draft Capital Programme 2025-35, and draft Treasury Management Strategy
(Item A5)

Mr Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services introduced the report and stated that the budget was updated and balanced, including minor changes since it was last presented to Members. Additionally, he extended his thanks to the finance team for their work on the budget.

1. In response to comments and questions:
    a. The Chairman shared his thanks to Mr Oakford and finance team for their attendance at the Committee.
    b. A Member raised ideas such as moving more services in house to take control of the provision, delivering services in a more targeted manner, believing there was a clear argument for this in the Adult Social Care Directorate. Also, raising the idea of cutting contributions to local authorities and emphasising prevention as a policy. Mr Oakford explained that a large capital investment would be needed to bring services in house. There was a £6 million grant for the Children, Young People and Education Directorate which was to be spent on prevention.

A Member noted that the cost of the Adult Social Care Directorate was the greatest financial risk for council. The Member believed that residentMr Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services introduced the report and stated that the budget was updated and balanced, including minor changes since it was last presented to Members. Additionally, he extended his thanks to the finance team for their work on the budget.

In response to comments and questions:

c. The Chairman shared his thanks to Mr Oakford and finance team for their attendance at the Committee.
d. A Member raised ideas such as moving more services in house to take control of the provision, delivering services in a more targeted manner, believing there was a clear argument for this in the Adult Social Care Directorate. Also, they

emphasised prevention as a policy for delivering longer term savings. Mr Oakford explained that a large capital investment would be needed to bring services in house. There was a £6 million grant for the Children, Young People and Education Directorate (CYPE) which was to be spent on prevention.

e. A Member noted that the cost of the Adult Social Care Directorate and the delivery of its savings target was the greatest financial risk for the council. The Member believed that residents would not be better served by greater private sector provision, more thought more ruthless decision making was needed. Mr Oakford agreed with the Member that the care system was poorly managed, commending the Corporate Director of CYPE and the team for their work, noting that this had taken some financial pressure off the Adult Social Care directorate. Mr Oakford recognised that tough decisions had to be made. Mr Gough added that there had been a significant amount of progress within the CYPE Directorate and SEN transport in managing services within budget. There had been a significant level of pressure on the Adult Social Care Directorate recognising that whilst across most services demands in terms of numbers had not increased significantly, the demand associated with mental health services had. Additionally, noting that there were system wide issues, if the high needs funding and the statutory override were not renewed there would be a major problem.

f. A Member questioned whether there were any further changes to the budget paper between now and the County Council budget meeting. Mr Oakford shared that any further changes were not anticipated but the Council did not yet have the final tax base or business rates figures from all the district councils.

g. A Member raised that the Liberal Democrat Group proposed savings in the Civil Society Fund previously and reallocation of that money which Mr Oakford spoke against. The Member asked for clarification on what had changed that now within the budget there was a £200,000 saving forecast for the Civil Society Fund. Mr Oakford explained that his opinion on the brilliant work and need for funding of the Civil Society Fund had not changed, there was significant thought put into this matter and a cut in funding was decided instead of an abolishment. Mrs Bell added that the Civil Society funding had decreased to £200,000. There was to be a review of the civil society strategy being conducted on how the money was spent and how it could be spent in the future.

h. A Member asked for confirmation that whilst there was spending on new Household Waste Recycling Centre (HWRC) contracts and additional spending within that area, that no HWRCs would be proposed for closure. Mr Thomas explained that in the current year a saving was required on HWRCs, there must be mindfulness around devolution and the potential changes that could arise. There was no intention to remove HWRCs but the network and infrastructure would continue to evolve.

i. A Member questioned what cuts were going to be considered within the Adult Social Care Directorate in the future and when would they be scheduled to take effect. Additionally, questioning at what point those cuts became counterproductive. Finally, questioning whether a restructure of the Senior Officers within the Adult Social Care Directorate had been considered. Mr Oakford explained that the service was working on detailed proposals for any savings, this was not done in enough detail last year which caused some projected savings to not be delivered. The financial savings were already counterproductive in some areas of the Council, but there had been a legal requirement to balance the budget. Adult Social Care funding needed to be addressed nationally, otherwise the consequences would remain. In response to the deficit of funding in this area, almost all other areas other than statutory services were receiving reductions in funding. Mr Oakford explained that there were only three Directors reporting to the Corporate Director of Adult Social Care. There were a huge number of staff vacancies in ASC, if there was potential for more assessments to be completed in less time there could be a possibility of more savings. There were no current plans to remove any staff from the directorate.

j. A Member noted that within the budget, funding for schools was to be decreased, there were only three KCC schools with a deficit. Did the Cabinet Member know what the schools roll forward was up until 31st March? Additionally, questioning as there was a high level of good and outstanding schools in Kent, did funding for school advisors need reviewing? Mr Love explained that the Government had prevented parents from having access to an overall single word rating for a school and the information accessible from Ofsted was to be of a diminishing use going forward. Mr Love noted that there should be a level playing field of funding and services available for academies and maintained schools. There was an aim to have a level playing field through the national schools funding formula. Mr Love confirmed that there would be no duplication of funding for schools that were already receiving funding through the national school funding formula. Mr Gough added that the contract with The Education People (TEP) involved current and future reductions.
k. A Member questioned what the £200,000 cut in library material meant in real terms. Mrs Bell shared that there had been great investment in electronic offerings and offered to come back to Members with the details. Mrs Bell confirmed that there was no intention to cut the number of books.
l. When asked whether the subsidy of £500,000 for the Turner account was the best use of funding. Mrs Bell shared that the funding to the Turner account had dramatically decreased.
m. A Member noted that KCC had been the last port for many vulnerable people, extending thanks to carers across Kent. Additionally, sharing that unless the flow into the system was controlled nothing could be supported, noting a better use of technology to reduce staffing costs as a possible help.
n. A Member noted that KCC funded 7 Windmills, costing £1.7 million per annum, questioning whether this was best use of KCC funding. Additionally, questioning what the 16+ travel saver £385,000 saving within the budget this year meant in terms of price. Mr Oakford agreed that the windmills were not a good use of funding, there was work being conducted to look at trusts to divest windmills to other organisations. Mr Oakford explained that three years of funding needed to be put into the MFTP but there was a desire to reduce the cost before then. Mr Chapman shared that the price of the 16+ travel saver was set and was subject to annual uplift every year.
o. When asked how savings would be made within Adult Social Care contracts. Mr Smith shared that when requesting extensions to contracts, significant thought went into best value for money. The recommissioning of large contracts would take time and those savings would come.
p. A Member asked for clarification on the proposed cut to the council tax reduction scheme support payments for districts. Mr Shipton shared that provisional tax-based notifications had been received from all 12 districts, which was a 1.22% increase, the difference of £4.6 million below what had been originally expected was to come from the council tax equalisation smoothing reserve. Mr Shipton confirmed that the underlying factors of the lower than expected collection rates were provisional tax-based notifications, changes in eligibility for council tax reduction discount for low-income households and estimated single person discount changes.

q. A Member questioned the estimated reduction in KCC's share of the DfE DHSC Family Hubs and Start for Life Fund of £3.3 million, was this considering the new funding in the Governments Budget? Mr Shipton explained that the KCC budget had not been updated to include this as the information had not been available but it would be within the final budget. Mr Shipton confirmed that it would become an additional one-off resource for use.

The Chair invited the Cabinet Members to provide an overview of their portfolios:

r. Mr Baker, Cabinet Member for Highways and Transport, explained that the BSIP funding had been extended to a three-year grant, noting that multi-year funding was incredibly helpful for oversight into the future. There was a focus on the maintenance of highway assets, highways term maintenance contracts were to adapt and evolve to ensure money would go as far as possible.
s. Mr Kennedy, Deputy Cabinet Member for Adult Social Care and Public Health, shared that more collaborative work with NHS had taken place. In conversation about levels of commissioning savings, Mr Kennedy explained that most were undeliverable this financial year so were to be carried over. Additionally, highlighting the use of technology to reduce need of hospitalisation and nursing homes.
t. Mr Jeffrey, Cabinet Member for Communications and Democratic Services, emphasised a more for less approach to delivering services. Additionally, highlighting the potential for AI to assist in delivering better, more cost-effective services. Mr Jeffrey identified the potential impact devolution could have on Kent and the prospective new structure of KCC.
u. Mrs Chandler, Cabinet Member for Integrated Children's Services, acknowledged the financial challenges for children's services. There was success in maintaining the current year's budget through a cohesive directorate ethos, next year could lead to increased costs due to complex child placements particularly in severe mental health cases. Most early intervention funding had been maintained, additional funding for prevention work would be welcomed. There had been no uplift in consolidated children and families grants this year which would have an impact on the budget. A proposed capital item for in-house care development could be used in response to the challenges present in children's placements.
v. Mr Thomas, Cabinet Member for Environment, highlighted a £50 million expenditure on energy from waste, noting that Kent fell behind in terms of recycling, however Kent had a low landfill rate. A new textiles contract had been procured. Mr Thomas emphasised the importance of increasing recycling rates, as this had the potential to save £17 million per annum. There was confirmation of government funding to aid with the processing of waste for 2025/26 of £13 million for KCC and £10 million for the district councils Additionally, a Kent Resource Partnership Manager had been appointed to improve recycling and address industry challenges.
w. Mr Rayner, Deputy Cabinet Member for Finance, explained that there had been a failure by the government to address the funding issues in adult social care. Mr Rayner believed that the issue required a national solution such as reducing public expectations regarding support in old age and encouraging greater private arrangements to maintain the desired standard of living. The was a need for proactive measures to alleviate the ongoing financial pressure caused by adult social care.
x. Mrs Bell, Cabinet Member for Community and Regulatory Services, explained that her portfolio was working at a £1.5 million underspend on a £26.4 million budget, which was primarily as a result of management action in terms of next year's

budget. There was a need to increase spending in some statutory services, this was partially offset by increased income from libraries and registration, price inflation for public rights of way contracts and trading standards fees. Mrs Bell confirmed that efforts to manage spending and generate income were to continue.

y. Mr Love, Cabinet Member for Education and Skills, shared that difficult decisions had been taken in education, there was a need to be able to say no to those that did not meet threshold for additional funding. There had been a £3 million reduction in the education portfolio. The statutory override on high needs block was coming to an end which would likely affect future budgets, the funding needed to be brought back under control, which was to be done through a number of thought-out reforms.

z. Mr Gough, Leader of Kent County Council, shared that the executive was delivering a sound budget. There was a need to continue delivering saving in discretionary areas. Mr Gough identified three big areas of pressure: Adult Social Care, Children and Young People and SEND (SEN Transport), there was need for government decision or action to help with this.

Mr Oakford thanked colleagues for heathy debate on the budget and thanked colleagues in finance and directorates for their work.

RESOLVED that the Scrutiny Committee noted updated draft revenue budget and MTFP, draft capital programme and draft Treasury Management Strategy.

91. Executive Response to Scrutiny Evidence Gathering Report
(Item A6)

1. Mr Love gave an overview of the report sharing that the work was to continue and be constantly refined to get the best outcomes.

2. The Cabinet Member and Officers responded to questions and comments which included the following:
    a. A Member questioned how feedback was taken on board. Mr Love shared that feedback could not be collected on issues such as funding until a direction of travel of the special school review was set. Feedback was carefully considered and learnt from. Ms Dann explained that there were various methods of receiving feedback that were used, all feedback was sent to the Quality Assurance Team, which assessed and acted on it.
    b. A Member asked if there were appropriate reviews in place of whether young people need to be placed in specials schools or if they could cope in a mainstream school. Additionally, questioning whether social services had moved residents on a temporary basis and how that would affect children's schooling. Mr Love explained annual reviews of EHCPs were being implemented, two thirds of the annual reviews were completed on time in the last year which was an improvement on previous years. In terms of transport reviews were taking place, through these reviews savings had been found in the budget, such as renegotiating contracts with the information collected. Mrs Hammond added that every effort was made to place a child properly. Mr Chapman explained that the paper was in response to feedback received not to the work overall, there had been significant improvements to the phased transfer process which allowed for reviews to take place.

c. A Member questioned the numbers of mainstream school headteachers who resisted taking SEND children into their schools and whether more stringent rules were needed. Mr Love shared that there was an effort to bring headteachers together to share best practice and encourage inclusive practices. Mr Adams added that it was important to ensure people had confidence that the service could meet requirements, identifying there was still work to be done.
d. A Member emphasised the importance of support from school staff and the difficulties of recruiting and retaining staff. Mr Adams explained that there was a pressure on the high needs funding block, from the demand for 1:1 support, and questioned whether this approach promoted independence as children age through the system. There was work being done to give schools greater flexibility for how funding was used to support students.
e. A Member highlighted the importance of parents being informed before EHCPs were amended. Additionally, questioning what conversations were happening in terms of funding following a child, to prevent reapplication. The Member emphasised the importance of transition processes being child centred, so they would be placed in the best school for their needs. The Member noted the importance of SEND children having a fair amount of choice for school settings. Finally, requesting transparency with Members on the outcomes of this report. Mr Love explained that there was a culture of continuous improvement within the directorate and that there was no simple explanation as to why EHCP numbers in Kent had increased. The Member was to request further answers to his questions from Officers outside of the meeting.
f. A Member noted that the problem within the SEND directorate was self-created and that headteachers of special schools were not being consulted on council actions so far as they were considering taking the Council to a judicial review. Mr Love agreed that problems within SEND was internally created, but significant progress had been made. Detailed conversations with schools could not be had until KCC's policy decision was confirmed. Mr Adams added that there were a lot of things to correct, there were more children in Kent with EHCPs than the national average, which caused budget pressures and capacity issues. Additionally, the directorate was aware that in Kent there were fewer, percentage wise, children with EHCPs in mainstream schools than the national average. The directorate understood these challenges and that issues need to be addressed, additionally understanding the importance of communication and collaboration with school leaders.
g. A Member noted that the last special school review was 20 years ago, admission criteria had not changed since then. More SEND children had to be admitted into schools, head teachers needed to be challenged. Mr Love affirmed that inclusion was very important, there should be no barriers to education to children with physical disabilities. Mr Chapman added that the local area had failed in its SEND duties not KCC, the responsibility of this fell on everyone. There was no current framework of expectation for schools due to ambiguity until the outcomes of the consultations were confirmed, overall there was consistent work to aim for best outcomes for SEND students. Ms Dann explained that a chart had been created that could be shared with Members which would provide further detail, the SEN Partnership Board ensured the directorate was held to account. The board would report to the Health Senior Leader, the Assurance Board, the CEO

of the ICB, the Kent and Medway Integrated Care Board Improving Outcomes and Experience Committee for Health. For KCC it would report to the Improvement and Safety Valve Assurance, the Strategic Reset Programme Board, the CEO of KCC and either the Cabinet or the Scrutiny Committee. Mr McDonnell, Head of SDLS, added that there was significant support for children in mainstream schools with physical disabilities, needs were being met.

h. Mr Jeffrey clarified that the Council had not received an official judicial review over this decision.
i. A Member questioned how the dedicated schools grant would be brought into balance and further information on the operation delivery of it. Additionally, highlighting that mainstream schools were struggling to support SEND young people in mainstream schools without adequate funding or appropriate support. Mr Love shared that 41% of Kent's pupils with EHCPs were placed in special schools, the national average being 32%.

RESOLVED that the Scrutiny Committee noted the report.

92. Call-in of Decision 24/00097 - Special School Review - Phase 1
(Item B1)

1. One of the call-in Members, Ms Dean, explained the reasoning behind the call in, stating that the decision was published before it could receive scrutiny from the Children, Young People and Education Cabinet Committee and the Scrutiny Committee. Additionally, it was believed there was a lack of information about timing and finance available.

2. The other call in Member, Sir Paul Carter, emphasised that Kent's special schools were an area of pride, believing that the special school review was unnecessary and had the potential to force children into home education. Sir Paul, explained the risk of categorisation and the detrimental effects of mixing children with different needs.

3. Mr Love explained that this decision was 'in principle' and was in line with usual time scales. Mr Love expressed pride in all of Kent's special schools and acknowledged the need for improvements within some. The decision to revise designations for seven out of the twenty-four special schools within this review was justified by evolving needs and circumstances since the last review 20 years ago. The changes would be gradual with proper consultation with special schools, any delays these decisions could impact the implementation and the 2026/27 budget. Additionally, this decision enabled Officers to sit down with special schools and work out the way forward collaboratively.

4. In response to comments and questions it was said:
    a. When asked if any progress had been made with the special schools, Mr Love explained that there had been differences of opinion but he believed there had been positive work done with special schools. Mr Adams added that the special schools had been heavily engaged in the process, albeit school leaders may not have always agreed with that process, and that there had been transparency with schools. There were positive conversations and work being done with the SEMH head teachers to

understand and work on the consequences of the decision. Mr Chapman shared that discussions of the amount of work to be done had taken place, there must be a balance of decision benefits and consequences.

b. A Member questioned whether the financial issues within the special school review were critical in order to stay within budget. Additionally, questioning whether the Council's relationship with special school head teachers were recoverable from any animosity. Finally, asking whether the Cabinet Member agreed that it was important to first understand why there was such a demand in Kent for special school education. Mr Love explained that financial considerations played a part in this process as a part of the high needs block. This enables the service to have the right number of special schools available locally. There has been positive conversations and work conducted with special schools, sharing that 41% of Kent students with EHCPs were placed in special schools which was higher than the national average of 32%.
c. A Member questioned the meaning of an 'in principal' decision. Mr Love shared that it gave the go ahead for the resources to be spent so conversations could be had with special schools to work out how to get to what was needed.
d. A Member questioned how the review could be accurate if there were 30% of special schools that had not been reviewed. Mr Love accepted that more needed to be done, there was an unfilled demand for places, in response to this new special schools were being built and more places were being created at existing special schools.

5. Mrs Dean explained that judicial review may not have been served on KCC but special school heads were still prepping a case. Additionally, sharing that schools were not allowed to be in deficit without a special order.

6. Sir Paul believed it to be more appropriate that Mr Love meet with special school leaders and discuss this with them, rather than to bring this item to a meeting of the County Council.

7. Mr Love was open to meeting with special school head teachers and was willing to take feedback on board. Additionally, explaining that special school head teachers should evaluate the use of high needs block funding on court cases.

8. Mr Streatfield clarified that the special school head teachers were not using high needs block funding on any court cases.

9. The Vice-Chair proposed and Mr Webb seconded the recommendation that 'The Scrutiny Committee express comments but not require reconsideration of the decision'.

10. Members voted on the motion. The motion was carried.

RESOLVED that the Scrutiny Committee expressed comments but not require reconsideration of the decision.

93. Safety Valve Programme
(Item C1)

1. John Betts, Corporate Director of Finance, introduced the report and gave an overview of its content.

2. In response to comments and questions it was said:
    a. A Member questioned the delivery of savings and the lack of financial support for SEN children.
    b. A Member questioned the nature of conversation with government about the statutory override. Mr Betts shared that the statutory override was due to end on 31st March 2026. If this was to happen in Kent it was believed it could put the Council on the brink of a Section 114 notice. Many authorities were to put in Section 25 statements text which would state that their budget had been put together expecting a resolution to the statutory override, the Department for Education had acknowledged the issue. There was an expectation that in late spring/early summer 2025 there would be guidance available on the next steps to be taken to resolve this issue.
    c. When asked whether the safety valve was having an effect on the number of Education, Health and Care Plans (EHCP) available. Mr Love explained that the safety valve had no bearing on number of EHCPs issued, however the 2014 SEND Code of Practice did have an effect. EHCPs were for those with the most complex needs, the authority was now making these determinations more accurately. The safety valve provided £140 million which otherwise would have had to have been found elsewhere, the Council was not avoiding the prospect of the government removing the statutory override. The Council had previously overspent on the high needs block, this was becoming under control, it was extremely important to lobby for changes to the SEND system nationally, KCC was getting the spending under control and assessing the causes of this.
    d. A Member explained that there was a Kent analytics paper that stated that new thresholds and a financial overlay were being applied to the number of EHCPs issued, expressing a desire to present this paper to Mr Love.
    e. A Member questioned to repay the current year's safety valve there was an intention to limit the number of EHCPs issued. Additionally, questioning the effect of the transformation scheme. Mr Love explained that the implementation of the SEN funding model would be devolved and support collaboration between nearly schools to manage SEN more effectively. The model aimed to streamline funding and ensure compliance with the 2014 SEND Code of Practice. The goal was to restore financial balance by 2027/28.
    f. A Member asked how with 50 groupings of schools, most containing one special school, money would be allocated without impacting services for SEN pupils. Mr Love explained that the High Needs Block was set by the Government, funding would only change if the Government reduced it. New special schools were being opened and some special schools were being expanded to allow for more spaces, to reduce the requirement to spend significant amounts of funding on private schooling.
    g. When asked about the timeframe of delivery. Mr Chapman shared that there was a five-year rolling process for the safety valve, it was identified that there was work to be done towards the target. Mr Love added a timescale would become clearer once an agreement was reached on the direction of travel of the special school review.
    h. A Member questioned the reduction of EHCPs in the young adult, 20 to 25 years of age, co-hort. Mr Chapman shared that Kent was working at 65%

of its responsibilities in annual reviews which was an improvement from 50%, adding that families had the right to challenge a decision on an EHCP.

RESOLVED that the Scrutiny Committee noted the report.

94. 25/0002 - English Devolution White Paper - KCC response to Government *(Item C2)*

1. Mr Gough explained that Kent County Council had applied to join the devolution priority programme, a decision was expected soon. The council was expecting two announcements: whether KCC and Medway had been accepted onto the Devolution Priority Programme (DPP) and setting out parameters on local government reorganisation. If accepted it would lead to the establishment of a Mayoral Strategic Authority (MSA) and local government reorganisation. A web page had been set up to give details about devolution.
2. Amanda Beer, Chief Executive Officer of KCC, acknowledged the impact of the uncertainty for staff across KCC so noting that once a decision was received from the government there would be more information about timelines and the work of setting up the MSA and Local Government Reorganisation.
3. In response to comments and question from Members it was said:
4. Mr Jeffrey assured Members that training would be provided for devolution and local government reorganisation, there was a desire to extend this to district councils and Medway Council.
5. A Member raised the importance of Members being kept up to date and given the opportunity to scrutinise the process. Mr Jeffreys explained that the General Counsel was to write to parish councils to ensure they were fully informed of the process. Mr Gough added that if Kent was to be successful in the bid for devolution, structures would be established to ensure there was engagement. On the topic of parish councils Mr Gough had met with KALC, within those conversations there was a genuine desire for transparency.
6. A Member questioned whether under LGR KCC's powers would go to unitary authority not to combined authorities. Mr Gough explained that most of the powers would go to the unitary authority. There would be areas at the strategic level that would go to the MSA, emphasising that the MSA would not just be one individual, but would bring together the Mayor and the unitary councils. In any case, it would have to remain a strategic body..
7. A Member believed that the Council must remain business as usual, emphasising the importance of governance and finance. Mr Gough noted that this was hugely complex, there was a large responsibility on KCC to deliver a sound budget and deliver services. There would be a handover and election of shadow authorities, this would be a process of disaggregation.
8. Mr Rayner noted that the KCC Cabinet was taking a proactive approach, KALC had been quick to notify parish councils of the information available. Mr Rayner attended a KALC meeting in the capacity of KCC representative, providing Members with an update on devolution.
9. A Member noted that the reforms were long overdue, emphasising the importance of engagement with district councils, discussing the potential of KCC outreach by visiting towns and informing residents of the devolution process. The Member mentioned the importance of areas without parishes being recommended to set up their own parishes. Additionally, the importance of future proofing the council.

considering growth when boundaries were drawn. Finally, emphasising the importance of delivering the best for Kent residents in a bi-partisan manner.

10. When asked who would manage flood risks. Mr Gough shared that the MSA was linked to resilience, but the answer could not be confirmed, Mr Gough offered to come back to Members with an answer at a later date. Another Member added that the MSA was to be responsible for the environment and climate change.
11. A Member noted that the spread of misinformation about devolution could be due to lack of complete understanding of Members who voted for the priority programme, additionally questioning the rushed timescale of Kent's application to the DPP. Mr Jeffreys explained that the County Council vote on the DPP was a free vote. Mr Gough added that devolution process was to be delivered in 16 months not the reorganisation of local government, which would take longer. Devolution would allow for the creation of an effective strategic organisation which would be able to deliver in the key areas separate from the pressures of people services, with powers, funding and a national voice to do so.

12. RESOLVED that the Scrutiny Committee noted the urgent decision taken by Cabinet on 9 January 2025.

95. Update on the approach to improving the accessibility of schools in Kent

(Item C3)

The Chairman proposed that this item be deferred to a future meeting, this was agreed.

96. Work Programme

(Item D1)

1. In response to a request from a Member the Clerk added an item on the Household Support Grant to the agenda.

2. A Member requested that an item on the decision to stop the commissioned youth services be added to the work programme.

3. The Chair added an item on the sale of assets of Kent County Council.

RESOLVED that the work programme was noted.

97. Call-in of Decision 24/00093 - Future of Commissioned Services at Seashells and Millmead Family Hubs

(Item E1)

1. The Chairman invited one of the call-in members, Ms Meade, to provide an overview of the reasons for the call-in. Ms Meade set out her reasons for the call-in and explained that it was believed that the decision was not in line with the Council's decision framework or policy framework. Ms Meade shared that these centres had a higher footfall and lower cost per client compared to other hubs, from April to November 2024 the Seashells Hub had a 25% larger reach than the six hubs that surrounded it. Whilst the report stated that KCC would receive a £426,000 annual saving by not renewing the contracts, it was considered that

there was a lack of detail regarding additional costs alternative hubs would have to cover due to this.

2. Ms Meade requested: complete funding plans and analysis in relation to this decision, full disclosure of the existing contracts and the contract extension requirements and full detail of what the £4.1 million additional family hub funding from central Government was to be used on.

3. The other call-in member, Mr Lewis, explained that there was a significantly higher footfall of users for the Millmead Family Hub than those hubs surrounding it. The closure of this hub would cause inconvenience and higher travel costs for its 120 monthly users. Mr Lewis believed that closing Millmead Family Hub and keeping open Cliftonville Family Hub would increase costs significantly, adding that the Millmead Family Hub had agreed to work on a reduced budget of £165,000 for the next year.

4. Ms Chandler, Cabinet Member for Integrated Children's Services, shared that within the 2025/26 KCC Budget there was funding for the equivalent provisions within those districts from alternative venues. The additional family hub funding had been already encompassed into the budget. The Millmead Family Hub was to become a Healthy Living Centre, which would provide additional services funded by the public health budget. The proposal for equivalent provisions within those districts at alternate venues, had been incorporated into the overall budget for 2025/26. There was a desire to offer more services in-house, allowing for the management of costs, some of which were to be shared across the county and would allow for a parity of quality across the county.

5. Ingrid Crisan, Director of Operational Integrated Children's Services, added that family hubs were a national programme that had specific requirements in areas such as perinatal mental health, parent infant relationships and parenting support. A comprehensive manual issued by the government detailed how areas of work were to be delivered including KPI's and overall expectations. An assessment of services provided at the hubs revealed that Seashells Family Hub provided 14 hours of family hub services a week, and Millmead Family Hub provided nine hours.

6. Mr Lewis asked how many hours of family hub services the Cliftonville centre provided weekly. Ms Crisan explained that the work conducted at Cliftonville was in line with the national programmes of delivery for these services.

7. A Member asked for clarification, that the allocation of family hub funding was not only for early years, expressing concern that young people were overlooked if funding was not being utilised for older children. Ms Crisan assured Members that parenting support, home learning environment services and parent child relationship care panels were open to children of all ages and was extended to 25 years of age for those with special educational needs.

8. A Member asked for clarification on the duration of the funding for the Millmead Family Hub to become a Healthy Living Centre and for clarification on the data provided to the Committee.

9. A Member questioned what was to happen to the delivery of services after March 2025 if the decision was to go to County Council. Additionally, the Member raised an issue with the accuracy of the EQIA and asked for clarification as to why these commissioned services were not included in the Kent Communities Programme. Lastly, expressing that there was not enough support for vulnerable children within these proposals. Mrs Chandler shared that the Kent Communities Programme initially included all services and buildings but the current matter involved commission projects from buildings not owned by KCC.

10. A Member expressed the importance of community value when assessing best value. Further, highlighting the lack of data available on the costs, funding allocations and outreach plans.

11. A Member shared that the Sheppey Gateway was run under a partnership between KCC and Swale Borough Council, the Member suggested that the Chief Executive Officer at Swale Borough Council had not received any correspondence from KCC about the potential move of the family hub services into the gateway. Secondly, the Member added that the minister recognised the vital support provided by Seashells and Millmead and had shared the government's intention to keep family hubs open, asking whether the Cabinet Member could request the funding from the ministry. Finally, the Member questioned the legality behind this decision. Mrs Chandler assured Members that limited conversations had taken place with the Sheppey Gateway. Additionally, Mrs Chandler assured Members that the minister was aware that KCC had plans to deliver the family hub services nearby.

12. A Member expressed concern at the impact of the loss of the family services in a deprived area, noting that travel to alternative locations may not be viable for some residents.

13. A Member expressed the desire for KCC's Cabinet to be completely informed before they were to hear this decision and asked for clarity on the timeline of this decision following a recommendation from this Committee.

14. A Member shared that Members had received no clear answers to questions previously raised about the finances of this decision or the legality of a contract extension. Mrs Chandler shared that legal advisors provided guidance which stated that an extension was not possible, largely due to the terms and conditions of previous children's centre contracts.

15. Ms Meade said that the questions surrounding the validity of the figures provided, undermined the decision-making process. Additionally, asking for further clarity on Infant Feeding Support and the viability of the timeline for implementation. Furthermore, Ms Meade criticised the accessibility of the service if the two hubs were to be closed, emphasising the importance of providing services in the frequently used locations.

16. Mr Lewis noted the lack of support for closing the Millmead and Seashells Family Hubs. Furthermore, adding that there were no management costs at the Millmead Hub.

17. Members discussed the possibility of delaying the debate to allow for all Member to properly review data that was shared. Members believed that option D “implementation of the decision to be postponed pending review or scrutiny of the matter by full Council” would be the most appropriate course of action. The clerk advised that in line with the constitution, if the Committee referred the decision back to either the decision maker or to full council the Cabinet would first be asked to reconsider the decision with the ability to confirm, amend or rescind.

18. The Chair moved and Mr Whiting seconded the motion that “implementation of the decision to be postponed pending review or scrutiny of the matter by full Council”.

19. Members voted on the motion. The motion was carried unanimously.

RESOLVED that the Scrutiny Committee require implementation of the decision to be postponed pending review or scrutiny of the matter by the full Council.

This page is intentionally left blank

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 26 February 2025.

PRESENT: Mr A Booth (Chairman), Mr P V Barrington-King (Vice-Chairman), Mrs R Binks, Mr A Brady, Mr D L Brazier, Ms J Hawkins, Mr A J Hook, Mrs S Prendergast and Mr S Webb

ALSO PRESENT: Mrs S Chandler, Mr R W Gough, Mr D Jeffrey, Mr P J Oakford, Mr R G Streatfeild, MBE and Mr D Watkins

IN ATTENDANCE: Mr M Albiston (Director of Adult Social Care (Operations) Kent), Alesbrook (Financial Hardship Programme Manager), Ms R Anderson (Head of Business Information, Strategy and Assurance), Mr J Betts (Interim Corporate Director Finance), Mrs S Hammond (Corporate Director Children, Young People and Education), Mr R Smith (Corporate Director Adult Social Care and Health), Mrs R Spore (Director of Infrastructure), Mrs A Taylor (Scrutiny Research Officer), Ms J Taylor (Head of Capital Works), Mr B Watts (General Counsel) and Mr T Woolmer (Head of Strategic Partnerships)

UNRESTRICTED ITEMS

98. Apologies and Substitutes
(Item A2)

Apologies were received from Mr Bond, Mrs Game, Mr Richardson and the Parent Governor and Church Representatives.

99. Declarations of Interests by Members in items on the Agenda for this Meeting
(Item A3)

There were no declarations of interest.

100. Devolution and Local Government Reform
(Item C1)

1. Mr Gough introduced the item, highlighting the complexity of the devolution and local government reform (LGR) process. It had been three weeks since the announcement from the Government that Kent and Medway had not been selected as one of the areas that would be part of its Devolution Priority Programme.

2. There remained confusion over the reasons behind the decision to exclude Kent and Medway, particularly when every other Eastern and South Eastern Council was included. The Government cited the size difference between Kent and Medway as a reason for the exclusion, however this had not been raised as an issue during discussions in the run up to the decision being made.

3. The Government had confirmed that the LGR process would proceed regardless of devolution priority status. An initial submission had been requested by Government by 21 March 2025 with full proposals expected by 28 November. The discussion around the number and shape of unitary councils was ongoing.

4. Mr Gough emphasised the importance of public service reform, leveraging Kent's co-terminosity of major public services. Engagement with partners such as the police, fire, health and educational institutions was crucial.

5. Mr Gough responded to questions from Members which included the following:

    a. Concerns were raised about transparency and need for open conversations with stakeholders. Mr Gough explained that he proposed to establish a committee to focus on devolution and LGR, with regular briefings for all members – Members were keen that stakeholders, such as Kent Association of Local Councils (KALC), were given the option of a seat on that Committee.
    b. It was important to continue to engage with parish and town councils through KALC and other forums, this had been done and extensive discussions had been had with KALC including the Leader of Medway Council attending the KALC AGM.
    c. It was important to maintain flexibility and adapt to evolving circumstances, there was a commitment to ongoing engagement and transparency throughout the process.

6. With regards to the timeline for new councils, this was complicated, however the current working assumption was towards shadow elections in 2027 and new bodies in 2028.

7. There was a need to get devolution back on track, there were good working relationships across Kent and Medway with regular meetings of Leaders and Kent Joint Chiefs.

RESOLVED that the Committee note the update provided by the Leader of the Council.

101. Household Support Fund
(Item C2)

1. The Chairman invited Mr Hook, as the Member who requested that the item be placed on the agenda, to outline the reasons for it being considered by the Scrutiny Committee. Mr Hook explained that he wished to explore why the Household Support Fund (HSF) was being used in the way it was, particularly the criteria for eligibility, including income thresholds and savings limits. Mr Hook also had concerns about the lack of consideration for housing costs within the eligibility criteria and pensioners missing out and efforts to promote take up of the schemes.

2. Mr Gough explained that the HSF had become a regular part of the Council's activity having been established during the pandemic. It began with a focus on

free school meals during the summer holiday and had evolved into part of the structure for tackling poverty, disadvantage and financial hardship.

3. Mr Gough explained that the "Just Missing Out" scheme was a response to the situation that had arisen from the discontinuation of the winter fuel payment for those who were not on pension credit. A twin track approach meant the Council was both seeking to publicise the fund as well as boosting the take-up of pension credit and also to reach those who were just excluded.

4. The take up of the Just Missing Out Scheme had been modest, with around 1,500 people applying from up to 5,000 eligible residents. Work continued to address this, and the Department for Work and Pensions (DWP) had been complimentary about the way in which the scheme had operated and that the approach to criteria worked well.

5. Approximately 20% of the funding was devolved to districts and boroughs which then ran their own customised schemes locally to meet specific local need.

6. Lucy Alesbrook explained that there were limitations around the HSF, the DWP had made it clear that housing support should be limited within the delivery of the fund.

7. In talking to partners about eligibility criteria for the scheme it was clear that it could be a challenge for people in hardship when faced with very complicated processes to enable them to access support, a particular success of the HSF had been in making the process as simple as possible for people to access.

8. In relation to the pension credit campaign, Officers were working in partnership with district and borough council colleagues who received the data on pension credit take-up. Further information would be provided to Members when it was available.

9. Regarding free school meal eligible households, support was available as a wider part of the delivery of HSF.

10. Members received confirmation that the government had committed to funding the HSF for another year, a Member requested that consideration be given to housing costs in future criteria and the consideration given to continuing the simplicity of the application process was welcomed.

11. The Cabinet Member and Officers responded to questions from Members which included the following:

    a. Could more information be provided on distribution throughout the county?
    b. Unspent funds would be assumed into the general HSF and would be allocated to people in financial hardship.
    c. A breakdown of the current financial position of the HSF would be provided along with district spend.
    d. In terms of marketing and promotion to raise awareness of the Just Missing out scheme radio adverts had been used along with bus, train advertising and mail-outs to members of the public and partners – further information on the marketing would be provided.

e. Ms Alesbrook confirmed that Canterbury City Council had undertaken a public participation scheme. The ways in which the district and borough councils operated their schemes differed but KCC worked closely with the them and where there were opportunities to support each other these were promoted.
f. In response to a question about those missing out on Pension Credit the Just Missing Out Scheme was intended to focus on that group and provide them with support

12. The Chairman thanked the Cabinet Member and Officers for attending the meeting, for providing responses to the questions asked and for offering to provide further information as requested.

RESOLVED that the Scrutiny Committee note the information provided in relation to the delivery of the Household Support Fund.

102. Asset Management Strategy 2024-2030 Decision - 24/00069
(Item C3)

1. The Chairman introduced this item, which had also been requested by Mr Brady, highlighting the importance of the Asset Management Strategy (AMS) 2024-2030, especially in challenging financial times.

2. Mr Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, was invited to provide an overview, he emphasised the strategy's focus on maintaining properties as "warm, safe, and dry." Maintenance had fallen into being reactive whereas it should be preventative maintenance. The property team had reviewed all properties, identifying underutilised buildings and were focusing maintenance funds on essential assets. The team had successfully accelerated asset sales, doubling the expected revenue, which had helped mitigate budget challenges.

3. The strategy aimed to address the financial constraints of the Council by optimising property management. There was an emphasis on regular maintenance to avoid costly repairs and efforts were made to better utilise buildings and dispose of underutilised assets.

4. The Cabinet Member and Officers noted comments and responded to questions which included the following:

    a. In response to a question from the Chairman about the current value of KCC's building assets and the number of properties that were currently vacant the officers confirmed that the estate was valued at approximately £2.77 billion, with around 100 vacant properties. The AMS set out the nature of the portfolio, the types of assets that fell into each category and the proportions of freehold and leasehold.
    b. The previous strategy ran from 2018 – 2023 and during the pandemic there were both challenges and budget pressures. The impact of the "warm, safe and dry" strategy had resulted in the Council struggling to maintain anything over the warm, safe and dry standard. However, the new strategy included lifecycle management to ensure ongoing maintenance costs were considered.

c. Concerns were raised about the transparency of asset utilisation and the impact on community assets, it was confirmed that the strategy included measures to improve transparency and collaboration with members.
d. The Cabinet Member and Officers offered to report back to Members at a future meeting to follow up on the further questions of Members.
e. In developing the new strategy, a number of internal workshops had been run setting out what had been achieved during the old strategy and lessons learned from those. A new Facilities Management contract was procured which included the restructure of the way that services were delivered. A key objective in the new strategy was around the co-locations and flexibility of the use of buildings.
f. Was there a list of underutilised assets? More engagement should be undertaken with the local member to determine why it's not utilised and to find ways for the community to utilise the asset for the benefit of residents and the council to ensure KCC was not disposing of an asset that might be of community need.
g. KPIs had been developed in relation to the strategy and these would be reported to Policy and Resources Cabinet Committee in due course.
h. A Member asked whether directorates had a responsibility for monitoring the list of council assets or whether this was done by the property team? The broad asset reviews were part of the strategic reset programme, this was split into office estates, community estate (e.g. libraries) and specialist estate (assets we hold for a particular purpose).
i. In response to a question about the Equality Impact Assessment (EQIA) relating to the decision, it was confirmed that individual EQIAs were undertaken around particular streams of activity. When further decisions were made separate EQIAs would be produced which would highlight the impact of the decision.
j. Individual property data was available and the officers offered to provide a briefing for members on the key elements.
k. In terms of transparency, a lot of information was publicly available in terms of the asset base. Tools were available for members to search for particular assets in particular locations to determine ownership for example. This would be promoted following the KCC elections in May 2025.

5. Members were keen to take up the offer of further updates to the committee.

6. The Chairman thanked Mr Oakford and the officers for attending the meeting and for answering Members' questions.

RESOLVED that Members note the decision taken in relation to the Asset Management Strategy 2024-2030.

103. Transfer of the 18-25 section of the Strengthening Independence Service - Decision 24/00109
(Item C4)

1. The Chairman asked Mr Streatfeild to introduce this item as he had requested that it be placed on the agenda for discussion.

2. Mr Streatfeild emphasised the importance of the decision which focused on the transfer of the 18-25 section of the Strengthening Independence Service (SIS) from the responsibility of the Director of Children, Education and Young People (CYPE) to Adult Social Care. He raised concerns about the lack of consultation and communication with parents and the Corporate Parenting Panel regarding the transfer. He also raised concerns about the legal and financial implications of the transfer, including the potential risks and that no equality impact assessment was submitted to the Cabinet Committee when they were asked to discuss the decision.

3. Mrs Chandler, the Cabinet Member for Integrated Children's Services explained the rationale behind the decision, emphasising that it was based on statutory responsibilities and the consistency of services for the 18 to 25 cohort. She assured Member that the services and staff would remain unchanged, with only the line management structure being altered.

4. Mr Watkins, Cabinet Member for Adults and Public Health concurred with Mrs Chandler.

5. Mrs Hammond, Corporate Director for CYPE provided a comprehensive overview of the transfer, including the number of young adults affected and the financial implications. She clarified that the transfer was purely an organisational change and that the services provided to the young adults would remain the same.

6. The Cabinet Members and Officers responded to questions from members which included the following:

    a) In response to questions Officers addressed concerns about the communication plan, communications were being drafted to young people, their families and KCC's partners, there was to be no difference in the service provided.
    b) The General Counsel confirmed that as this was not a call-in of the decision the decision had been taken in relation to the transfer of statutory functions. He was comfortable from a legal perspective about the decision but if changes were to be made around the way in which the services were delivered this would require further decision making.
    c) In relation to the impact on EHCPs the numbers which were challenged were very small, this would continue to be monitored.
    d) Regarding staff concerns these had been raised by a staff group in relation to the way in which children's social workers were rewarded through their pay. Following the recruitment and retention challenges with children's social workers the recruitment and retention packages would not change, but this would lead to inequalities in pay and conditions and this would be reviewed in the longer term.

7. Members asked that the decision be brought back to the committee at a future date to assess the impact of the transfer.

RESOLVED that Members note the decision and request that it be brought back to the Committee at a future meeting.

104. Work Programme
(Item D1)

RESOLVED that the work programme was noted.

This page is intentionally left blank

By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee, 18 March 2025

Subject: Devolution and Local Government Reorganisation update.

Summary: The Chairman and Spokespeople of the Scrutiny Committee have asked that this issue be placed on the agenda for discussion.

1. Introduction

a) This is the third update to the Scrutiny Committee on devolution and local government reorganisation, which also follows an update to the County Council meeting on 13 March 2025 by the Leader of the Council.

b) The Chairman and Spokespeople of the Committee have requested that a brief update be given to the Scrutiny Committee at its meeting on 18 March.

2. Recommendation

The Scrutiny Committee is asked to:

a) Discuss and comment on or note the update provided by the Leader of the Council on devolution and local government reorganisation.

3. Background documents

a) Agenda for County Council on Thursday, 13th March, 2025, 10.00 am

b) Agenda for Scrutiny Committee on Wednesday, 26th February, 2025, 10.00 am

c) Agenda for Scrutiny Committee on Wednesday, 29th January, 2025, 10.00 am

Contact Details
Anna Taylor, Scrutiny Research Officer
anna.taylor@kent.gov.uk 03000 416478

This page is intentionally left blank

By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee, 18 March 2025

Subject: Revenue and Capital Budget Monitoring Report November 2024-25

Summary: As requested by the Chairman and Spokespeople of the Scrutiny Committee the Committee is asked to discuss and comment on or note the Revenue and Capital Budget Monitoring Report November 2024-25.

---

1. Introduction

a) The attached report was presented to Cabinet on 30 January 2025 and sets out the revenue and capital monitoring position at November 2024-25 (Quarter 3). The Cabinet was also asked to agree to a number of actions as set out in the recommendations within the report. This report sets out a forecast revenue overspend of £23.3million which is 1.6% of the Council's total revenue budget.

b) As the Cabinet report sets out the forecast outturn position has decreased by £3.5m and is an improvement since Quarter 2 but it remains a significant concern for the authority and presents a risk to the Council's future financial sustainability

c) Adult Social Care and Health (ASCH) continues to have the largest overspend, projected at £35.4million. The financial challenges faced by ASCH are similar to those faced by many upper-tier authorities.

d) Financial Scrutiny is a continuing duty throughout the year, in addition to the key role of the committee in considering the Executive's draft budget proposals in January.

2. Attached documents

a) Cabinet Covering Report

b) Finance Monitoring Report

c) Appendix 1 – Key Service Statement

3. Recommendation

The Scrutiny Committee is asked to discuss and comment on or note the report.

Contact Details

Anna Taylor, Scrutiny Research Officer
anna.taylor@kent.gov.uk 03000 416478

This page is intentionally left blank

From:	Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford Interim Corporate Director Finance, John Betts
To:	Cabinet, 30 January 2025
Subject:	Revenue and Capital Budget Monitoring Report – November 2024-25
Classification:	Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring position as at November 2024-25. This report is one month earlier in the monitoring timetable than is usually presented to Cabinet and aims to provide Members with a more timely budget monitoring update in advance of the 2025-26 Budget County Council in February 2025.

The report also provides detail on the progress on the delivery of savings in the 2024-25 revenue budget, capital cash limit changes made between October and November 2024, and monitoring updates for Treasury Management, Prudential Indicators and Reserves. This covering report also provides a narrative update on in year progress and reconfirms the actions being taken to mitigate the overspend.

Recommendation(s):

Cabinet is asked to:

a) NOTE the forecast revenue overspend of £23.3m (excluding Schools) and the actions being taken to mitigate the forecast overspend

b) NOTE the forecast overspend on Schools' Delegated Budgets of £30.4m.

c) NOTE the forecast capital underspend of £111.6m.

d) NOTE the progress on the delivery of savings.

e) AGREE the Capital budget changes.

f) NOTE the Reserves, Treasury Management and Prudential Indicators monitoring

1. Introduction

1.1 The Quarter 3 2024-25 budget monitoring report being presented sets out the revenue and capital forecast position.

2 Revenue and Capital Budget Monitoring Report

2.1 The attached report sets out the overall forecast position as at Quarter 3 of 2024-25, which is a revenue overspend of +£23.3m and a capital underspend of -£111.6m.

2.2 The forecast revenue outturn position of +£23.3m (excluding schools), represents 1.6% of the revenue budget. The forecast outturn position has decreased by £3.5m compared with the forecast position in September 2024-25 (Quarter 2). Whilst it should be recognised that this is an improvement in the position compared with Quarter 2, it is still a concern for the authority and presents a risk to the Council's future financial sustainability.

2.3 The position in Adult Social Care & Health continues to be the main focus and the reported overspend has increased by £2.9m and is now £35.4m. This is as a result of a combination of savings not being delivered in 2024-25 (£26.2m) and other service related pressures (£9.2m).

2.3 The improvement in the position overall is largely as a result of the £9.9m underspend in the Children, Young People & Education (CYPE) directorate (£3.1m in Quarter 2). Home to School & College Transport costs have been lower, as a result of a concentrated, transformational review of the service, which has resulted in a greater proportion of children receiving a Personal Transport Budget (PTB) and lower costs of hired transport resulting from the successful retendering of contracts. This contributes to £8.6m of the CYPE underspend.

2.4 The Chief Executive's Department (£1.2m), Deputy Chief Executive's Department (£3.0m) and Non Attributable Costs (£7.0m) have maintained their underspend positions which partly mitigate the overspends reported in Adult Social Care & Health (£35.4m), Growth, Environment & Transport (£6.3m) and Corporately Held Budgets (£2.6m).

3. Mitigating the Forecast Overspend

3.1 There are a number of factors to consider in response to the forecast overspend:

- Understanding the drivers for the overspend, particularly in the Adult Social Care & Health (ASCH) directorate
- Actions being taken this year to manage the forecast overspend in ASCH
- Actions being taken elsewhere in the Council to offset the overspend

3.2 The rest of this section takes these factors in turn.

3.3 The financial challenges facing the Council are similar to many upper-tier local authorities. As mentioned in the previous Quarter's monitoring report, the annual survey conducted by the Association of Directors of Adult Social Services (ADASS) indicated that 81% of councils are on course to overspend on their adult social care budget in the current financial year. The ASCH directorate has a forecast net overspend of +£35.4m, of which £26.2m relates to savings which are unable to be delivered in 2024-25 and £9.2m of the overspend relates to other service-related pressures. The drivers of cost are not simply a matter of additional demand, reflected through an increased number of clients. The absolute increase in client numbers requiring support remains relatively modest. The increase in spending is largely driven by increases in the costs (both complexity and inflationary) of new social care placements with providers. The savings that are currently forecast not to be delivered in 2024-25 are largely due to be delivered in subsequent years and this is built into the revenue draft budget for 2025-26, alongside a consideration of the robustness and deliverability of these savings.

3.4 None of this detracts from the need to take action within the ASCH directorate to reduce the forecast in-year overspend, as far as is possible. Panels remain in place to ensure that social care need is being met in the most cost effective manner and the role and effectiveness of these panels is being reviewed by senior management. External consultants continue to work closely with ASCH front line staff to identify more effective practice that will deliver cashable savings and reduce the forecast overspend trajectory. There is work to bolster multi-disciplinary decision-making and to maximise enabling and preventative interventions designed to reduce cost through stemming demand and improving more cost effective practice. A rapid review of current savings plans has been undertaken to identify where savings may be accelerated and where new savings may at least partly offset the overspend in this financial year. There is also work being undertaken on reablement and therapies, designed to test whether a short period of intensive support and intervention will lead to better outcomes and cashable savings, supporting clients to be more independent. All of these activities are consistent with the objective of delivering New Models of Care and Support within Framing Kent's Future.

3.5 As is noted in Sections 2.3 and 2.4 above, the rest of the Council is generally underspending, which partly offsets the overspend in ASCH. In GET, actions are being taken to reduce spend, but the overspend is largely due to the national English National Concessionary Travel Scheme, Waste Facilities & Recycling Centres and Highway Asset Management.

3.6 Throughout the organisation spending controls remain in place. For example, specific levels of approval continue to be required for any recruitment activity. Requisitions are reviewed for appropriateness and compliance with spending control requirements. This should all contribute towards further reducing the overspend.

3.6 It is essential that these additional actions, alongside the delivery of our MTFP savings, continue as we move towards the end of the financial year. This will help minimise the need for a drawdown from reserves at year end, which would otherwise weaken the Council's financial resilience. The impact on reserves can be seen in Section 7 of the report.

4 **Other Factors**

4.1 Schools' Delegated budgets are reporting an overspend of +£30.4m. This reflects the impact of high demand for additional SEN support and greater demand for specialist provision. 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.

4.2 There is a savings target of £111.2m (excluding changes in grant income and the removal of one-off or undelivered savings in previous years). Currently, £80.3m of savings are forecast to be achieved.

4.3 The forecast outturn capital position is a real overspend of £12.9m and a rephasing variance of -£124.5m, so a net underspend of £111.6m.

4. Recommendation(s)

Cabinet is asked to:

a) NOTE the forecast revenue overspend of £23.3m (excluding Schools).

b) NOTE the forecast overspend on Schools' Delegated Budgets of £30.4m.

c) NOTE the forecast capital underspend of £111.6m.

d) NOTE the progress on the delivery of savings.

e) AGREE the Capital budget changes.

f) NOTE the Reserves, Treasury Management and Prudential Indicators Monitoring

5. Contact details

Report Author	Relevant Director
Joe McKay Acting Chief Accountant 03000 419601 joe.mckay@kent.gov.uk	John Betts Interim Corporate Director Finance 03000 410066 John.betts@kent.gov.uk

Finance Monitoring Report

As at November 2024-25 – Quarter 3

By	Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford Interim Corporate Director Finance, John Betts Corporate Directors
To	Cabinet – 30 January 2025
	Unrestricted

Page 33

Contact Details

Interim Corporate Director Finance	John Betts	03000 410 066	john.betts@kent.gov.uk
Head of Finance Operations	Cath Head	03000 416 934	cath.head@kent.gov.uk
Acting Chief Accountant	Joe McKay	03000 419 601	joe.mckay@kent.gov.uk
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

Contents

1 | Introduction and Headlines

This report provides an update on the Council's revenue and capital financial position as at Quarter 3 2024-25. The report also provides detail on the progress on the delivery savings in the 2024-25 revenue budget, capital cash limit changes made during October and November 2024, and monitoring updates for Treasury Management, Prudential Indicators and Reserves.

- The Council is forecasting a revenue overspend of £23.3m (excluding schools)
- The revenue overspend has reduced by £3.5m compared with the position at Quarter 2
- Schools' Delegated Budgets are forecasting a £30.4m overspend
- The Council has a savings target of £111.2m (excluding changes in grant income and the removal of one-off or undelivered savings in previous years). Currently, £80.3m of savings are forecast to be achieved
- The Council is forecasting a real variance of £12.9m and a rephasing variance of -£124.5m on the capital programme, so a net underspend of £111.6m

Changes to the administration's draft revenue budget 2025-26 and high-level plans for 2026-27 and 2027-28 have been published for further Cabinet Committee scrutiny during January. The January reports also include the draft capital programme. The updated plans include the grant changes in the provisional Local Government Finance Settlement published on 18th December, provisional Council Tax base and collection fund estimates from districts, updated full year impacts from Quarter 2 2024-25 budget monitoring, latest inflation forecasts from Office for Budget Responsibility and updated spending trends and savings/income plans. The administration's draft budget for 2025-26 is balanced and MTFP broadly balanced over the three-year period, albeit the 2025-26 draft budget continues to rely on some one-offs, and multi-year settlements from government have not yet been announced.

Forecast spending growth continues to significantly exceed the forecast funding requiring savings and income to balance the budget. Spending growth includes base budget changes to reflect full year effect of forecast spending variances from the Quarter 2 2024-25 monitoring, forecast increases in prices (including full year effect of current year price uplifts), forecast changes in demand and other non-inflationary factors affecting costs, and increases in pay. The savings represent a net figure including positive amounts for the removal of one-off savings and previously agreed savings which have now been confirmed as irrecoverable (savings that were previously included in budget plans which have now been rephased are effectively rolled forward into subsequent years), as well as negative amounts for the full year effect of previously agreed savings and new savings proposals.

A final draft is presented to Cabinet at the end of January for endorsement (at the same meeting as the Quarter 3 budget monitoring). The draft budget, MTFP and capital programme will be considered and approved by full Council at the annual budget meeting on 13th February 2025.

2 | Recommendations

2.1	Note the forecast revenue overspend of £23.3m (excluding Schools)	Please refer to Section 3

2.2	Note the forecast overspend on Schools’ Delegated Budgets of £30.4m	Please refer to Section 3g
2.3	Note the forecast capital underspend of £111.6m	Please refer to Section 6
2.4	Consider and note the progress on the delivery of savings	Please refer to Section 4
2.5	Note and agree the Capital budget changes	Please refer to Section 7
2.6	Note the Reserves Monitoring, Treasury Management and Prudential Indicators Monitoring	Please refer to Section 7, 8, and Appendix 3

3 | Revenue Budget Forecast

The forecast revenue outturn position is an overspend of +£23.3m (excluding schools), which represents 1.6% of the revenue budget. The forecast outturn position has reduced by £3.5m compared with the forecast position at Quarter 2. Whilst the underspend had reduced, the position is still a concern for the authority and presents a serious risk to the Council's future financial sustainability. It is essential that action is taken to reduce the 2024-25 forecast outturn to as close to a balanced position as possible to limit the need for drawdown from reserves at year end which would further weaken the Council's financial resilience and increase the requirement to replenish reserves in future years. The impact on reserves can be seen in Section 7.

Overspends are being reported in Adult Social Care & Health (+£35.4m), Growth Environment & Transport (+£6.3m) and Corporately Held Budgets (+£2.6m). Underspends are being reported in Children, Young People & Education Department (-£9.9m), Chief Executive's Department (-£1.2m), Deputy Chief Executive's Department (-£3.0m) and Non Attributable Costs (-£7.0m). The report details Key Service Line variances by Directorate. Schools' Delegated Budgets is currently forecasting an overspend of £30.4m.

Delivery of savings is a crucial component of the Council's forecast position for 2024-25 and the forecast currently indicates that savings of £80.3m will be delivered. The Strategic Reset Programme (SRP) Team is monitoring savings working alongside the Directorates, Finance Business Partners and performance and analytics. Non delivery of these savings will have a significant impact on future years' budgets.

All figures in £m

Directorate	Revenue	Revenue	Revenue	%

	Budget	Forecast	Variance	Variance
Adult Social Care & Health	586.1	621.6	+35.4	+6.0%
Children, Young People & Education	430.6	420.8	-9.9	-2.3%
Growth, Environment & Transport	202.9	209.2	+6.3	+3.1%
Chief Executive's Department	30.5	29.3	-1.2	-3.9%
Deputy Chief Executive's Department	82.2	79.2	-3.0	-3.6%
Non Attributable Costs	102.4	95.4	-7.0	-6.8%
Corporately Held Budgets	-2.4	0.2	+2.6	-107.5%
Directorates Position	**1,432.3**	**1,455.6**	**+ 23.3**	**+1.6%**
Schools' Delegated Budgets	0.0	30.4	+30.4	
Overall Position	**1,432.3**	**1,486.0**	**+53.7**	

3a | Adult Social Care & Health including Public Health

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Adult Social Care & Health Operations	524.7	588.4	+63.7
Strategic Management & Directorate Budgets	39.3	10.0	-29.3
Strategic Commissioning (Integrated & Adults)	22.1	23.2	+1.0
Public Health	0.0	0.0	0.0
Total	**586.1**	**621.6**	**+35.4**

The Adult Social Care & Health directorate has a projected net overspend of +£35.4m of which £26.2m relates to savings unable to be delivered in this year, leaving £9.2m of other service related pressures.

The forecast assumes that £19.1m of savings have been delivered, and that a further £9.7m will be delivered to the end of the financial year.

Details of the significant variances are shown on the following page. Savings monitoring for Adult Social Care & Health including Public Health is in Section 4a.

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Older People - Residential Care Services	97.5	124.9	+27.4	Pressure from slippage in savings programme	+£10.7m pressure on this service line relates to slippage in savings activity, and +£12.4m from pressures relating to client activity. Other pressures on this service line include a +£1.6m increase in contributions to the provision for bad and doubtful debts, and +£2.8m from costs relating to the previous financial year due to additional backdated client activity above the level accrued for.
Adult Mental Health - Community Based Services	21.2	30.2	+9.0	Activity and price pressures beyond budgeted levels, and slippage in savings programme.	+£4.2m pressure relates to more people receiving supported living care packages, including an increase in average hours provided per person to meet more complex needs. Other pressures include +£4.6m from slippage in savings activity, +£0.3m from costs relating to the previous financial year.
Older People - Community Based Services	35.4	41.7	+6.3	Activity and price pressures beyond budgeted levels	+£3.4m pressure relates to homecare services where there has been an increase in the average number of hours of support provided. Other pressures include +£4.5m from savings which are no longer anticipated to be achieved this financial year, and a +£0.5m increase on contributions to the provision for bad and doubtful debts. The above pressures are offset by forecast underspends across other older people community based services of -£1.6m, and estimated benefit from unrealised creditors from the previous financial year -£0.5m.
Adult Physical Disability - Community Based Services	32.9	37.7	+4.9	Increases in Supported Living care packages	+£3.0m pressure relates to people receiving supported living services with higher cost packages. Other pressures include +£2.0m from savings which are no longer anticipated to be achieved this financial year, and a +£0.4m increase on contributions to the provision for bad and doubtful debts. Above pressures are partly offset by -£0.5m estimated benefit from unrealised creditors from the previous financial year.
Adult Learning Disability -	127.1	129.5	+2.4	Increases in	+£2.9m of the overspend relates to people receiving supported living

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Community Based Services & Support for Carers				Supported Living care packages	services which is driven in the main by increased activity in terms of hours of support being provided. Other pressures include +£0.1m from savings which are no longer expected to be achieved this financial year, and +£0.3m from contributions to the provision for bad and doubtful debts. The above pressures are offset by -£0.8m estimated benefit from unrealised creditors from the previous financial year.
Adult Physical Disability - Residential Care Services	24.5	28.8	+4.3	Activity pressures beyond budgeted levels	+£3.6m overspend relates to people accessing nursing and residential care services, with increases in activity exceeding budgeted levels. Other pressures include +£0.3m from savings no longer expected to be achieved this financial year, and +£0.4m from contributions to the provision for bad and doubtful debts.
Adult Mental Health - Residential Care Services	21.4	23.7	+2.3	Activity pressures beyond budgeted levels	+£1.4m overspend relates to people accessing nursing and residential care services, with increases in activity exceeding budgeted levels. Other pressures include +£0.2m from savings no longer expected to be achieved this financial year, and +£0.7m from contributions to the provision for bad and doubtful debts.
Older People - In House Provision	16.0	18.5	+2.5	Service pressures on In House Residential Units	+£2.7m relates to budget pressures across Gravesham Place, Broadmeadow, Westbrook, and Westview short break units due to staffing pressures arising from increasing staffing levels to maximise bed capacity and use of agency staff to provide additional capacity and cover for unplanned absences, alongside pressure on Westbrook and Westview from increasing energy costs. Above pressures offset by -£0.2m forecast underspends across other Older Person In House Residential and Daycare services.
Adult Case Management & Assessment Services	40.7	42.6	+1.9	Staffing pressures across front line services	Pressure across front line social work teams and referral services due to reducing vacancy rates and use of agency staff, alongside funding pressures related to retaining and attracting social work staff, costs associated with early retirements following a service reorganisation,

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
					and additional posts recruited to drive service improvement and organisational change.
Older People & Physical Disability Carer Support - Commissioned	1.7	2.6	+0.9	Activity pressures beyond budgeted levels	Increasing levels of activity and costs associated with carer respite.
Provision for Demographic Growth - Residential Based Services	12.5	1.0	-11.5	Release of centrally held funds	This is the release of centrally held funds to partly offset pressures across ASCH operations.
Provision for Demographic Growth - Community Based Services	15.8	1.2	-14.5	Release of centrally held funds	This is the release of centrally held funds to partly offset pressures across ASCH operations.

3b | Children, Young People & Education

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Education & Special Educational Needs	125.6	120.6	-5.0
Integrated Children's Services (Operations and County Wide)	300.8	295.5	-5.3
Strategic Management & Directorate Budgets	4.3	4.7	+0.4
Total	**430.7**	**420.8**	**-9.9**

The Children, Young People & Education directorate is projected to be underspent by -£9.9m, this is formed from several significant variances. Integrated Children's Services (Operations and Countywide) is forecasting an initial net underspend of -£5.3m, mainly related to an underspend on community based services for young adults with disabilities. Education & Special Educational Needs are forecasting a net underspend of -£5m primarily due to an underspend on Home to School Transport, which offsets pressures in Looked After Children with Disability, services for schools and Community, Learning & Skills.

Details of the significant variances are shown below:

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Community Learning & Skills (CLS)	-0.1	0.7	+0.8	Reduction in fee income from September	Funding rule changes for the new academic year are forecast to result in a reduction in fee income expected from September onwards, where the service is reorganising to meet the requirements of the Government's priorities for adult education services. Mitigating actions are being explored to reduce the impact of this, both in-year and future years.
Other School Services	5.8	7.9	+2.1	Pressures arising from ensuring sufficient school places, higher number of school related redundancies and legal costs.	Delays in basic need projects have resulted in the continual use of more temporary accommodation to ensure sufficient school places are available (+£1.2m). The forecast also continues to include a £0.8m contingency for possible abortive costs or school building cost that cannot be charged to capital – these costs can sometimes appear late in the financial year. In addition, a rise in the number of school reorganisations required to ensure schools remain financially sustainable is leading to an increase in requests for school based staff redundancy payments (+£0.3m). Other overspends include school personnel services (additional charges from the teachers pension agency and higher use of headteacher recruitment). Legal costs, related to schools including capital projects & academisation, are forecast to remain at a higher level in 2024-25 where costs previously charged to capital must now be charged to revenue, along with a general rise in costs. These overspends are being partially offset by -£0.8m of RAAC funding from the DfE.
Adult Learning & Physical Disability Pathway - Community Based Services	46.7	43.5	-3.2	Underspends across most services	Forecasting underspends across most community services, but mainly Supported living (-£2.8m) and Home Care (-£0.5m) due to lower than anticipated costs.
Home to School & College Transport	96.3	87.7	-8.6	Lower cost of hired transport	Whilst the number of SEN children being transported is in line with the budget assumption the average cost has been lower, this is due to a combination of more children receiving a PTB and lower costs of hired transport (which has partly resulted from the retender of contracts relating to

					2 special schools). A contingency has been added to reflect likely increases in pupil numbers and unit costs before the end of the financial year.
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	8.3	6.5	-1.8	One-off extra CHC funding	Due to the high cost of the placements - a very small reduction in placements can lead to large under or overspends. Additional one-off Continuing Health Care funding received for a number of placements (-£0.9m)
Looked After Children (with Disability) - Care & Support	22.5	27.1	+4.5	Pressures on residential care and semi independent	The number of children placed in residential and semi-independent is continuing to grow, due to a lack of more cost effective placements such as fostering. Due to a lack of suitable alternatives and adverse market conditions, the rising average cost is also resulting in an overall pressure on both residential care (£2.2m) and semi-independent (£2.3m).
Looked After Children – Care & Support	101.8	102.5	+0.7	Higher use of more costly external placements	The number of LAC has reduced since the start of year but the number of external placements has remained static – reflecting the ongoing challenge of a reducing number of in-house foster carers. The forecast also reflects the continual increase in the costs across all external placements beyond that assumed in the budget. This forecast also includes a one-off grant to support additional costs resulting from introduction of new requirements for 16 & 17 year old regulated accommodation (-£1.7m), the continuation of the grant funding in 2025-26 has recently been confirmed.
Children's Social Work Services – Assessment & Safeguarding Service	52.1	50.9	-1.2	Vacancies	General vacancies across the children social work service where there are difficulties in recruitment in some areas of the county, along with general delays in recruitment. This includes vacancies across social work, linked management & business support. Total underspend is equivalent to 2.2% of the budget.
Care Leavers Service	5.6	4.7	-0.9	Lower number & average cost of placements	The average cost of placements for young people has reduced where a greater proportion are being placed in more cost-effective solutions under the new supported accommodation contract (rather than semi-independent). The number of young people requiring a placement is also lower than budget where alternative arrangements are secured.

Family Hubs	8.4	7.2	-1.2	Restructure & vacancies	Savings resulting from the restructure have been realised more quickly than initially assumed in the MTFP including lower costs associated with redundancies, resulting in an additional saving in 24-25 of approximately -£0.7m. The remaining underspend relates to higher levels of vacancies post restructure, along with savings on non-staffing budgets.
Children in Need – Care & Support	3.8	3.1	-0.7	Lower use of supported accommodation & section 17	There has been lower uptake on the use of supported accommodation than assumed under the new contract. In addition, there has been lower use of Section 17 funding than expected including delays in the recruitment of family link workers

3c | Growth, Environment & Transport

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Environment & Circular Economy	97.3	99.9	+2.6
Growth & Communities	31.3	29.9	-1.4
Highways & Transportation	72.9	78.1	+5.2
Strategic Management & Directorate Budgets	1.4	1.3	-0.1
Total	**202.9**	**209.2**	**+6.3**

The Growth, Environment & Transport Directorate is projected to be overspent by £6.3m. 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. The unavoidable pressures will be realigned in the MTFP.

Details of the significant variances are shown on the following page:

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
English National Concessionary Travel Scheme (ENCTS)	13.0	16.4	+3.4	Update to DfT Re-imbursement Calculator	In November 2023, the DfT announced changes to the re-imbursement calculator for the ENCTS scheme. The changes to the calculator were based on updating a number of key re-imbursement factors/inflation factors, that had not updated since the launch of the scheme. The impact of these changes is to raise the re-imbursement level for ENCTS acceptance by a bus operator. KCC follows the DfT re-imbursement calculator for the payment of ENCTS re-imbursement to bus operators and this has presented a +£3m pressure. This is proposed to be realigned in the 2025-26 budget.
Waste Facilities & Recycling Centres	38.8	40.6	+1.8	Paused HWRC saving, unachievable compost saving and reduced income	Part of the projected overspend is due to the proposed consultation on the review of HWRC sites (Waste) being delayed (+£0.5m). The overspend is the non-delivery of the 2023-24 part-year effect of the planned 2-year £1.5m budget reduction. This is proposed to be realigned in the 2025-26 budget. A budgeted saving to renegotiate the rate of a green waste contract is no longer possible as the contractor was taken over and the new owner declined the offer to renegotiate the contract. The saving is no longer deliverable (+£0.6m). In addition, there was a savings target from Reuse (£0.2m) and Small Business trade waste (£0.2m) and both will not be delivered in the current period. The re-use shop at Allington will be operational in 25-26. Alternative savings (a marketing campaign to enhance the offering at Waste Transfer Stations) is being identified to offset the trade waste target as cost recovery, health and safety and operational issues have identified that delivering this service at HWRCs is not viable. The remaining variance relates primarily to inflationary increases for fixed management across Transfer Stations and HWRC sites above the amount estimated in the budget (+£0.3m).
Highway Assets Management	38.7	40.1	+1.4	Chestfield tunnel costs and other price/demand pressures partially offset by energy underspend	The emergency works to repair and replace jet fans in the Chestfield tunnel have required a contraflow to be put in place and the expense of this and other associated revenue costs (temporary repairs) have resulted in a significant

Page 49

				and additional income	overspend (+£0.9m). The replacement of the fans in 25-26 will be capital expenditure. Pressures continue to be reported in Inspections and general maintenance across East/West Kent budgets with prices above budgeted inflation and increased works due to the condition of the network and necessary safety critical works (+£1.8m combined). Additional pressures relate to the Road of Remembrance landslip in Folkestone (+£0.5m), together with the costs of various highway collapses (+£0.4m), and the impact of wet weather events on the drainage budget (+£0.3m). These overspends are partially offset by an underspend on Streetlight and Tunnels energy, due to a one-off rebate following the reconciliation of winter 23-24 usage plus confirmation of reduced summer and winter prices for electricity (-£0.9m), as well as additional income (-£1.9m)
Residual Waste	52.6	53.4	+0.8	Increased tonnes offset by lower than budgeted price	An overspend primarily resulting from additional tonnes (+£1.6m) is offset by reduced prices primarily for Allington Waste to Energy plant, as the contractual uplift based on April RPI was lower than the budgeted estimate (-£0.8m).
Community Protection	12.0	11.3	-0.7	Increased income	Variance is mainly due to an increase in income for Trading Standards from the Office for Product Safety and Standards (OPSS) for Ports and Borders work (-£0.3m) as well as a high turnover of Coroners staff meaning there are always a number of vacancies and posts that cannot be filled quickly (-£0.3m).
Highways & Transportation divisional management costs	4.0	4.4	+0.4	Galley Hill Road / Swanscombe Quarry collapse	Costs associated with the Galley Hill Road/Swanscombe Quarry collapse including necessary traffic management, surveys and legal costs.
Libraries, Registration & Archives	11.1	10.5	-0.5	Additional income	The underspend results from additional Registration and Certificate Centre income. This is proposed for realignment in the 25-26 MTFP.

3d | Chief Executive's Department

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Commercial & Procurement	3.1	3.0	-0.1
Finance	14.1	13.8	-0.3
Governance, Law & Democracy	8.4	8.1	-0.3
Strategy, Policy, Relationships & Corporate Assurance	5.6	5.6	0.0
Strategic Management & Departmental Budgets	-0.7	-1.2	-0.5
Total	**30.5**	**29.3**	**-1.2**

The Chief Executive's Department is projected to underspend by -£1.2m.

Details of the significant variances are shown on the following page:

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Local Member Grants	1.0	0.9	-0.1	Currently uncommitted member grants	This underspend reflects current forecast activity. Members had to commit spend by mid-November 2024 as this year precedes County Council elections in May 25.
Strategic Management & Departmental Budgets	-0.7	-1.2	-0.5	Additional internal overhead charge made to Public Health.	Majority of underspend due to revised internal overhead charge made to Public Health in line with policy and to align with Public Health forecast .
Finance	10.3	10.0	-0.3	Vacancy management and additional expected recharge to the Pension Fund.	There are underspends in a number of finance teams due to staff vacancies. This is combined with additional income expected from the Pension Fund in early delivery of the 2025-26 MTFP.
Commercial & Procurement	3.1	3.0	-0.1	Vacancy management offset by reduced expected income	Majority of the underspend is due to management action to reduce spend by deferring appointments to new posts. This is offset by reduced expected income from Oxygen Finance which is now expected to be delivered in 2025-26.
Governance & Law	7.5	7.3	-0.2	Additional expenditure on subscriptions, legal and specialist's fees are offset by savings in appeals, member travel and staffing. Additional legal income is also expected.	Additional expenditure on subscriptions, legal and specialist fees are offset by savings in appeals, which are possibly due to the use of virtual hearings and existing internal resources. There is also additional member travel and staffing savings. The staff savings are due to vacancy management. Finally additional legal income is expected.

3e | Deputy Chief Executive's Department

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Corporate Landlord	29.0	26.6	-2.4
Human Resources & Organisational Development	5.4	5.1	-0.3
Infrastructure	8.8	8.9	0.0
Marketing & Resident Experience	6.9	6.9	0.0
Technology	26.1	26.1	0.0
Strategic Management & Departmental Budgets	5.9	5.6	-0.3
Total	**82.2**	**79.2**	**-3.0**

The Deputy Chief Executive's Department is projected to underspend by -£3m of which £1.2m relates to early delivery of 2025-26 savings and £0.8m is as the result of one-off in-year refunds and back-dated rent receipts.

Details of the significant variances on the General Fund are shown on the following page:

All figures in £m

Key Service	Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Corporate Landlord	29.0	26.6	-2.4	Utilities underspend due to reduced costs, in-year refunds and asset disposals.	Underspend due principally to early delivery of 2025-26 MTFP: change in asset base through disposals or change of use – together with in-year refunds for vacated sites and back-dated rent increases.
Strategic Management & Departmental Support	1.4	1.2	-0.3	Vacancy management	Majority of underspend due to holding vacancies pending decisions on timing of appointments to key posts.
Human Resources & Organisational Development	5.4	5.1	-0.3	Kent Graduate Programme (KGP) timelines, salary sacrifice schemes and vacancy management	Changes to the recruitment timeline on the Kent Graduate Programme (KGP) leading to an in-year underspend; increased take up of salary sacrifice schemes leading to NI rebates; staffing vacancies.

3f | Non Attributable Costs including Corporately Held Budgets

All figures in £m

	Revenue Budget	Revenue Forecast	Revenue Variance
Non Attributable Costs	102.4	95.4	-7.0
Corporately Held Budgets	-2.4	0.2	+2.6
Total	**100.0**	**95.6**	**-4.4**

The forecast underspend for Non Attributable Costs including Corporately Held Budgets is -£4.4m. Details of the significant variances are shown on the following page:

All figures in £m

Key Service		Revenue Budget	Revenue Forecast	Revenue Variance	Summary	Detail
Non Attributable Costs		102.4	95.4	-7.0	Higher income from investments & additional income from business rate compensation grant and business rates levies	-£1.3m high forecast return on investments, partially offset by higher interest payments to third parties. This also reflects a contribution to debt costs from the Home Office grant related to the new Unaccompanied Asylum Seeker reception centres. The underspend has reduced since Quarter 1 reflecting the reduction in the Bank of England base rate at the beginning of August, together with higher than forecast spend in July and August leading to lower cash balances and a consequential reduction in investment income. -£2.2m additional business rate compensation grant for freeze of multiplier and temporary discounts and -£2.6m additional share of retained business rates levies for 2022-23 and 2023-24 through business rates pool. Both of these figures are provisional and subject to the District Council audits.
Corporately Held Budgets		-2.4	0.2	+2.6	Undeliverable Savings	The 2024-25 budget included an estimated saving of £2.3m, held corporately, from further discretionary policy decisions and deep dive into contract renewals with consideration of reducing service levels. Any savings being achieved from contract renewals are/will be contained within the directorate forecasts and therefore to avoid any double counting this is being forecast as not being delivered in CHB. +£0.75m - The planned savings from a reduction in the use of Agency staff are/will be reflected within the individual directorate forecasts and therefore to avoid any double counting this is being forecast as not being delivered in CHB. Delivery plans are still to be confirmed before this saving can be allocated to services for 2025-26 subject to HROD agreeing a methodology with CMT. -£0.3m It has been confirmed by GET directorate that only £0.2m of the £0.5m waste provision for potential increased costs of waste collection/disposal from ceasing Inter Authority Agency payments to the four Districts whose IAA expired in March/April is required. -£0.2m Release of the residual pay provision, which will be included as a saving in 2025-26 budget.

3g | Schools' Delegated Budgets

The Schools' Budget reserves are initially forecast to end the financial year with a surplus of £57.7m on individual maintained school balances, and a deficit on the central schools' reserve of £96.6m. The total Dedicated Schools' Grant for 2024-25 is £1,769.6m and is forecast to overspend by £53.5m.

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 2024-25 (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) 2024-25 Forecast Summary:

			All figures in £m
DSG Block	**2024-25 Budget***	**2024-25 Forecast**	**2024-25 Variance**
Schools' Block	1,260.5	1,260.2	-0.3
High Needs Block	337.9	392.8	54.9
Early Years Block	158.6	157.4	-1.2
Central Services to Schools' Block	12.2	12.2	0.0
Total DSG 2024-25	**1,769.2**	**1,822.7**	**53.5**

*Before recoupment and other DFE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £15.2m 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:

		All figures in £m
	Individual Maintained School Reserves	**Central Schools' (DSG) Reserve**
Reserve Balance as at 1st April 2024*	58.6	-67.2
Forecast contribution to/(from) reserves: Academy Conversions	-1.0	
Change in School Reserve Balances	0.0	
Overspend on DSG 2024-25		-53.5
Safety Valve: Local Authority Contribution		15.1
Safety Valve: Payment from DfE		9.0
Reserve Balance as at 31st March 2025*	57.7	-96.6

*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) and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) surpluses continue to form part of the main council reserves, whilst any in-year deficit balances are held in a separate unusable reserve from the main council reserves (see appendix 3). DLUHC have confirmed this statutory override will be in place until March 2026 whilst Council's implement recovery plans.

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 (plus £2m of project costs), 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. This has avoided having to identify £220m of savings across the SEN system. 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 2024-25, the Council is expecting to receive a further £9m from the DFE, the third tranche of the £140m safety valve commitment, with the Council required to contribute a further £15.1m 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 £227m to £96.6m as at 31st March 2025.

Key Issues **Details**

Individual Maintained Schools Reserves	As at 31st March 2024, there were 294 maintained schools with a surplus reserve balance and 3 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 3 schools converting to academy status during 2024-25. 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.
Schools' Block: No Variance	The Schools' Block funds primary and secondary core schools' budgets including funding for additional school places to meet basic need or to support schools with significant falling rolls. There is no significant variances forecast at this stage in the year.
Early Years Block: No Variance	The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, including the newly expanded offer for working parents for children from 9 months, 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. No significant variances are being reported at this stage in the year.
High Needs Block: Higher demand and higher cost for high needs placements. Safety Valve Payment & Local Authority Contribution.	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 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 2024-25 is +£54m due to a combination of continual higher demand for additional SEN support and higher cost per child resulting from continual demand for more specialist provision. This forecast has been updated to reflect November 2024 education placements, and forecast for future growth in cost before the end of the financial year. The level of growth in spend is forecast to start slowing down during this year (in comparison to recent years, see table 3) as actions to support future financial sustainability are starting to be implemented. However, the impact of SEN transformation with greater proportion of children being supported in mainstream/post 16 settings, is being impeded by higher placements costs, driven by inflation and greater demand by schools for additional funding, along with delays in DfE lead special school builds. 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 numbers 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 impact of this is highlighted in national benchmarking data on the placement of children with SEN in Kent and our spend on High Needs Block. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table 3: Total Spend on High Needs Block by main spend type

					All figures in £m
	2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Maintained Special School	106	123	137	151	163
Independent Schools	49	60	68	76	81
Mainstream Individual Support & SRP* **	46	54	61	65	75
Post 16 institutions***	17	19	21	24	24
Other SEN Support Services	49	43	48	49	48
Total Spend	**264**	**299**	**334**	**365**	**391**
Rate of increase in spend	-	13%	10%	11%	7%

Table 4: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is not the total number of children with SEN or number of EHCPs

	2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Maintained Special School	5,118	5,591	6,019	6,382	6,645
Independent Schools	1,126	1,348	1,485	1,620	1,623
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,496	7,207
Post 16 institutions***	1,281	1,453	1,569	1,665	1,701
Total Number of Pupils	**12,035**	**13,650**	**14,845**	**16,163**	**17,176**

Table 5: Average cost of pupils funded from the HNB and receiving individualised SEN Support or placement cost.

					£s per pupil
	20-21	**21-22**	**22-23**	**23-24**	**24-25**
Maintained Special School	£20,629	£21,648	£22,640	£23,587	£24,529

Independent Schools	£43,734	£44,799	£44,911	£46,894	£50,018
Mainstream Individual Support & SRP* **	£10,294	£10,245	£10,578	£10,051	£10,365
Post 16 institutions***	£13,309	£13,090	£12,927	£14,565	£14,183

*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)

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 year. The actions are aligned 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.

4 | Revenue Budget Savings

The 2024-25 budget included the requirement to deliver savings and additional income of £81.9m. A further £17.4m of undelivered savings from the previous year are included in the 2024-25 Savings Target, increasing the total requirement to £99.3m.

This Savings section does not include changes to Grant Income of £7.2m or the removal of one-off or undelivered savings in previous years of £4.6m bringing the total savings target for 2024-25 to £111.2m.

The 2024-25 budget also had significant growth. Council Tax and other general funding in the approved budget went into adult social care, children's social care and home to school transport. Adults received their share of targeted grants and Council Tax plus a share of general Council Tax and grants. Home to school transport and all other services are funded from general Council Tax and grants with no targeted funding.

At Quarter 3 2024-25, £80.3m of savings are forecast to be delivered including £4.5m of alternative savings and £17.5m has been identified as undeliverable. £22.1m of savings budgeted in 2024-25 are now to be achieved in future years. Variances over £0.5m are reported by Directorate in this section with commentary. Where alternative savings have been identified (totalling £4.5m per the table below), details have been provided. A breakdown of all of the savings by Directorate is available in Appendix 2.

All figures in £m

Directorate	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	(66.9)	(38.4)	0.0	(2.3)	(40.7)	26.2	13.6	(18.3)
Children, Young People & Education	(16.7)	(14.8)	(0.3)	(1.0)	(16.0)	0.7	0.0	(1.9)
Growth, Environment & Transport	(8.7)	(6.5)	0.0	(0.4)	(6.9)	1.8	1.4	(0.8)
Chief Executive's Department	(0.4)	(0.3)	0.0	(0.1)	(0.4)	0.0	0.0	(0.1)
Deputy Chief Executive's Department	(1.0)	(0.5)	0.0	(0.4)	(1.0)	0.0	0.2	(0.3)
Non Attributable Costs	(14.5)	(15.3)	0.0	0.0	(15.3)	(0.9)	0.0	0.0
Corporately Held Budgets	(3.1)	0.0	0.0	0.0	0.0	3.1	2.3	(0.8)
Total	**(111.2)**	**(75.8)**	**(0.3)**	**(4.2)**	**(80.3)**	**30.9**	**17.5**	**(22.1)**

4a | Adult Social Care & Health Savings

All figures in £000s

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
Alternate Provision Brand New Starts (DP)	-3,041.1	-	-	-	-	3,041.1	3,041.1	-
	The absence of a commissioned managed account and payroll service has hindered the planned expansion in use of direct payments to date. Alternative plans are being developed to create opportunities in this area.							
Efficiencies through Enablement	-3,500.0	-2,644.5	-	-	-2,644.5	855.5	-	-855.5
	Productivity has continued to improve when compared to last year's baseline (currently at 25% improvement). However the anticipated target of 28% has not being achieved to date. The service is reaching maximum capacity and scope with transformation partner (PwC) is being agreed to complete capacity and demand modelling and to review productivity and opportunities for enablement services.							
Rehabilitation and Alternate Support for MH	-3,300.0	-	-	-	-	3,300.0	3,300.0	-
	Savings were largely predicated on being able to utilise and refer into KMPT rehabilitation services in the first instance and savings unlikely to be realised this financial year due as there is not sufficient availability of NHS rehabilitation services in community. Other opportunities such as the repurposing of former care home to offer a step-down facility for MH discharge from hospital are still in the early phase of exploration, and tracking of cost avoidance of Homes From Hospitals staff in reducing levels of need for MH hospital discharges is taking place although estimated cost avoidance for the financial year does not yet indicate a financial benefit.							
Reduction in Residential and Nursing Placements	-2,900.0	-309.2	-	-	-309.2	2,590.8	1,226.8	-1,364.0
	Project support has been assigned to support designing 2 identified savings areas. Use of homecare for respite as an alternative which is intended to help people utilise alternative home support options and improving the management of additional 1:1 support where used in a residential setting.							
Occupational Therapists	-2,500.0	-	-	-	-	2,500.0	-	-2,500.0
	Latest tracking and modelling no longer indicates that there will be any saving this financial year. The scope with transformation partner (PwC) is being agreed to widen and include a review of Occupational Therapy delivery model and baseline performance and identify opportunity to improve effectiveness of occupational therapy and reduce long term spend.							

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
Partnership Working (Section 117)	-2,200.0	-272.1	-	-	-272.1	1,927.9	488.7	-1,439.2
	Savings were predicated on 50:50 split which is unlikely to happen this financial year. Work is on-going with health colleagues to reconcile and agree S117 records to allow for costs to be agreed and shared equitably. A tracker has been introduced to monitor 'pushbacks' through Adult Social Care Connect, and work is on-going to develop awareness, knowledge, and expertise of S117 in the wider service.							
Reviews: First Reviews	-2,300.0	-1,425.4	-	-	-1,425.4	874.6	-	-874.6
	Savings from First Reviews has been improving month on month throughout the year although the latest data has seen a shift away from this where costs have increased. A managed review service has also been brought in to assist with the First Reviews work and progress and outcomes are being monitored through fortnightly meetings.							
Reviews: Ongoing Reviews	-1,200.0	-313.3	-	-	-313.3	886.7	-	-886.7
	Refined targets are now based on there being 0% increase in costs following an on-going review (historically we see a 2.5% increase post-review). Ongoing reviews present an ongoing challenge to ASCH as the financial consequence of those reviews is based on the changing needs and circumstances of people who draw on care and support, and the use of new models of care and support to replace established care and support arrangements. We know that unplanned reviews are statistically more likely to increase costs when compared to planned reviews, and significant challenges in the care home market has impacted the costs of meeting assessed needs and outcomes.							
Efficiency Savings in relation to the purchasing of residential care	-8,000.0	-1,366.9	-	-	-1,366.9	6,633.1	-	-6,633.1
	We have segmented provider by cost & quality, and are making clear that those in the lowest band on these factors are unlikely to receive offers of placements. Fee Model and Pricing Mechanism: CareCubed to ensure cost effective placements providing price framework for ASPT to work to. Ongoing discussions with Medway/ICB Consideration of neighbouring LA prices. Increased provision of cost effective higher need placements (Bariatric, Complex Dementia): Scoping work as part of recommissioning with Medway to align spec and potential use of blocks to increase market provision. Former self funders and deferred payments/ TPTU: Task and Finish Group with key stakeholders to be set up, chaired by Operations, to review processes and policy. Conversations with Medway Council regarding their policy and approach. NHS Joint Bed Brokerage is forecasted to save approximately £400k this financial year, if they are able to implement their short term solution. Further savings could be achieved in 25/26 if the long-term solution can be implemented by Spring/Summer 2025.							

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
Efficiency Savings in relation to the purchasing of care and support in the home	-3,400.0	-2,024.9	-	-	-2,024.9	1,375.1	-	-1,375.1
	Much of the repurchasing in North Kent is being carried out in conjunction with the CQC and UKV&I work. Not all the repurchasing has made savings but this has been about due diligence as well. Increased Blue due to moving individuals onto framework where there is available capacity to do so, however element of savings moved from Amber to Dark Amber to reflect risk around these being achieved this financial year. The new process for repurchasing care and support in the home is being finalised and they have formed a repurchasing group to support this process. This should make it easier to track savings from repurchasing non-framework to framework providers. We have also put in place additional controls over future potential off framework packages of care to as a cost avoidance measure to support the savings							
2022-23 Slipped Savings - review of all contracts	-4,388.5	-3,576.4	-	-	-3,576.4	812.1	-	-812.1
	Work with providers is continuing where under delivery has been identified and instigating reclaims where possible. Additional resource is planned to assist with reviewing and renegotiating with providers who have high cost placements, and CareCubed will be used to assist with price negotiations to ensure fair cost of care. There are risks around providers giving notice on placements and if alternative placements can't be found this may lead to higher fees. Commissioners have also worked with providers in the implementation of the EDLA Daycare contract to improve the value for money. A letter has been sent to all framework and non-framework Supported Living providers to ensure variations in delivery are reflected in invoices submitted to KCC for payment. Lead commissioner is working with finance support and quality team to review invoices against expected delivery. A pilot is commencing with a Supported Living Provider and the TELS team to understand what level of support can be provided via tech rather than direct support (in relation to sleep night commissioned). Locality Commissioners also visiting properties under the NHS campus re-provision where KCC fund the void liability, to understand accommodation type and why the unit is empty. Complex and standard hourly rates - Analytical evaluation has been completed where there is a mix of standard and complex within a property that have been baselined by the Quality and Standards team.							

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
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 inhouse 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	-851.4	-108.7	-	-	-108.7	742.7	480.0	-262.7
	There have been delays in moving people to alternative transport, as proposals are being reviewed due to logistics and the negative impact on all individuals being able to access activities in a timely way. 1 minibus was repurposed for Sheppey rather than returning, which will also impact final savings, although the service in Thanet have been able to delivery with 2 minibuses instead of 3 which has resulted in some saving.							
Adult Social Care contracts with Voluntary Sector	-3,216.8	-	-	-2,304.2	-2,304.2	912.6	3,216.8	-
	Cabinet Member agreement to postpone the decision to the next financial year 25/26, although one-off efficiencies across Vol Orgs contracts are expected for 24/25 which are offsetting the £3.2m pressure by -£965.0k. Public Health are also to provide an additional £1m in 24/25 to fund priority mental health services delivered under the Live Well Kent contract, in line with the PH grant conditions. This additional £1m is one-off funding for 24/25 only. Public Health to review towards the end of 24/25 the possibility of funding an additional £339.2k for community navigation services subject to Public Health's financial position (particularly in relation to its own transformation programme), other potential funding pressures and the expenditure meeting the PH grant conditions.							
Redesign of In House Adult Social Care Services	-1,456.4	-34.9	-	-	-34.9	1,421.5	1,421.5	-
	£34.9k to be achieved in 24/25 due to the closure of Blackburn Lodge. Decision was taken for the remaining £1.4m to not be delivered through staffing within In-House Provider Services.							

4b | Growth, Environment & Transport Savings

All figures in £000s

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
Review of green waste contract, with market analysis indicating a reduction in gate fee	-621.0	-	-	-	-	621.0	621.0	-
	Plans in place to renegotiate the rate downwards whilst in contract but then the contractor was taken over and the new owner declined the offer to renegotiate the contract. Saving no longer deliverable and realignment requested in 25/26. Saving to be revisited upon expiry of contract (July 24)							

4c | Corporately Held Budgets Savings

All figures in £000s

	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
The reduction in the volume and duration of agency staff	-750.0	-	-	-	-	750.0		-750.0
	Year to date spend shows a reduction in spend on agency staff compared to the same period last year suggesting that this saving is being/has been delivered. However, these savings will already be contained within directorate forecasts and therefore allocating this Corporately Held saving to services would not reduce the overall forecast so cannot be presented as being delivered in CHB. Delivery plans are still to be confirmed before this saving can be allocated to services for 2025-26 subject to HROD agreeing a methodology with CMT.							
Part year impact of further discretionary policy decisions and deep dive into contract renewals with consideration of reducing service specifications	-2,300.0	-	-	-	-	2,300.0	2,300.0	-
	It is assumed that savings being achieved from these contract reviews will be contained within directorate forecasts and therefore allocating this Corporately Held saving to services would not reduce the overall forecast so cannot be presented as being delivered in CHB. £2.3m has been added back to remove this saving from the base budget in the 2025-28 MTFP refresh proposals							

4d | Alternative Savings

All figures in £000s

Directorate	Savings & Income Description	Ongoing Impact	One-off Impact	Total
ASCH	One-off additional funding contribution from Public Health towards priority mental health services of £1m and further potential funding towards community navigation services of £0.34m. In addition to the above, commissioning are anticipating -£692.9k in on-going and -£272.1k in one-off efficiencies across Voluntary Organisation contracts for 24-25	0.0	(2,304.2)	(2,304.2)
ASCH (PH)	Saving achieved through the agreement of a contract adjustment with our NHS provider	0.0	(9.2)	(9.2)
CYPE	Forecast underspend on school's compliance testing. It will be wrapped up as part of wider changes to services to schools that is being processed in the MTFP	0.0	(400.0)	(400.0)
CYPE	Covered from other underspends across Learning Disability and Physical Disability - community services	(250.0)	0.0	(250.0)
CYPE	Use of Early Help staff to meet Family Hubs prioritises has been agreed with the DfE, and staff costs are being met from the Family Hubs Grant	0.0	(560.0)	(560.0)
GET	Saving to be achieved by releasing a provision that was set up if there was an adverse impact on recycling rates if the IAA payments to four districts ceased	0.0	(180.0)	(180.0)
GET	Savings to be achieved through LEP and Medway income offsetting the £150k in-year shortfall (Nov 24).	0.0	(150.0)	(150.0)
GET	Saving to be achieved through in year vacancy management	0.0	(57.0)	(57.0)
CED	Covered from underspend on the Empty Properties budget	0.0	(82.5)	(82.5)
CED	Covered from underspends within other Member service budgets	0.0	(20.0)	(20.0)
DCED	Shortfall on Office stream being off-set against over-recovery on Specialist and Community Asset workstreams. Future Assets should be viewed as a whole programme	0.0	(388.9)	(388.9)
DCED	Covered from underspend on staffing budget	0.0	(60.0)	(60.0)
Total		**(250.0)**	**(4,211.8)**	**(4,461.8)**

5 | Capital Budget Forecast

All figures in £m

Directorate		Capital Budget	Variance	Real Variance	Rephasing Variance
Adult Social Care & Health		1.305	-0.193	0.034	-0.227
Children, Young People & Education		138.234	-53.724	-0.455	-53.269
Growth, Environment & Transport		232.481	-48.270	8.803	-57.073
Chief Executive's Department		0.205	0.024	0.00	0.024
Deputy Chief Executive's Department		54.840	-9.435	4.567	-14.002
Directorates Position		**427.065**	**-111.598**	**+12.949**	**-124.547**

The total approved General Fund capital programme including roll forwards for 2024-25 is £427.065m.

The current estimated capital programme spend for the year is forecast at £315.5m, which represents 74% of the approved budget. The spend to date is £160.4m, representing 37.6% of the total approved budget.

The directorates are projecting a £111.6m underspend against the budget, this is split between a +£12.9m real variance and -£124.5m re-phasing variance. Of the rephasing, £49m is prudential borrowing funding and the remainder of the rephasing relates to grant or external funded projects.

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

5a | Adult Social Care & Health

There are no major variance to report

5b | Children, Young People & Education

Project	Real Variance	Rephasing Variance	Detail
Overall Basic Need Programmes	0.000	0.000	Across the next three years over all the Basic Need Programmes there is currently sufficient funding to cover the forecast spend, so there is no variance to report. There is a forecast gap in later years of £24.4m, but this will continue to be monitored and brought down wherever possible, by reviewing the timing and need for schemes, and by utilising all possible funding such as developer contributions that may not yet be part of the cash limit. Grant allocations for 2027-28 and 2028-29 are not yet known and are therefore not included in the cash limits. Any basic need grant received for these two years will go towards funding the forecast overspend.
Modernisation Programme	-0.190	-6.664	Rephasing variance is due to:
Basic Need KCP 2017	-0.615		The real underspend is due to an underspend on Meopham School (-£0.462m), as there is a school contribution towards the hydrant and water tank costs, and Thamesview (-£0.126m) which completed with a small underspend.
Basic Need KCP 2018	-1.043	-0.400	Most of the real variance is due to the Isle of Sheppey School budget being transferred to The High Needs Budget (-£1.0m).
Basic Need KCP 2019	0.271	-19.883	The real variance is due to: -£0.250m Ashford Non Selective - project removed from the programme. -£0.395m Borden Grammar – project completed with an underspend. +£0.351m Former Ashford South School site -cost relating to provision of Chilmington Secondary, and to be held for future education use. +£0.516m Wrotham School - DfE School Rebuild Programme, increase to reflect KCC agreed contribution. The rephasing is due to: -£8.151m Cable Wharf Primary - replacement school for Rosherville which has been selected under the School Rebuild Programme for 1FE, KCC to add 1FE for a replacement 2FE school. Developer land transfer issues and planning conditions have led to rephasing. -£1.000m Chilmington Green Secondary – due diligence is being completed of the quote received from the contractor for the Infrastructure Works. The works are starting later and will be

Project	Real Variance	Rephasing Variance	Detail
			completed over a longer period than anticipated. -£5.665m Highsted Grammar - school requesting additional funds for School Managed project which has caused a delay to the start of the project. -£6.0m rephasing reflects budget rephased to future years to fund projects across the Basic Need Programme.
Basic Need KCP 21 (2022-26)	0.009	-2.600	Rephasing relates to: -£1.0m Sittingbourne non-selective, as a school has not yet been identified, and -£1.5m Cornwallis Academy – pending delivery of the expansion project at New Line Learning
Basic Need KCP22 (2023-27)		-3.615	Rephasing relates to: -£1.116m Northfleet Technology College due to a change in KCC's contractor coupled with the phasing of the School delivered elements of the expansion which need to be carried out in School holidays as the works are within existing buildings. 5 other individual projects of which none are over £1m.
Basic Need KCP 23 (2024-28)		-5.705	The rephasing reflects budget rephased to future years to fund projects across the Basic Need Programme.
High Needs Provision 24-25	1.000	-0.208	The real variance is due to the Isle of Sheppey Special School being transferred from the Basic Need Budget. This will be funded from currently unallocated high needs grant.
Previously Reported variances			
High Needs Provision 22-24	0.391	-10.824	Previously Reported -£10.921. Rephasing is due to: -£1.455m Nexus Satellite – school is not yet identified. -£2.000m New Special School Whitstable, which is a DfE managed project therefore KCC funding is dependent on DfE timescales. -£7.214m unallocated budget to be allocated to projects in future years.
Childcare Expansion (Early Years)	-0.250	-2.127	Real variance: It is expected that all grant relating to Early Years will be true capital spend. An estimated £0.25m for wrap around care will be charged to revenue and the capital grant transferred to fund those schemes.

Project	Real Variance	Rephasing Variance	Detail
			Rephasing: Allocation of the grant funding is being managed by The Education People. Information has recently been received from the DfE on Early Years deficit numbers in each of the planning areas. Expressions of interest from providers will be reviewed in line with place numbers required. It is anticipated that Early Years funding will be spent by September 2025.

5c | Growth, Environment & Transport

Project	Real Variance	Rephasing Variance	Detail
Highways & Transportation			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	1.792	4.599	The real variance includes an overspend on resurfacing of £1.67m for which additional external funding is available and will be added to the cash limits. The rephasing is due to an in-year overspend on inspectors (£3.5m) and structures (£1.5m) which is being funded by bringing funds forward from 2025-26.
Integrated Transport Schemes under £1m	0.225	-0.485	The real variance is due to various smaller integrated transport schemes that will be funded from additional external funding. The rephasing is on a number of small schemes.
Thamesway		-2.380	The project spend has been rephased to reflect the likely spend profile of the scheme following the establishment of a separate budget line for this scheme. This programme takes into account the impact of the Galley Hill closure and Ebbsfleet Central development timescales.
Kent Strategic Thameside Programme (STIPS)	-0.017	-1.701	This programme has been rephased to align with the anticipated timing of income from developer contributions. This follows a review of all expected developer contributions to the programme and a reduction of the working budget in November 2024.
Maidstone Integrated Transport	0.397		The forecast has been amended to show true cost of the schemes. The s106 contributions that are available for the scheme are being reviewed but if they are not sufficient the A20/Willington Street improvement may need to be omitted or descaled.
Sturry Link Road,		-1.403	Further confidence in the delivery programme is a requirement of SELEP this in turn safeguards

Project	Real Variance	Rephasing Variance	Detail
Canterbury			the £5.9m Local Growth Fund (LGF) contribution, so progress with land negotiations and design work must be suitably demonstrated. A design and build contract has been awarded and the detail design is being developed, including a value engineering review. The design costs are covered by s106 contributions already received and the SELEP LGF contribution. The project has been rescheduled based on the current programme for the design and build contract.
Environment & Circular Economy			
Local Nutrient Mitigation	7.000		Nutrient neutrality in the catchment for the Stodmarsh National Nature Reserve is having a significant impact on the delivery of homes in East Kent. The government has offered £9.8m of capital for nutrient neutrality mitigation in East Kent along with revenue grants to support the delivery of the strategy. Local Authorities will bid for funding to support delivery of mitigation with £7m expected to be awarded in this financial year.
Growth & Communities			
Broadband Contract 2		-1.349	Whilst BDUK is now in the final stages of the closedown work for the BDUK superfast contracts, it is unlikely that this assurance work and the associated final payments will be completed within the current financial year.
Kent Empty Property Initiative – No Use Empty	-0.488	- 1.868	The rephasing is due to a re-alignment of loan repayments.

Previously reported variances

Project	Real Variance	Rephasing Variance	Detail
Highways & Transportation			
A228 and B2160 Junction Improvements with Badsell Road		-2.757	Previously reported -£2.926. Flood Risk modelling has identified issues with the current scheme design. Therefore further design and drainage modelling needs to be carried out and alternative options explored. This is currently affecting the overall programme for the project and causing rephasing of the S106 contributions which are funding the delivery of this scheme.
A28 Chart Road, Ashford		-2.474	Previously reported -£2.371m. The current profile is based on the most recent project estimate of £29.7m which assumes start of construction in March 2025 for a period of 2 years. However there is still no certainty on the provision of the security bond from the developer, so the construction period is likely to slip further and project costs increase in line with inflation.

Project	Real Variance	Rephasing Variance	Detail
Bearsted Road	-0.145	-5.912	Offline works have continued to construct the new Harvestore access roads. Reductions in scope and value engineering opportunities are still being explored to meet the increased risk and contingency budget required on this project. An award of the full construction contract is still outstanding which requires further sign off and has caused delays.
Fastrack Full Network – Bean Road Tunnels		-6.127	Following the project being paused due to a funding gap, the availability of BSIP 2 funding has allowed work to start again to resubmit the planning application and to review the existing design and tender documents. This has led to a rephasing of available funds which are currently being reviewed through updated legal agreements.
Swale Housing Infrastructure Fund (HIF)		-3.496	Previously reported -£3.451m. The rephasing variance is due to delays in the commencement of the works contract whilst awaiting the sign off from National Highways, poor weather and road space clashes on the surrounding network (particularly M2 J5). The project is externally funded by the HIF fund from Homes England and a deed of variation has been agreed with Homes England to cover the programme delays where they have exceeded the original funding deadline.
Kent Active Travel Fund (KATF) Phase 2	-0.239		A change control has been requested from Active Travel England to transfer some unused budget to Sevenoaks Cycle Facility under KATF3. If agreed, a cash limit adjustment will be done.
Kent Active Travel Fund Phase 3	+0.239	-0.239	A change control has been requested from Active Travel England to transfer some unused budget to Sevenoaks Cycle Facility from KATF2. This is forecast to be spent in 2025-26. If agreed, a cash limit adjustment will be done.
M20 Junction 7	+0.123		This is a new project to increase capacity and reduce congestions at junction 7 of the M20. To be funded from developer contributions.
Market Square, Dover	-0.307		This project is being funded fully by Dover District Council (DDC) and KCC are drawing down funding directly from DDC. The project is nearing the end and is expected to come in at less than originally forecast. The cash limit will be reduced accordingly.
Moving Traffic Enforcement Service	+0.199		This is to be funded from Bus Service Improvement Plan (BSIP) funding as it is funding for cameras on the fast-track routes.
Folkestone – A Brighter Future		-8.048	Previously reported -£6.123m. Delays with the detailed design pushed back the tender timescales, construction is now expected to commence in November 24 and spend has been re-profiled to reflect the updated programme.
A2 Off Slip Wincheap		-1.5	Project has been rephased due to ongoing discussions between the developer and the National Highways regarding the design of the A2 Off Slip, several issues still to be resolved have delayed the commencement of the works.
A229 Bluebell Hill M2 & M20 Interchange		-1.9	Previously reported -£1.5m. The rephasing is due to delays in the programme as a result of project uncertainties relating to the Lower Thames Crossing DCO decision and the unfunded

Project	Real Variance	Rephasing Variance	Detail
Upgrades			transport projects review announced by Government in July 2024. Significant investigation works have been pushed into future years, which also has a knock-on impact on other programme elements.
North Thanet Link (formerly A28 Birchington, Acol and Westgate on Sea Relief Road)		-8.601	Previously reported -£7.872m. The spend profile has been updated to reflect most recent cost estimate and programme which in turn reflects probable timing of approval of the Outline Business Case from the Department for Transport (DfT). Estimated spend for 24/25 is based on expected receipt of £1.9m funding from DfT in year and surplus S106 monies carried over from previous financial year. However this will be further reviewed in Q3 2024.
Green Corridors		-4.065	The programme for delivery of the three larger sites (6,8 and 11) has been pushed back due to delays with consultants and the procurement process. These sites were initially programmed to being construction within this financial year (24/25) but due to these delays construction is now scheduled to start in June 2025. Due to this, forecast spend in the current financial year had been reprofiled into the 25/26 and 26/27 financial years.
Greener Buses – Zero Emission Bus Regional Areas (ZEBRA)		-1.292	The reprofiling is due to procurement/supply delays. The purchase of the electric vehicle chargers for this project will now take place in 2024-25. It is now also expected that the buses relating to the Dover element of the project will be purchased early in 2024-25.
Environment & Circular Economy			
Folkestone & Hythe Waste Transfer Station		-3.077	Rephasing is due to land purchase unlikely to take place in this financial year due to planning determination delays.
Local Authority Treescape Fund	0.146		Previously reported £0.141m. Additional grant has been approved for phase 4.
Kings Hill Solar Farm	-0.141		There is a forecast underspend on this project, however there is the possibility that drainage works will need to be done which would negate the underspend. This will only be known 24 months after practical completion.
Growth & Communities			
Public Rights of Way	0.192	-0.648	Previously reported £0.157m real and -£0.594m rephasing variance. The real variance is due to additional external funding expected in 2024-25
Workspace Kent	-0.175		Due to the repayment timescales, finding a suitable project that can be completed is unrealistic, therefore these funds will not be allocated and will be returned to the GPF funding pot in line with the funding agreement.

5d | Chief Executive's Department

There are no major variances to report

5e | Deputy Chief Executive's Department

Project	Real Variance	Rephasing Variance	Detail
Modernisation of Assets		-2.058	Rephasing due to not all projects will be completed by the end of the financial year.
Dover Discovery Centre		-1.802	Rephasing due to delays and additional works.
Live Margate	-0.328		No further loans will be paid out under this project and the remaining grant will be repaid.

Previously reported variances

Project	Real Variance	Rephasing Variance	Detail
Unaccompanied Asylum-Seeking Children (UASC) Additional Accommodation Requirements	+4.819		The real variance is due to this project continually evolving and the full extent was not known and budgeted at the start of the year. The project is expected to be fully funded from Central Government.
Strategic Estate Programme		-5.996	Previously reported -£5.596m. Rephasing is due to officers waiting for the approval of the Key Decision on 19th December before a contract can be awarded to start the detailed design on SHQ. The budget was rephased to fall in line with the new programme to deliver the design and works on to SHQ according to the Key Decision.
Strategic Reset Programme		-3.631	Previously reported -£2.5m. Rephasing is due to some sites within KCP being value engineered which is reducing the headline figure, mixed with delays to procurement which are impacting projected start on sites.

6 | Capital Budget Changes

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

Project	Year	Amount (£m)	Reason
Adult Social Care & Health			
CareCubed	24-25	+0.036	Revenue contribution for purchase of software licences
Children, Young People & Education			
Annual Planned Enhancement	24-25	-0.170	Grant to be vired to High Needs 22-24
High Needs 22-24	24-25	+0.170	Grant to be vired from Annual Planned Enhancement
Basic Need KCP 19	24-25	+0.465	Other external income
Growth, Environment & Transport			
Integrated Transport Schemes	24-25	-0.150	Grant to be transferred to a new project
Moving Traffic Enforcement	24-25 24-25	+0.150 +0.049	Grant funded Revenue funded
Kent Thameside LST – Integrated Door to Door Journeys	24-25 24-25	+0.017 -0.015	Additional grant Grant to be vired to Greener Buses
Kent Thameside Strategic Transport Programme (STIPS)	24-25	-0.017	Grant to be vired to Kent Thameside LST – Integrated Door to Door Journeys
Greener Buses	24-25	+0.015	Virement of grant from Kent Thameside LST – Integrated Door to Door Journeys
M20 Junction 4 Eastern Overbridge	24-25	-0.025	Project is complete, reduce cash limit to reflect spend.
Market Square Dover	24-25	-0.307	Project is fully funded from Dover District Council, therefore reducing grant cash limit.
Highway Major Enhancement	24-25 24-25 24-25	+0.086 +0.001 +1.666	Additional grant Additional external funding Additional external funding for resurfacing
Public Rights of Way	24-25	+0.036	Additional revenue contribution
Kent Empty Property No Use Empty	24-25 24-25	0.015 0.016	Additional external funding Increase in capital receipt loan repayments

7 | Reserves Monitoring

All figures in £m

Reserve	Opening Balance 01/04/24	Forecast Contribution / Drawdown	Projected Balance 31/03/25	Details of key movements
General Fund (including Commercial Services General Fund)	-43.0	7.1	-35.9	£5.1m contribution to reserves towards achieving a reserve balance of between 5% and 10% of net revenue budget. This percentage range is considered to be from a minimal to an acceptable level. £11.1m contribution to repay the drawdown required in 2022-23 to fund the overspend (£11.1m also required in 2025-26) £23.3m drawdown to fund forecast 2024-25 overspend.
Earmarked Reserves				
Vehicle, Plant & Equipment	-22.6	1.5	-21.1	Drawdowns and contributions to manage purchasing assets with a life of more than one financial year. There are planned drawdowns of £2.2m to replace assets that have come to the end of their useful life and £0.8m contributions to fund renewing assets in future years
Smoothing	-148.7	11.4	-137.3	Includes the £9.1m budgeted drawdown to support the 2024-25 budget
Major Projects	-41.0	9.2	-31.8	The forecast expenditure for the Oracle Cloud Programme through to April 2026, is now significantly higher than the original estimates for total spend. This is due primarily to the additional complexities associated with the currently highly configured and adapted Oracle system, which is now over 20 years old and out of support. Although some complexity was anticipated, the size and scale has resulted in the need for additional external resources and anticipated longer time scales for delivery of the new Oracle Cloud solution. It is proposed to cover the forecasted additional £9.1m expenditure by increasing the drawdown from the Corporate ICT reserve. It will be necessary to reallocate funding set aside within the reserve to cover the OCP increase. There is no requirement for any additional funding to be added to the reserve, but it will curtail the funding of any future technology projects which may arise in the medium term. Additional governance arrangements have been implemented to provide greater oversight and cost control.
Partnerships	-51.5	-4.3	-55.8	Includes £4.3m budgeted repayment of reserves used to support the 2023-24 budget
Grant / External Funds	-16.2	5.7	-10.5	Drawdowns and contributions to manage fluctuations in spend funded

All figures in £m

Reserve	Opening Balance 01/04/24	Forecast Contribution / Drawdown	Projected Balance 31/03/25	Details of key movements
				externally or by grant. Significant net drawdowns include Helping Hands (£3.0m), Family Hubs and Start for Life grant (£1.1m) and the Urgent & Emergency Care Fund (£0.8m).
Departmental Over/Underspends	-2.8	2.8	0.0	£2.8m drawdown to fund roll forwards from 2023-24
Insurance	-12.4	-1.2	-13.6	Contribution to reserves of the forecast in-year underspend against the Insurance Fund in line with usual policy
Public Health	-17.0	1.9	-15.1	Drawdown of Public Health reserve to fund one-off costs and to balance the 2024-25 budget plans
Trading	-1.7	0.0	-1.7	
Special Funds	-0.8	0.1	-0.8	
Total Earmarked Reserves	**-314.6**	**26.9**	**-287.7**	
Total General Fund & Earmarked Reserves	**-357.6**	**34.0**	**-323.6**	
Schools	**-58.6**	**1.0**	**-57.6**	Drawdown to fund Academy Conversions
DSG Adjustment Account	**103.4**	**29.5**	**132.9**	The DSG Adjustment Account deficit has increased due to pressures in Schools Funding. More details can be found in Section 3g

8 | 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.

8.1	Total external debt outstanding in November was £746.67m down by £25.22m since 31st March 2024	KCC debt includes £432.40m 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 14.94 years at an average interest rate of 4.33%. Outstanding loans from banks amount to £216.10m. This is also at fixed term rates with average length to maturity of 37.57 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 39.21 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 £8.17m with an average of 15.83 years to maturity at an average rate of 2.88%. 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.
8.2	Majority is long term debt with only 5.49% due to mature within 5 years	Maturity 0 to 5 years £41.08m (5.49%) Maturity 5 to 10 years £49.00m (6.56%) Maturity 10 to 20 years £265,77m (35.59%) Maturity over 20 years £390.90m (52.35%)
8.3	Total cash balance at end of November was £456.55m, up by £3.20m from the end of March 2024	Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.
8.4	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 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 November were £122.05m (26.73% 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 4.76%. 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 November, the Council had £3.32m in UK treasury bills and other deposits with the UK government. These deposits represent 0.73% of cash investments with an average rate of return of 5.23%. 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 November, the Council had £130.90m invested in covered bonds earning an average rate of return of 4.45%. The Council has outstanding loans of £19.21m through the No Use Empty Loans programme which achieves a return of 3.58% that is available to fund general services. This total includes £6.00m of loans made (£2.79m received) since March 2024. 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 £179.77m invested in pooled funds (39.38% of cash balances) as at 30 November 2024.
8.5	Treasury Management Advice	The Council secures external specialist treasury management advice from Link Group. They advise on the overall strategy as well as borrowing options and investment opportunities. Link Group provide regular performance monitoring reports.
8.6	Quarterly and statutory reports	The Governance and Audit Committee receives detailed statutory on a regular bi-annual basis (the Treasury Strategy Mid-Year Update, and the Annual Treasury Outturn report), which are subsequently reported to County Council. Quarterly reports are reviewed by the Treasury Management Group (TMG). The TMG also reviews the three annual

Treasury Management Indicators

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

8.8 **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 30/11/2024	Target
Portfolio average credit rating	AA+	AA-

8.9 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 30/11/2024	Minimum
Total cash available within 3 months	£145.76m	£100m

8.10 **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 30/11/2024	Limit
One-year revenue impact of a 1% rise in interest rates	£2.56m	£10m
One-year revenue impact of a 1% fall in interest	-£2.56m	-£10m

rates		

8.11 **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:

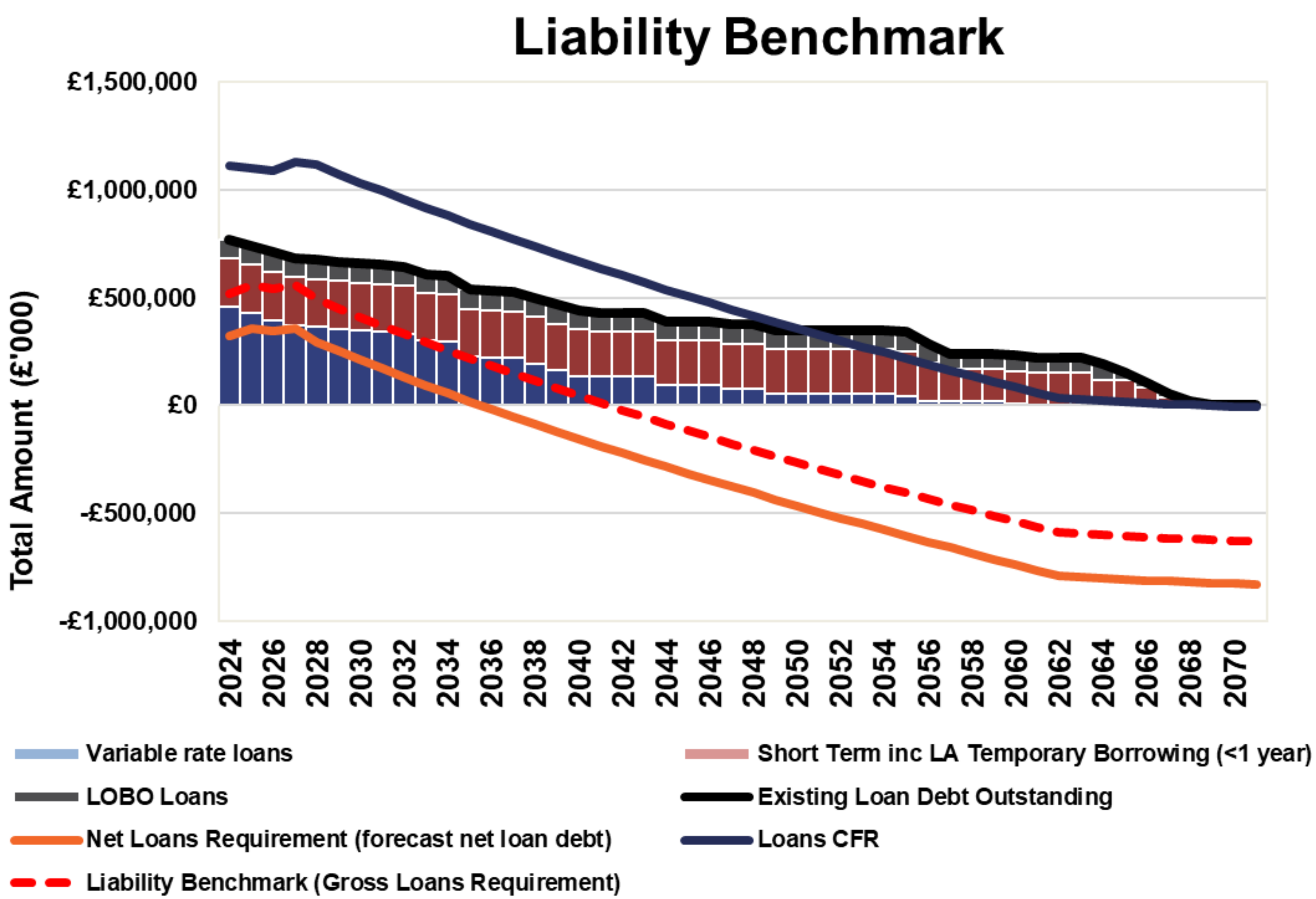
Interest rate risk indicator	Actual 30/11/2024	Upper limit	Lower limit
Under 12 months	0.00%	100%	0%
12 months and within 5 years	5.49%	50%	0%
5 years and within 10 years	6.56%	50%	0%
10 years and within 20 years	35.59%	50%	0%
20 years and within 40 years	26.84%	50%	0%
40 years and longer	25.51%	50%	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.

8.12 **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:

Price risk indicator	2024/25	2025/26	2026/27	No Fixed Date
Limit on principal invested beyond year end	£150m	£100m	£50m	£250m
Actual as at 30 November 2024	£94.47m	£65.73m	£12.17m	£200.27m

Prudential Indicator: Liability Benchmark



Page 85

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 31/03/2024 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £179.77m of external investments currently invested with fund managers over a long-term investment time horizon.

9 | Appendices

Appendix 1 – Key Service Statement

Appendix 2 – Savings

Appendix 3 – Prudential Indicators Monitoring

Appendix 1 - Key Service Statement

Directorate, Division & Key Service	Working Budget (£m)	Forecast (£m)	Variance (£m)
Adult Social Care & Health			
Adult Social Care & Health Operations			
Adaptive & Assistive Technology	0.6	1.0	0.3
Adult Case Management & Assessment Services	40.7	42.6	1.9
Adult In House Carer Services	2.4	2.8	0.4
Adult In House Community Services	6.0	6.0	-0.1
Adult In House Enablement Services	6.5	6.9	0.4
Adult Learning & Physical Disability Pathway - Community Based Services	0.0	0.0	0.0
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	0.0	0.0	0.0
Adult Learning Disability - Community Based Services & Support for Carers	127.1	129.5	2.4
Adult Learning Disability - Residential Care Services & Support for Carers	79.6	80.0	0.4
Adult Mental Health - Community Based Services	21.2	30.2	9.0
Adult Mental Health - Residential Care Services	21.4	23.7	2.3
Adult Physical Disability - Community Based Services	32.9	37.7	4.9
Adult Physical Disability - Residential Care Services	24.5	28.8	4.3
ASCH Operations - Divisional Management & Support	6.8	6.5	-0.2
Independent Living Support	1.0	1.0	-0.1
Older People - Community Based Services	35.4	41.7	6.3
Older People - In House Provision	16.0	18.5	2.5
Older People - Residential Care Services	97.5	124.9	27.4
Older People & Physical Disability Carer Support - Commissioned	1.7	2.6	0.9
Sensory - Assessment Service	0.7	0.7	0.0
Sensory - Community Based Services	0.3	0.5	0.2
Sensory - Residential Care Services	0.0	0.1	0.0
Statutory and Policy Support	1.7	2.0	0.3
Strategic Safeguarding	0.7	0.8	0.1
Adult Social Care & Health Operations Total	**524.7**	**588.4**	**63.7**

Directorate, Division & Key Service	£m Working Budget	Forecast	Variance
Strategic Commissioning (Integrated and Adults)			
Community Based Preventative Services	7.5	9.1	**1.5**
Housing Related Support	1.5	1.5	**0.0**
Partnership Support Services	0.0	-0.0	**-0.0**
Social Support for Carers	3.0	2.4	**-0.6**
Strategic Commissioning (Integrated and Adults)	2.4	2.7	**0.3**
Transformation Delivery and support	7.7	7.5	**-0.1**
Strategic Commissioning (Integrated and Adults) Total	**22.1**	**23.2**	**1.0**
Strategic Management & Directorate Budgets (ASCH)			
Innovation and Partnership	3.4	3.5	**0.1**
Operational and transformation costs pending allocation	1.5	0.1	**-1.4**
Provision for Demographic Growth - Community Based Services	15.8	1.2	**-14.5**
Provision for Demographic Growth - Residential Based Services	12.5	1.0	**-11.5**
Strategic Management & Directorate Support (ASCH)	6.1	4.2	**-1.9**
Strategic Management & Directorate Budgets (ASCH) Total	**39.3**	**10.0**	**-29.3**
Public Health			
Public Health - Advice and Other Staffing	0.0	-0.0	**-0.0**
Public Health - Children's Programme	0.0	0.0	**0.0**
Public Health - Healthy Lifestyles	0.0	-0.0	**-0.0**
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	**0.0**
Public Health - Sexual Health	0.0	0.0	**0.0**
Public Health Total	**0.0**	**0.0**	**0.0**
Adult Social Care & Health Total	**586.1**	**621.6**	**35.4**

Directorate, Division & Key Service	Working Budget (£m)	Forecast (£m)	Variance (£m)
Children, Young People & Education			
Education & Special Educational Needs			
Community Learning & Skills (CLS)	-0.1	0.7	**0.8**
Early Years Education	0.0	-0.0	**-0.0**
Education Management & Division Support	1.5	1.5	**-0.0**
Education Services provided by The Education People	4.0	4.3	**0.3**
Fair Access & Planning Services	0.6	0.6	**0.0**
Home to School & College Transport	96.3	87.7	**-8.6**
Other School Services	5.8	7.9	**2.1**
Pupil Referral Units & Inclusion	0.0	0.0	**0.0**
Special Educational Needs & Psychology Services	17.5	17.9	**0.4**
Education & Special Educational Needs Total	**125.6**	**120.6**	**-5.0**
Integrated Children's Services (Operations and County Wide)			
Adoption & Special Guardianship Arrangements & Service	17.6	17.6	**0.0**
Adult Learning & Physical Disability Pathway - Community Based Services	46.7	43.5	**-3.2**
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	8.3	6.5	**-1.8**
Asylum	0.3	0.3	**-0.0**
Care Leavers Service	5.6	4.7	**-0.9**
Children in Need - Care & Support	3.8	3.1	**-0.7**
Children in Need (Disability) - Care & Support	8.6	8.3	**-0.4**
Childrens Disability 0-18 Commissioning	1.8	1.4	**-0.4**
Children's Social Work Services - Assessment & Safeguarding Service	52.1	50.9	**-1.2**
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	9.9	9.9	**0.0**
Early Help & Preventative Services	2.9	2.5	**-0.5**
Family Hubs	8.4	7.2	**-1.2**
Integrated Services (Children's) Management & Directorate Support	6.5	6.2	**-0.3**
Looked After Children - Care & Support	101.8	102.5	**0.7**
Looked After Children (with Disability) - Care & Support	22.5	27.1	**4.5**
Looked After Children (with Disability) - In House Provision	3.9	3.9	**-0.0**
Integrated Children's Services (Operations and County Wide) Total	**300.8**	**295.5**	**-5.3**

Directorate, Division & Key Service	£m Working Budget	Forecast	Variance
Strategic Management & Directorate Budgets (CYPE)			
Strategic Management & Directorate Budgets (CYPE)	4.3	4.7	**0.4**
Children, Young People & Education Total (Excluding Schools' Delegated Budgets)	**430.6**	**420.8**	**-9.9**
Schools' Delegated Budgets			
Schools' Delegated Budgets	0.0	30.4	**30.4**
Children, Young People & Education Total (Including Schools' Delegated Budgets)	**430.6**	**451.2**	**20.6**
Growth, Environment & Transport			
Environment & Circular Economy			
Environment	3.6	3.6	**-0.1**
Environment and Circular Economy Divisional management costs	2.3	2.3	**0.1**
Residual Waste	52.6	53.4	**0.8**
Waste Facilities & Recycling Centres	38.8	40.6	**1.8**
Environment & Circular Economy Total	**97.3**	**99.9**	**2.6**
Growth & Communities			
Community (Assets & Services)	2.3	2.1	**-0.1**
Community Protection	12.0	11.3	**-0.7**
Growth - Economy	1.7	1.7	**-0.0**
Growth - Place	3.8	3.8	**0.0**
Growth and Communities Divisional management costs	0.5	0.4	**-0.0**
Libraries, Registration & Archives	11.1	10.5	**-0.5**
Growth & Communities Total	**31.3**	29.9	**-1.4**

Directorate, Division & Key Service	Working Budget (£m)	Forecast (£m)	Variance (£m)
Highways & Transportation			
English National Concessionary Travel Scheme (ENCTS)	13.0	16.4	**3.4**
Highway Assets Management	38.7	40.1	**1.4**
Highways & Transportation divisional management costs	4.0	4.4	**0.4**
Kent Karrier	0.0	0.0	**0.0**
Kent Travel Saver (KTS)	5.1	5.1	**0.0**
Supported Bus Services	5.8	5.8	**0.0**
Transportation	6.4	6.4	**-0.0**
Highway & Transportation Total	**72.9**	**78.1**	**5.2**
Strategic Management & Directorate Budgets (GET)			
Strategic Management & Directorate Budgets (GET)	1.4	1.3	**-0.1**
Growth, Environment & Transport Total	**202.9**	**209.2**	**6.3**
Chief Executive's Department			
Commercial & Procurement			
Commercial & Procurement	3.1	3.0	**-0.1**
Strategic Commissioning	0.0	0.0	**0.0**
Commercial & Procurement Total	**3.1**	**3.0**	**-0.1**
Finance			
Finance	10.3	10.0	**-0.3**
Grants to Kent District Councils to maximise Council Tax collection	3.8	3.8	**-0.0**
Finance Total	**14.1**	**13.8**	**-0.3**
Governance, Law & Democracy			
Governance & Law	7.5	7.3	**-0.2**
Local Member Grants	1.0	0.9	**-0.1**
Governance, Law & Democracy Total	**8.4**	**8.1**	**-0.3**

Directorate, Division & Key Service	Working Budget (£m)	Forecast (£m)	Variance (£m)
Strategy, Policy, Relationships & Corporate Assurance			
Childrens and Adults Safeguarding Services	0.4	0.4	**-0.0**
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.4	0.4	**-0.0**
Strategy, Policy, Relationships & Corporate Assurance	4.8	4.8	**-0.0**
Strategy, Policy, Relationships & Corporate Assurance Total	**5.6**	**5.6**	**-0.0**
Strategic Management & Departmental Budgets (CED)			
Strategic Management & Departmental Budgets	-0.7	-1.2	**-0.5**
Chief Executive's Department Total	**30.5**	**29.3**	**-1.2**
Deputy Chief Executive's Department			
Corporate Landlord			
Corporate Landlord	29.0	26.6	**-2.4**
Human Resources & Organisational Development			
Human Resources & Organisational Development	5.4	5.1	**-0.3**
Infrastructure			
Emergency Planning	0.0	0.0	**0.0**
Kent Resilience	0.7	0.7	**-0.0**
Property related services	8.1	8.2	**0.0**
Infrastructure Total	**8.8**	**8.9**	**0.0**
Marketing & Resident Experience			
Marketing & Digital Services	2.0	2.1	**0.1**
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	5.0	4.8	**-0.1**
Marketing & Resident Experience Total	**6.9**	**6.9**	**-0.0**

Directorate, Division & Key Service	£m Working Budget	Forecast	Variance
Technology			
Technology	26.1	26.1	**-0.0**
Strategic Management & Departmental Budgets (DCED)			
Business & Client Relationships	2.5	2.5	**-0.0**
Health & Safety	0.4	0.3	**-0.0**
Strategic Management & Departmental Support	1.4	1.2	**-0.2**
Strategic Reset Programme	1.6	1.6	**0.0**
Strategic Management & Departmental Budgets (DCED) Total	**5.9**	**5.6**	**-0.3**
Deputy Chief Executive's Department Total	**82.2**	**79.2**	**-3.0**
Non Attributable Costs			
Non Attributable Costs	102.4	95.4	**-7.0**
Corporately Held Budgets			
Corporately Held Budgets (to be allocated)	-2.4	0.2	**2.6**
Grand Total	**1,432.3**	**1,486.0**	**53.7**
Directorate Summary			
Adult Social Care & Health	586.1	621.6	35.4
Children, Young People & Education	430.6	420.8	-9.9
Growth, Environment & Transport	202.9	209.2	6.3
Chief Executive's Department	30.5	29.3	-1.2
Deputy Chief Executive's Department	82.2	79.2	-3.0
Non Attributable Costs	102.4	95.4	-7.0
Corporately Held Budgets	-2.4	0.2	2.6
Total	**1,432.3**	**1,455.6**	**23.3**
Schools' Delegated Budgets	0.0	30.4	30.4
Grand Total	**1,432.3**	**1,486.0**	**53.7**

Appendix 2 - Savings

Saving	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
	£000s							
Adult Social Care & Health								
Alternate Provision Brand New Starts (DP)	-3,041.1	0.0	0.0	0.0	0.0	3,041.1	3,041.1	**0.0**
Technology Enabled Lives Service (TELS)	-2,049.0	-3,768.4	0.0	0.0	-3,768.4	-1,719.4	0.0	**0.0**
Full Self-Service Solution (Front Door)	-407.9	0.0	0.0	0.0	0.0	407.9	407.9	**0.0**
Reviews: Supported Living (Q&S) & First Reviews (23/24)	-656.8	-1,105.6	0.0	0.0	-1,105.6	-448.8	0.0	**0.0**
Efficiencies through Enablement	-3,500.0	-2,644.5	0.0	0.0	-2,644.5	855.5	0.0	**-855.5**
Initial Contact (Front Door)	-1,400.0	-984.1	0.0	0.0	-984.1	415.9	0.0	**-415.9**
Rehabilitation and Alternate Support for MH	-3,300.0	0.0	0.0	0.0	0.0	3,300.0	3,300.0	**0.0**
Supported Living - LD	-900.0	-1,508.6	0.0	0.0	-1,508.6	-608.6	0.0	**0.0**
In-House Short Term Beds (Maximisation)	-1,500.0	-1,160.6	0.0	0.0	-1,160.6	339.4	0.0	**-339.4**
Reduction in Residential and Nursing Placements	-2,900.0	-309.2	0.0	0.0	-309.2	2,590.8	1,226.8	**-1,364.0**
Occupational Therapists	-2,500.0	0.0	0.0	0.0	0.0	2,500.0	0.0	**-2,500.0**
Partnership Working (Section 117)	-2,200.0	-272.1	0.0	0.0	-272.1	1,927.9	488.7	**-1,439.2**
Partnership Working (CHC)	-1,800.0	-1,958.8	0.0	0.0	-1,958.8	-158.8	0.0	**0.0**
Reviews: First Reviews	-2,300.0	-1,425.4	0.0	0.0	-1,425.4	874.6	0.0	**-874.6**
Reviews: Ongoing Reviews	-1,200.0	-313.3	0.0	0.0	-313.3	886.7	0.0	**-886.7**
Short Term Pathways: Timely Allocation of Workers	-500.0	-937.8	0.0	0.0	-937.8	-437.8	0.0	**0.0**
Efficiency Savings in relation to the purchasing of residential care	-8,000.0	-1,366.9	0.0	0.0	-1,366.9	6,633.1	0.0	**-6,633.1**
Efficiency Savings in relation to the purchasing of care and support in the home	-3,400.0	-2,024.9	0.0	0.0	-2,024.9	1,375.1	0.0	**-1,375.1**
Efficiencies from new contract for the supply of equipment for adult social care clients	-900.0	-585.5	0.0	0.0	-585.5	314.5	0.0	**-314.5**
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 - Older People	-6,400.0	-6,400.0	0.0	0.0	-6,400.0	0.0	0.0	**0.0**
Estimated annual inflationary increase in Better Care Fund - Older People	-2,188.0	-2,188.0	0.0	0.0	-2,188.0	0.0	0.0	**0.0**
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 - Vulnerable Adults	-1,600.0	-1,600.0	0.0	0.0	-1,600.0	0.0	0.0	**0.0**
Estimated annual inflationary increase in Better Care Fund - Vulnerable Adults	-179.5	-179.5	0.0	0.0	-179.5	0.0	0.0	**0.0**
Estimated annual inflationary increase in Better Care Fund - Adult Social Care Staffing	-99.8	-99.8	0.0	0.0	-99.8	0.0	0.0	**0.0**
Estimated annual inflationary increase in Better Care Fund - Integrated Community Equipment Service and Assistive Technology	-4.4	-4.4	0.0	0.0	-4.4	0.0	0.0	**0.0**
Review of the Adults Charging Policy, in line with Care Act legislation and the statutory guidance	-2,600.0	-2,376.0	0.0	0.0	-2,376.0	224.0	0.0	**-224.0**
One-off contribution from Public Health for Mental Health Live Well Kent contract	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	**0.0**
2022-23 Slipped Savings - review of all contracts	-4,388.5	-3,576.4	0.0	0.0	-3,576.4	812.1	0.0	**-812.1**
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	-851.4	-108.7	0.0	0.0	-108.7	742.7	480.0	**-262.7**
Adult Social Care contracts with Voluntary Sector	-3,216.8	0.0	0.0	-2,304.2	-2,304.2	912.6	3,216.8	**0.0**
Adult Social Care PFI	-147.0	-147.0	0.0	0.0	-147.0	0.0	0.0	**0.0**
Redesign of In House Adult Social Care Services	-1,456.4	-34.9	0.0	0.0	-34.9	1,421.5	1,421.5	**0.0**
Additional income from NHSE to fund increased costs linked to HIV prevention	-275.2	-275.2	0.0	0.0	-275.2	0.0	0.0	**0.0**
Estimated additional income for externally funded posts	-6.1	-6.1	0.0	0.0	-6.1	0.0	0.0	**0.0**
Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant	-9.2	0.0	0.0	-9.2	-9.2	0.0	0.0	**-9.2**
Adult Social Care & Health Total	**-66,877.1**	**-38,361.8**	**0.0**	**-2,313.4**	**-40,675.2**	**26,201.9**	**13,582.8**	**-18,305.9**

Saving	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
	£000s							
Children, Young People & Education								
Estimated reduction to the impact of rising pupil population on SEN Home to School and College Transport	-6,300.0	-6,300.0	0.0	0.0	-6,300.0	0.0	0.0	**0.0**
Implement strategies to reduce the cost of packages for looked after children, including working with Health	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	**0.0**
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	-650.0	-650.0	0.0	0.0	-650.0	0.0	0.0	**0.0**
Expanding the reach of caseholding Early Help services	-560.0	0.0	0.0	-560.0	-560.0	0.0	0.0	**-560.0**
Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health	-550.0	-237.5	0.0	0.0	-237.5	312.5	0.0	**-312.5**
Explore strategies, including statutory guidance, to reduce dependency on social work agency staff	-300.0	-300.0	0.0	0.0	-300.0	0.0	0.0	**0.0**
Initiatives to increase use of Personal Transport Budgets to reduce demand for Hired Transport	-300.0	-300.0	0.0	0.0	-300.0	0.0	0.0	**0.0**
Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-206.0	0.0	0.0	0.0	0.0	206.0	0.0	**-206.0**
Adoption Service	-200.0	-200.0	0.0	0.0	-200.0	0.0	0.0	**0.0**
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 - 0-25	-120.0	-120.0	0.0	0.0	-120.0	0.0	0.0	**0.0**
Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases	-100.0	-100.0	0.0	0.0	-100.0	0.0	0.0	**0.0**
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	-1,200.0	-1,200.0	0.0	0.0	-1,200.0	0.0	0.0	**0.0**
Review of youth services offer: cease commissioned youth services contracts	-913.0	-913.0	0.0	0.0	-913.0	0.0	0.0	**0.0**
Introduction of charging for post 16 SEN transport and reductions to the Post 19 transport offer	-781.0	-781.0	0.0	0.0	-781.0	0.0	0.0	**0.0**
Review of open access services in light of implementing the Family Hub model	-400.0	-400.0	0.0	0.0	-400.0	0.0	0.0	**0.0**
Development of in-house residential units to provide an alternative to independent sector residential care placements (invest to save)	100.0	100.0	0.0	0.0	100.0	0.0	0.0	**0.0**
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	-250.0	0.0	-250.0	0.0	-250.0	0.0	0.0	**-250.0**
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	-550.0	-550.0	0.0	0.0	-550.0	0.0	0.0	**0.0**
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Income: Kent 16+ Travel Saver	-300.0	-300.0	0.0	0.0	-300.0	0.0	0.0	**0.0**
Policy: Care Leavers – Pursue a policy where independence is reached by a Young Person’s 19th birthday	-700.0	-700.0	0.0	0.0	-700.0	0.0	0.0	**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	-750.0	-587.5	0.0	0.0	-587.5	162.5	0.0	**-162.5**
Policy: Review of Open Access – Youth Services & Children’s Centres – review of open access services in light of implementing the Family Hub model	-300.0	-300.0	0.0	0.0	-300.0	0.0	0.0	**0.0**
Policy: Review of Open Access Estate – Youth Provision & Children’s Centres	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
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	-400.0	0.0	0.0	-400.0	-400.0	0.0	0.0	**-400.0**
Transformation: Looked After Children – Reduce the recent increase in the number of Looked After Children placements through practice reviews & improved court proceedings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Children, Young People & Education Total	**-16,730.0**	**-14,839.0**	**-250.0**	**-960.0**	**-16,049.0**	**681.0**	**0.0**	**-1,891.0**

Saving	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
	£000s							
Growth, Environment & Transport								
Review of green waste contract, with market analysis indicating a reduction in gate fee	-621.0	0.0	0.0	0.0	0.0	621.0	621.0	**0.0**
Review of the services and as aspiration for all three to be amalgamated to ensure synergies achieved in systems/back office functions and to limit any reduction in service levels	-150.0	0.0	0.0	-150.0	-150.0	0.0	0.0	**-150.0**
Increased waste material segregation, increased re-use, black-bag splitting and trade waste recycling with a view to generating income or reducing cost	-105.0	0.0	0.0	0.0	0.0	105.0	105.0	**0.0**
Work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates	-80.0	0.0	0.0	0.0	0.0	80.0	0.0	**-80.0**
Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation	-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	**0.0**
Temporary reduction in spend on weatherproofing windmills	-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	**0.0**
Withdraw the remaining contribution to the KCC hosted Active Kent and Medway.	-28.0	-28.0	0.0	0.0	-28.0	0.0	0.0	**0.0**
Reduction to the Arts Investment Fund, which provides grants to Kent-based arts organisations	-25.0	-25.0	0.0	0.0	-25.0	0.0	0.0	**0.0**
Kent Travel Saver price realignment to offset bus operator inflationary fare increases	-463.5	-463.5	0.0	0.0	-463.5	0.0	0.0	**0.0**
Review of Highways income based on current/projected activity levels	-400.0	-400.0	0.0	0.0	-400.0	0.0	0.0	**0.0**
A review of income levels and fees and charges in relation to existing service income streams	-200.0	-200.0	0.0	0.0	-200.0	0.0	0.0	**0.0**
Income from traffic management penalties including contravening traffic restrictions, box junctions and bus lanes	-100.0	0.0	0.0	0.0	0.0	100.0	0.0	**-100.0**
Use of grant funding to support project & scheme costs	-100.0	-100.0	0.0	0.0	-100.0	0.0	0.0	**0.0**
Increased income within Kent Scientific Services for toxicology analysis for the Coroners Service	-56.0	-56.0	0.0	0.0	-56.0	0.0	0.0	**0.0**
Grant funding to support Electric Vehicle Strategy	-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	**0.0**
One-off increase in profit share from East Kent Opportunities LLP	-50.0	0.0	0.0	0.0	0.0	50.0	0.0	**-50.0**
Increased contribution from Medway Council under SLA relating to increasing costs for provision of Coroner service in Medway	-49.0	-49.0	0.0	0.0	-49.0	0.0	0.0	**0.0**
Inflationary increase in income levels and pricing policy for Kent Scientific Services	-45.0	-45.0	0.0	0.0	-45.0	0.0	0.0	**0.0**
Inflationary increase in fees and charges	-1.4	-1.4	0.0	0.0	-1.4	0.0	0.0	**0.0**
Savings from reduced incentivisation payments to districts from the proposed introduction of Extended Producer Responsibility (EPR) legislation and where DEFRA will incentivise districts directly.	-1,300.0	-1,120.0	0.0	-180.0	-1,300.0	0.0	180.0	**0.0**
Review of Community Warden Service to deliver a £1m saving which is likely to result in an overall reduction in wardens	-433.0	-376.0	0.0	-57.0	-433.0	0.0	0.0	**-57.0**
Review of level of campaigns and related activity within Road Safety	-200.0	-200.0	0.0	0.0	-200.0	0.0	0.0	**0.0**
Review of staffing levels within Trading Standards service. Mix of one-off and permanent savings.	-60.8	-60.8	0.0	0.0	-60.8	0.0	0.0	**0.0**
Adjustment of Trading Standards legal costs as Courts recover post-Covid	-55.0	-55.0	0.0	0.0	-55.0	0.0	0.0	**0.0**
Savings from delayed recruitment	-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	**0.0**
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	-390.0	0.0	0.0	0.0	0.0	390.0	0.0	**-390.0**
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	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	**0.0**
Income: Kent Travel Saver (formerly Young Person's Travel Pass) – Kent Travel Saver price realignment to offset bus operator inflationary fare increases	-1,500.0	-1,500.0	0.0	0.0	-1,500.0	0.0	0.0	**0.0**
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	-100.0	-100.0	0.0	0.0	-100.0	0.0	0.0	**0.0**
Policy: Household Waste Recycling Centres (HWRC) – Review of the number and operation of HWRC sites	-500.0	0.0	0.0	0.0	0.0	500.0	500.0	**0.0**
Policy: Review of Community Wardens	-500.0	-500.0	0.0	0.0	-500.0	0.0	0.0	**0.0**
Growth, Environment & Transport Total	**-8,712.7**	**-6,479.7**	**0.0**	**-387.0**	**-6,866.7**	**1,846.0**	**1,406.0**	**-827.0**

Saving	2024-25 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast	Variance	Un-deliverable	To be achieved in future years
	£000s							
Chief Executive's Department								
Reduction in the number of Historic Pension Arrangements within CED Directorate	-250.0	-250.0	0.0	0.0	-250.0	0.0	0.0	**0.0**
Efficiencies within the Member support administration	-5.0	-5.0	0.0	0.0	-5.0	0.0	0.0	**0.0**
Cease Early Intervention Payments to District Councils	-82.5	0.0	0.0	-82.5	-82.5	0.0	0.0	**-82.5**
Review of Committee support arrangements	-20.0	0.0	0.0	-20.0	-20.0	0.0	0.0	**-20.0**
Chief Executive's Department Total	**-357.5**	**-255.0**	**0.0**	**-102.5**	**-357.5**	**0.0**	**0.0**	**-102.5**
Deputy Chief Executive's Department								
Property savings from a review of specialist assets	-45.0	-45.0	0.0	0.0	-45.0	0.0	0.0	**0.0**
Review of Office Assets	-763.9	-375.0	0.0	-388.9	-763.9	0.0	198.9	**-190.0**
Review of Community Delivery including Assets	-101.0	-101.0	0.0	0.0	-101.0	0.0	0.0	**0.0**
Income: Resilience and Emergency Planning - Additional income from reservoir work	-60.0	0.0	0.0	-60.0	-60.0	0.0	0.0	**-60.0**
Deputy Chief Executive's Department Total	**-969.9**	**-521.0**	**0.0**	**-448.9**	**-969.9**	**0.0**	**198.9**	**-250.0**
Non Attributable Costs								
Estimated increase in the income contribution from our limited companies, including a one-off increase in 2024-25.	-3,500.0	-3,500.0	0.0	0.0	-3,500.0	0.0	0.0	**0.0**
One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services	-7,688.0	-7,688.0	0.0	0.0	-7,688.0	0.0	0.0	**0.0**
Increase in investment income largely due to the increase in base rate	-2,279.6	-3,150.0	0.0	0.0	-3,150.0	-870.4	0.0	**0.0**
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	**0.0**
Non Attributable Costs Total	**-14,467.6**	**-15,338.0**	**0.0**	**0.0**	**-15,338.0**	**-870.4**	**0.0**	**0.0**
Corporately Held Budgets								
The reduction in the volume and duration of agency staff	-750.0	0.0	0.0	0.0	0.0	750.0	0.0	**-750.0**
Part year impact of further discretionary policy decisions and deep dive into contract renewals with consideration of reducing service specifications	-2,300.0	0.0	0.0	0.0	0.0	2,300.0	2,300.0	**0.0**
Corporately Held Budgets Total	**-3,050.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3,050.0**	**2,300.0**	**-750.0**
Total	**-111,164.8**	**-75,794.5**	**-250.0**	**-4,211.8**	**-80,256.3**	**30,908.5**	**17,487.7**	**-22,126.4**

Appendix 3 - Prudential Indicators Monitoring

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)

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total	237.29	427.07	315.48	271.30	276.84	246.51

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.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Total CFR	1,268.01	1,300.80	1,244.33	1,232.87	1,247.76	1,235.80

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.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Other Long-term Liabilities	178.77	168.00	178.55	178.55	178.55	178.55
External Borrowing	771.89	715.90	715.92	684.73	660.55	653.32
Total Debt	**950.66**	**883.90**	**894.47**	**863.28**	**839.10**	**831.87**
Capital Financing Requirement	1,268.01	1,300.80	1,244.33	1,232.87	1,247.76	1,235.80
Internal Borrowing	317.35	416.90	349.86	369.59	408.66	403.93

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.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Authorised Limit - borrowing	946	1,261	1,261	1,271	1,248	1,248
Authorised Limit - Other long term liabilities	179	168	179	179	179	179
Authorised Limit - total external debt	**1,125**	**1,429**	**1,440**	**1,450**	**1,427**	**1,427**
Operational Boundary - borrowing	822	1160.6	1161	1171	1148.1	1148.1
Operational Boundary - Other long term liabilities	179	168	179	179	179	179
Operation Boundary - total external debt	**1,001**	**1,329**	**1,340**	**1,350**	**1,327**	**1,327**

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.

	23-24 Actuals	2024-25 Budget	2024-25 Forecast	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate
Proportion of net revenue stream	8.17%	7.48%	7.41%	6.95%	6.58%	6.60%

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

	23-24 Actuals	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Net income from commercial and service investments to net revenue stream (%)	0.46	0.60	0.37	0.35

This page is intentionally left blank

By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee, 18 March 2025

Subject: Late changes to the 2025-26 budget and 2025-28 Medium Term Financial Plan (MTFP)

Summary: The Chairman and Spokespeople of the Scrutiny Committee have requested that this item be added to the agenda of the Committee for discussion.

---

1. Introduction

a) The attached report was presented to Cabinet on 4 March 2025 and provides details of late changes to the approved 2025-26 revenue budget which were not available in time for the County Council budget meeting.

b) The Cabinet was asked to:

   a. NOTE the budget updates and ENDORSE that they be included in final 2025-26 budget in accordance with the Budget Decision made at County Council on 13th February 2025.
   b. APPROVE the net transfer of £356.0k into reserves (£42.7k increased contribution into the General Reserve and £313.3k contribution into the Local Taxation Equalisation smoothing reserve) to improve the Council's financial resilience.
   c. APPROVE additional £6,067.8k of specific grant income along with associated spending with nil impact on net 2025-26 revenue budget.

c) Members of the Scrutiny Committee have the opportunity to ask any questions they might have about the late changes to the Budget and MTFP following this report to Cabinet.

2. Attached documents

a) Late Changes to the 25-26 Budget and 25-28 MTFP - Cabinet Report

b) Appendix 1 Cabinet - Budget Update

3. Recommendation
The Scrutiny Committee is asked to discuss and comment on or note the report.

Contact Details

Anna Taylor, Scrutiny Research Officer
anna.taylor@kent.gov.uk 03000 416478

This page is intentionally left blank

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
John Betts, Interim Corporate Director of Finance

To: Cabinet – 4th March 2025

Subject: **Late changes to the 2025-26 budget and 2025-28 Medium Term Financial Plan (MTFP)**

Classification: Unrestricted

Summary:

This paper provides details of late changes to the approved 2025-26 revenue budget which were not available in time for the Couty Council budget meeting. The net changes to share of Retained Business Rates growth/Business Rates Compensation Grant (+£42.7k) and Business Rates collection fund (+£313.3k) increase the net revenue budget requirement for 2025-26 financial year from £1,530,924.8k (as reported to County Council) to £1,531,279.8k, a small increase of £356.0k. The paper includes recommendation that business rates collection fund surplus balance is transferred to the local taxation equalisation reserve in accordance with existing policy and the remainder is added to the existing contribution to the general reserve. This paper also updates Cabinet on some other late changes to specific grants since County Council on the 13th February 2025 which do not impact on the net revenue budget requirement.

Recommendations:

Cabinet is asked to:

1) **NOTE** the budget updates and **ENDORSE** that they be included in final 2025-26 budget in accordance with the Budget Decision made at County Council on 13th February 2025.
2) **APPROVE** the net transfer of £356.0k into reserves (£42.7k increased contribution into the General Reserve and £313.3k contribution into the Local Taxation Equalisation smoothing reserve) to improve the Council's financial resilience.
3) **APPROVE** additional £6,067.8k of specific grant income along with associated spending with nil impact on net 2025-26 revenue budget.

1. Introduction

1.1 The 2025-26 revenue budget for the Council was agreed by County Council on 13th February 2025. In accordance with the budget decision made at this meeting, this report provides information on late changes to the 2025-26 revenue budget, in relation to a net increase in the total budget requirement from Business Rates. In addition, this report provides information on other changes including the Councils Public Health grant allocation and other minor technical changes.

2. Business Rates

2.1 The retained business rates precept in our final 2025-26 budget must be based on the estimates from collection authorities' statutory government return (NNDR1s), along with estimates for any over/under collection of business rates from previous years notified to us through their collection fund balances. The NNDR1 sets out the business rate tax base including rateable values for new businesses, impact of any changes in rateable values due to change of use or following check/challenge/appeal process, and impact of discount/exemptions/collection rates. The final value of the County Council's share of retained business rates was not available in time to include in the final draft budget report for County Council published on 5th February 2025.

2.2 Consistent with previous years and pending the final figures from the districts' NNDR1 returns, the funding estimate in the final draft budget approved by County Council on 13th February 2025 included an assumed overall increase in business rate funding (from top-up grant, retained baseline and local share, and compensation grant) in line with the anticipated average inflationary uplift to business rates based on a mixture of September 2024 CPI (+1.7%) and no assumption on any changes in the tax base. In addition, we had increased the amount expected from the Kent Business Rate pool based on the latest 2024-25 monitoring. The Chancellor's Autumn Statement on 30th October 2024 announced that the small business rate multiplier would be frozen, and therefore as has been the case in previous years, the funding plans included the assumption that we would receive additional business rate compensation grant to offset this.

2.3 The table below sets out the County Council's updated net share of business rates for 2025-26 compared to the estimates included in the County Council papers of 13th February 2025. The increase between the estimate included in the final draft budget presented to County Council and the updated amount notified to us by districts through their NNDR1 returns relates to changes in the composition of the rateable value within each individual district. These changes could not have previously been planned for. The combination of the increase in the NNDR1 retained business rate baseline and local share, and business rate compensation grant results in a small net increase in the available base funding for 2025-26 of £42.7k. One of the reasons for a small variance is we base the inflationary uplift in business rates on an average basis whereas there are now separate non-linked uplifts in small and standard business are multipliers which can only be confirmed following receipt of NNDR1 information.

	Estimate included in County Council papers £'000	Updated figures for Cabinet £'000	Increase £'000
Business rates top up grant	149,107.7	149,107.7	
Retained business rates - baseline & local share	67,238.1	69,097.6	
Business rates compensation grant	52,795.4	50,978.6	
Total	269,141.2	269,183.9	42.7
% increase from 2024-25	1.87%	1.89%	

2.4 Collection fund estimated amounts are determined by collection authorities for over/under collection of the estimated business rates in previous NNDR1 returns. The County Council's share of the 2024-25 business rate collection fund surpluses and deficits notified to us by district councils is a net surplus of £313.3k. No surplus or deficit was assumed in the final draft papers presented to County Council on 13th February 2025, and therefore this represents a one-off increase in the available funding for 2025-26, as set out in the table below.

	Estimate included in County Council papers £'000	Updated figures for Cabinet £'000	Increase £'000
Business rate collection fund	0.0	313.3	313.3

3. Other changes to the 2025-26 budget

3.1 The report taken to County Council on 13th February including an assumed increase in the Public Health grant in 2025-26 of £1,048.9k, to a total assumed grant of £76,783.7k. The Public Health grant for 2025-26 was published on 7th February 2025 and confirms the Council's grant allocation is increasing by £4,160.6k, which represents an increase of £3,111.7k on the earlier estimate. In addition, the announcement confirmed that the 2024-25 Public Health grant has increased by £1,574.1k. The table below summaries the changes.

3.2 The Public Health Grant announcement includes an average 5.4% cash increase in the national settlement, or a 3.0% real-terms increase, compared to 2024-25. The allocations for 2025-26 include a recurrent uplift for the additional pay pressures due to the higher-than-expected 2024-25 NHS pay awards through consolidating the additional funding in 2024-25 grant previously notified to local authorities. The quantum and distribution of this pay cost funding is based on a recent data validation exercise conducted with local authorities. It will be for councils to decide whether and how to allocate funding to their providers, in accordance with the terms of their local contracts and taking account of their own subsidy. Further funding has also been provided to support local authorities on other pressures facing the sector, including from potential additional costs relating to HIV Pre-Exposure Prophylaxis. The 2025-26 allocations also include estimated impact of future NHS pay settlements.

Public Health Grant allocations	Estimate included in County Council papers £'000	Updated figures for Cabinet £'000	Increase £'000
2024-25 allocation	75,734.8	77,308.9	1,574.1
Increase	1,048.9	4,160.6	3,111.7
2025-26 allocation	76,783.7	81,469.5	4,685.8

3.3 In relation to the additional allocation for 2024-25, this will be reflected in the 2024-25 revenue budget monitoring position. The total increase of £4,685.8k in the 2025-26 allocation has no impact on the Council's net budget requirement, and the service is currently working through the detail and its impact on the Public Health budget, and this will be reflected in the final budget which we intend to publish before the start of the new financial year.

3.4 The Department for Transport issued a notification of the allocation and associated conditions and guidance for the Active Travel grant funding on 11th February 2025. The Council's grant allocation is £5,728.2k, of which £4,376.2k (76%) relates to the capital budget and £1,382.0k (24%) relates to the revenue budget.

4. Summary

4.1 The combination of the business rates changes notified to us via the NNDR1 returns and the update to the business rate pool outlined in section 2; results in a small increase in the available net revenue budget requirement (core) for 2025-26 of £356.0k.

- In accordance with existing policy, it is proposed to transfer the one-off Business Rate collection fund surplus balance of £313.3k into the Local Taxation equalisation smoothing reserve.
- It is proposed that the increase of £42.7k from business rates retained baseline, local share and compensation grant, increases the contribution to the general reserve.

4.2 The additional Public Health funding and Active Travel funding outlined in section 3 are ringfenced and do not have an impact on the Council's core net revenue budget requirement. Public Health are undertaking a review of their budget which will include the impact of the 2024-25 NHS pay awards and the impact of increased employers National Insurance Contributions from the 1 April 2025. Both grants will be used to fund expenditure in accordance with the respective grant conditions.

4.3 Attached at Appendix 1 is an updated high-level budget for 2025-26, reflecting the late changes within this paper. The impact in later years (2026-27 and 2027-28) will be included when plans are updated as part of preparations for 2026-27 budget.

Background Documents

1 KCC's Budget webpage
2 2025-26 Budget approved by County Council on 13th February 2025
3 Public Health Grant details published 7th February 2025

Contact details:

Report Author
Dave Shipton (Head of Finance Policy, Planning and Strategy)
03000 419418, dave.shipton@kent.gov.uk

Relevant Corporate Director:
John Betts (Interim Corporate Director, Finance)
03000 410066, john.betts@kent.gov.uk

APPENDIX 1 - High Level 2025-26 Budget and Financing

2024-25				2025-26		
Core £000s	External £000s	Total £000s		Core £000s	External £000s	Total £000s
			Original base budget	1,429,506.8	0.0	1,429,506.8
			internal base adjustments	-836.6	836.6	0.0
1,315,610.6		1,315,610.6	Revised Base	1,428,670.2	836.6	1,429,506.8
			SPENDING			
31,721.5		31,721.5	Base Budget Changes	10,320.7	-744.1	9,576.6
35.0		35.0	Reduction in Grant Income	3,234.7	11,276.2	14,510.9
10,798.4	505.1	11,303.5	Pay	21,845.7	626.9	22,472.6
49,568.4	1,695.6	51,264.0	Prices	41,407.1	1,944.4	43,351.5
85,349.7	284.7	85,634.4	Demand & Cost Drivers - Cost	48,209.4	0.0	48,209.4
		0.0	Demand & Cost Drivers - Demand	22,989.0	24,150.3	47,139.3
16,393.1	-10,327.3	6,065.8	Government & Legislative	-14,666.5	10,952.4	-3,714.1
15,712.2	-1,538.8	14,173.4	Service Strategies & Improvements	17,831.2	2,136.2	19,967.4
			Public Health spending plans to be confirmed	*0.0*	*4,685.8*	*4,685.8*
209,578.3	-9,380.7	200,197.6	**TOTAL SPENDING**	**151,171.3**	**55,028.1**	**206,199.4**
			SAVINGS, INCOME & GRANT			
-36,454.8		-36,454.8	Transformation - Future Cost Increase Avoidance	-30,834.5	0.0	-30,834.5
2,068.7		2,068.7	Transformation - Service Transformation	-3,616.0	0.0	-3,616.0
-16,195.0		-16,195.0	Efficiency	574.6	-65.0	509.6
-15,406.6	-281.3	-15,687.9	Income	-20,109.3	0.0	-20,109.3
-10,967.6		-10,967.6	Financing	1,001.0	0.0	1,001.0
-11,910.2	-9.2	-11,919.4	Policy	-8,542.9	0.0	-8,542.9
-88,865.5	-290.5	-89,156.0	**TOTAL SAVINGS & INCOME**	**-61,527.1**	**-65.0**	**-61,592.1**
	7,210.7	7,210.7	Increases in Grants and Contributions	0.0	-35,033.5	-35,033.5
-88,865.5	6,920.2	-81,945.3	**TOTAL SAVINGS, INCOME & GRANT**	**-61,527.1**	**-35,098.5**	**-96,625.6**
			MEMORANDUM:			
			Removal of undelivered/temporary savings & grant	34,555.7	30.8	34,586.5
			New & FYE of existing Savings	-72,573.5	-65.0	-72,638.5
			New & FYE of existing Income	-23,509.3	0.0	-23,509.3
			New & FYE of existing Grants	0.0	-35,064.3	-35,064.3
				-61,527.1	**-35,098.5**	**-96,625.6**
			Prior Year savings rolling forward for delivery in 25-26 *	-19,045.4	-9.2	-19,054.6
			TOTAL Savings for delivery in 2025-26	***-115,128.2***	***-35,138.5***	***-150,266.7***
			* the prior year savings rolled forward for delivery in 2025-26 will be updated as part of the outturn report, and those updated figures will be used for the 2025-26 savings monitoring process			
			RESERVES			
27,481.5		27,481.5	Contributions to Reserves	43,240.9	14,200.0	57,440.9
-24,739.6		-24,739.6	Removal of prior year Contributions	-34,545.8	-10,640.0	-45,185.8
-14,877.4	-1,350.5	-16,227.9	Drawdowns from Reserves	-10,607.1	-25,598.1	-36,205.2
5,318.9	3,811.0	9,129.9	Removal of prior year Drawdowns	14,877.4	1,271.9	16,149.3
-6,816.6	2,460.5	-4,356.1	**TOTAL RESERVES**	**12,965.4**	**-20,766.2**	**-7,800.8**
113,896.2	0.0	113,896.2	**NET CHANGE**	**102,609.6**	**-836.6**	**101,773.0**
1,429,506.8	**0.0**	**1,429,506.8**	**NET BUDGET**	**1,531,279.8**	**0.0**	**1,531,279.8**

2024-25				2025-26		
Core £000s	External £000s	Total £000s		Core £000s	External £000s	Total £000s
			MEMORANDUM:			
			The net impact on our reserves balances is:			
27,481.5	0.0	**27,481.5**	Contributions to Reserves	43,240.9	14,200.0	**57,440.9**
-14,877.4	-1,350.5	**-16,227.9**	Drawdowns from Reserves	-10,607.1	-25,598.1	**-36,205.2**
12,604.1	**-1,350.5**	**11,253.6**	**Net movement in Reserves**	**32,633.8**	**-11,398.1**	**21,235.7**
			Funding per the Local Government Finance Settlement & Local Taxation			
		11,806.0	Revenue Support Grant			15,680.3
		117,046.1	Social Care Grant			137,143.6
		26,969.4	Adult Social Care Market Sustainability and Improvement Fund			26,969.4
		11,686.6	Adult Social Care Discharge Fund			0.0
			Domestic Abuse Safe Accommodation Grant			4,031.2
		1,311.9	Services Grant			0.0
		-	Children's Social Care Prevention Grant			6,759.8
		147,382.5	Business Rate Top-up Grant			149,107.7
		50,014.7	Local Authority Better Care Grant (previously Improved Better Care Fund and Hospital Discharge grant)			61,701.3
		51,080.2	Business Rates Compensation Grant			50,978.6
		2,058.5	New Homes Bonus			1,926.7
		-	Employer National Insurance Contributions Grant			10,072.7
		3,544.6	Other Un-ringfenced grants (Extended Rights to Free Travel Grant merged into Revenue Support Grant from 2025-26)			0.0
		65,740.7	Local Share of Retained Business Rates			69,097.6
		2,682.8	Business Rate Collection Fund			313.3
		800,320.3	Council Tax Income (including increase up to referendum limit but excluding social care levy)			838,406.1
		135,347.0	Council Tax Adult Social Care Levy			155,881.6
		2,515.5	Council Tax Collection Fund			3,209.9
		1,429,506.8	**Total Funding**			**1,531,279.8**

From: John Betts - Interim Corporate Director - Finance

Sarah Hammond – Corporate Director, Children Young People and Education

To: Scrutiny Committee - 18 March 2025

Subject: Safety Valve Programme

Classification: Unrestricted

Summary:

This report provides an update on the Council's plans to balance the High Needs Funding element of the Designated Schools Grant, including operational and financial plans to achieve this. This report outlines the approach taken and the challenges with predicting impact that is achieved through whole system change.

Recommendations:

The Scrutiny committee is asked to comment on and note the report.

1. Context

1.1 This report follows and expands on the information submitted to Scrutiny Committee on 4 December 2024 and 29 January 2025. The latter of which sets out the national context in relation to financial pressures facing Local Authorities in relation to the Special Education Needs and Disabilities (SEND) system, the requirement for the Council to work within the resources available, and the implications of a failure to do so.

1.2 Original plans in relation to the Safety Valve were created in Summer 2022 using data available at that time, predictive modelling based on trends from the preceding years (most notably 2021-22) and an assumption of linear progression. On 7 March 2023 Cabinet took a Key Decision that enabled the Council to enter into the "Safety Valve" agreement with the Department for Education (DfE). The Executive Decision taken included how the programme is aligned to *Priority 4: New Models of Care and Support* of "Securing Kent's Future" and supports the ambition to make rapid and sustained improvements in the support provided to children with Special Educational Needs and Disabilities (SEND) and their families in Kent.

1.3 Activity was subsequently identified that could:

a. support the implementation of this transformative change.
b. deliver the financial outcomes of the Safety Valve programme, including a long term financial sustainable SEND system in Kent.

c. improve outcomes for children and young people, addressing the areas of weakness identified in the SEND Local Ofsted Inspection of 2019 and the subsequent re-visit of 2022.
d. ensuring that Kent is delivering against the SEND and Alternative Provision Improvement Plan (2023) and
e. ensure that the Council is compliant with its duties under the Children and Families Act 2014 and SEND Code of Practice 2015.

1.4 Since that time, significant progress has been made in the areas of whole system change, strengthening of statutory processes, staffing and communication.

1.5 In some key areas, including the number of children with Education and Health Care Plans (EHCPs), the number of children in maintained special schools and the number of children in Non-Maintained and Independent Special Schools (NMISS), Kent remains a negative outlier compared to both statistical neighbours and national averages, though the data shows evidence of positive change. For example, Requests to Assess reduced in 2024 by 7% compared to 2023. (See Section 3 for more information on the progress made).

1.6 Unusually for a five-year commitment, the nature of the Safety Valve does not allow for an annual review of the agreement with the DfE to take into account, for example, the impact of inflation. However, given the progress made to date, and in acknowledging areas of ongoing challenge, the assumptions underpinning the Safety Valve financial projections and the activity being undertaken to bring spend on the High Needs Block (HNB) of the Designated Schools Grants (DSG) into balance by the end of the agreement, have been subject to review and revision.

1.7 This report outlines progress to date and impact identified, the most recent financial projections, actions to improve financial outcomes and indicative timescales, risks and barriers to success.

2. Progress to date and impact identified

2.1 Under the nine conditions of the Safety Valve (Appendix 1), the Council has committed to delivering whole system, transformative change that can create a financially sustainable model of support for children and young people with SEND over the long term.

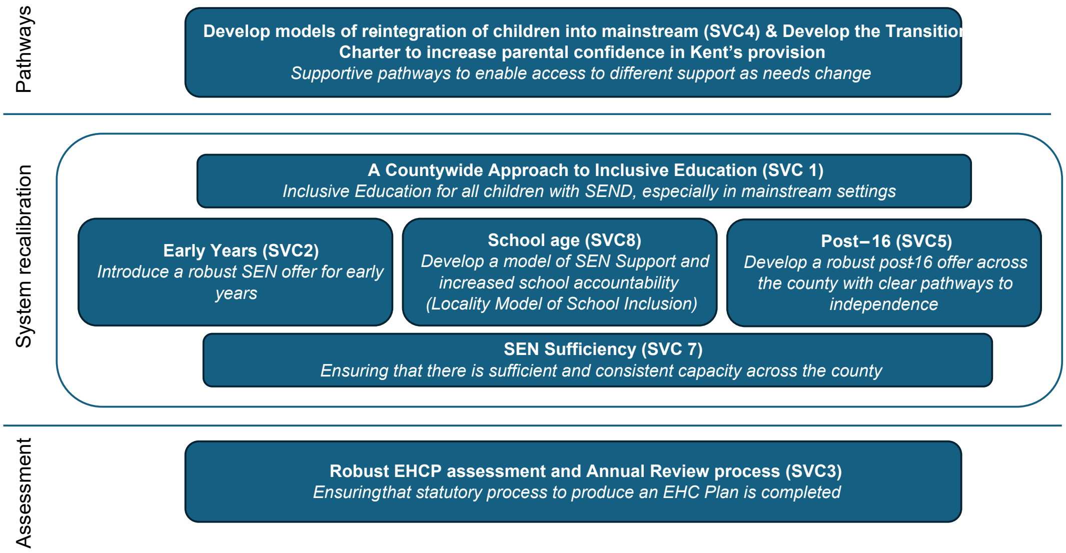
2.2 Over 30 projects have been implemented to achieve this transformation, falling into three main areas.

2.3 Assessment: ensuring that children and young people’s needs are assessed accurately and in a timely way, followed by Annual Reviews to ensure that support is adapted as needs change.

2.4 System Recalibration: a focus on transforming how the system works to support children and young people through their educational career. A key priority being greater inclusion for children and young people with SEND across all educational settings, and specifically in mainstream.

2.5 Pathways: recognising and understanding that as children and young people develop and grow, their needs will change requiring the existence of supportive pathways at key transition points and the opportunity to transfer into other forms of support/educational settings and can meet their evolving needs.

2.6 This is outlined below.



3. Key areas of progress

3.1 The core assumption of the Safety Valve programme is to increase the number of children and young people successfully educated in mainstream settings, including at SEN Support level, to bring Kent more in line with national averages and avoiding the higher cost implications of placing children in specialised and private independent settings.

3.2 The second SEND Quarterly Report, presented to this Committee in December 2024, outlined the significant resource available to mainstream schools to develop and embed inclusive practice, the work with mainstream schools to develop SEN capacity to enable the meeting of statutory duties and capital investment to improve accessibility.

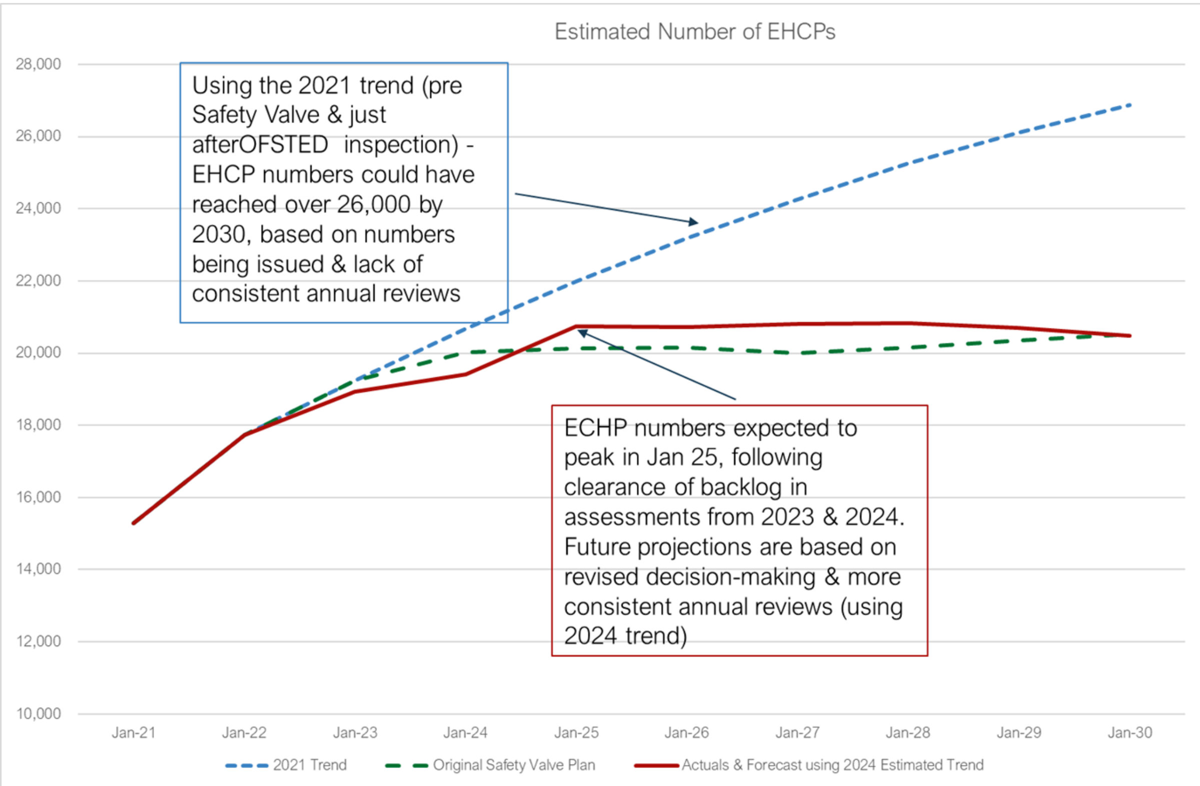
3.3 Several key areas of work, such as the Early Years Review and Communities of Schools projects will re-shape this resource to ensure greater alignment, reduce duplication and bureaucracy, and improve access to and efficacy of the resources available.

3.4 To date, a primary area of focus has been on the Education Health and Care Plan (EHCP) process. This process is a statutory duty of the local authority and is the foundation of a fully functioning education and SEN system.

3.5 Positive improvements in both the assessment and annual review process are now enabling the Council to have a better understanding of the overall demand for SEN in the county to enable more robust financial planning and targeted actions.

3.6 Successful implementation of more robust decision making and capacity building of permanent staff within the EHCP team have resulted in changes to projections of the number of children who will have an EHCP in the future and the number of children with SEN who are having their needs met successfully on SEN Support.

3.7 The graph below shows an illustration of estimated numbers of EHCPs comparing 2021 and 2024 trends



3.8 The table below shows the number of Requests to Assess received is reducing.

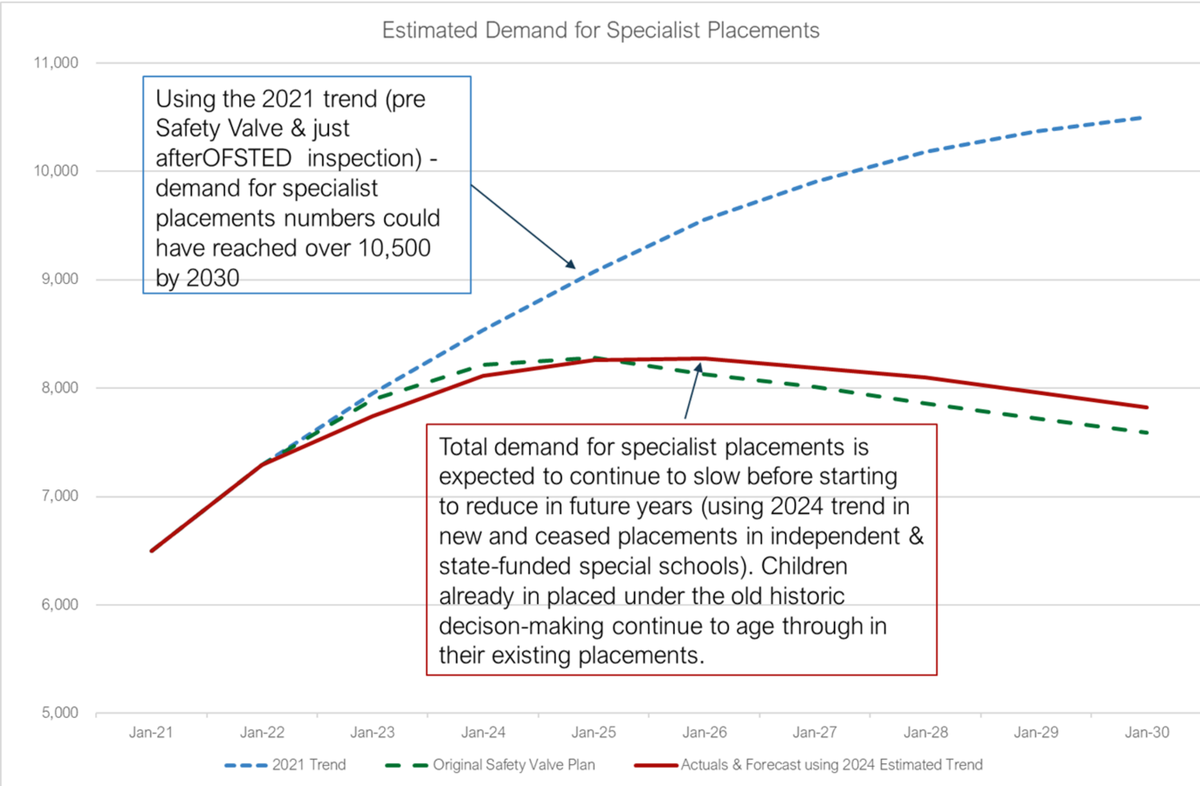
\# of requests for EHC statutory needs assessment

Columns shaded "Grey" are part months and not yet complete.

Area	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
North	96	57	61	71	89	26	54	86	74	70	94	80
East	128	83	94	101	118	29	86	127	148	112	124	116
South	105	69	76	74	64	26	47	83	98	82	88	81
West	83	69	68	56	71	30	60	79	95	76	70	62
Not Kent Address	7	3	3	2	4	4	1	1	5	6		2
Total	**419**	**281**	**302**	**304**	**346**	**115**	**248**	**376**	**420**	**346**	**376**	**341**

3.9 The percentage of EHCPs being issued within the 20 week timeframe is also increasing, with 51.5% being issued within 20 weeks in August 2024, 76% during October 2024, and 89.9% during February 2025.

3.10 As a consequence of more robust decision making, and investment in increasing places in Kent state-funded special schools and Specialist Resouce Provision (SRPs), children and young people with SEND are increasingly being educated in our state-funded settings (including mainstream and special schools), as illustrated in the graph below on the estimated demand for specialist places



3.11 The table below shows a summary of progress:

Number of:	**2023**	**2024**
Children living in Kent	342,900	348,300
Children and young people (0-25) with EHCPs	19,407	20,665
Children and young people statutory school age with EHCPs	13,864	14,564
Requests for statutory assessments	4,302	3,991
Percentage of EHCPs issued within 20 weeks	18.0	33.4
School age children on SEN Support	27,968	29,782

Source of EHCP and SEN Support Figures: DfE published SEND2 datasets, school census and Synergy data.

3.12 Smaller, targeted projects to review high cost placements of Kent young people within other local authority independent Specialist Post-16 Institutions (SPIs) and increased fairness and consistency in decision making regarding the placement of children and young people in independent mainstream settings are already achieving financial savings and future cost avoidance.

3.13 The number of children in an independent school stabilised during 2024, rather than continuing to increase as has been seen in previous years and the introduction of a more robust fee increase request for non-maintained and independent special schools in September 2024, avoided additional spend of approximately £1m in 2024-25.

3.14 The above information demonstrates the benefits now being realised from an initial intensive focus on ensuring robustness on statutory duties and targeted projects of intervention. Consequently, the year-on-year spending increases are slowing down as changes begin to take effect, although not as quickly as expected when the programme was first planned and agreed.

Total Spend on High Needs Block by main spend type figures in £m (as reported in November 2024 Finance Monitoring to Cabinet in January 2025)					
	2020-21 £'ms	**2021-22** £'ms	**2022-23** £'ms	**2023-24** £'ms	**2024-25** £'ms
Maintained Special School	106	123	137	151	163
Independent Schools	49	60	68	76	81
Mainstream Individual Support and SRP	46	54	61	65	75
Post 16 institutions	17	19	21	24	24
Other SEN Support Services	49	43	48	49	48
Total Spend	264	299	334	365	391
Rate of increase in spend		13%	10%	11%	7%

3.15 Fundamentally, the current Safety Valve plan assumes linear improvement over a five year period. As a five-year plan, it would be reasonable to review and make adjustments based on learning, new activity trends and updated data. Therefore, in response to this, and as noted above (Point 1.6), the financial projections and activity being undertaken to bring spend on the HNB of the DSG into balance by the end of the agreement have been reviewed and the latest forecast position is outlined below.

3.16 More information about the Safety Valve, including quarterly reports submitted to the Department for Education as part of the agreement can be found via this link: [Safety Valve agreement - Kent County Council]

4. Revised Safety Valve financial projection (Karen to provide)

4.1 Below is a summary of the Accumulated Position of the Designated Schools Grants as of 31 March 2025.

	24-25	**25-26**	**26-27**	**27-28**

	£'ms	£'ms	£'ms	£'ms
Maintained Special Schools	163	165	168	173
Independent Special Schools	82	78	64	42
Mainstream School Support (incl. SRPs & Communities)	75	81	84	85
Post 16	25	33	37	43
Other SEN Support & Alternative Provision Services	48	43	41	40
Savings to be attributed from further actions		-5	-6	-7
Total Spend	**393**	**395**	**388**	**377**
Estimated High Needs Grant	-323	-351	-362	-371
Transfer from Schools Block*	-15	-16	-16	-16
Variances on other blocks	-1	0	0	0
Net DSG Total	**54**	**27**	**9**	**-11**
DfE Contributions	-9	-14	-14	-28
Council Contributions	-15	-15	-11	10
Accumulated Position DSG as at 31st March	**97**	**95**	**79**	**30**

4.2 The forecast is currently being reviewed in light of the outturn for 2024-25. The assumptions build on the impact of the system changes outlined in above, and expected impact over the next three years from the roll out of changes from the early years review, localities and an estimate of the number of state-funded special and SRP places available. This will be updated further following the next stages of the both the SRP and Special School Review.

4.3 The ambition remains for this council to reach an in year breakeven position by the end of 2027-28 and for the accumulated DSG deficit to be paid off, the residual deficit of £30m reflects the estimated cost of delays to the new special schools. This forecast also reflects a total £17m savings target (equating to approximately £5.5m a year) yet to be attributed. Further actions outlined below are intended to support closing this gap.

5. Actions to improve financial performance and indicative timescales

5.1 Moving forward, there will be an ongoing focus on retaining and building on the progress made to date, at the same time projects to recalibrate the education system in Kent are entering into implementation phases. These include:

a. Revised model of support for Early Years
b. Localities Model of School Inclusion (including development of Communities of Schools and SEN Funding Model)
c. Review of Specialist Resource Provision
d. Review of state-funded special schools.

(See supporting documents section for more detail)

5.2 Following periods of analysis, consultation and design these are now approaching implementation as outlined below.

Project	Phased Implementation	Full Implementation
Support for Early Years	April 2025 – September 2025	September 2025
Communities of Schools	April 2025 – September 2025	September 2025
SEN Funding Model	April 2025 – August 2026	September 2026
Specialist Resource Provision	May 2025 – April 2026	April 2026 (related to SEN Funding Model and admissions criteria / new contract)
Special schools	May 2025 – August 2026 (delayed from original timescales)	

5.3 The expectation is that the implementation of these areas of system recalibration will accelerate progress already being made, specifically in relation to more children with SEN being supported in mainstream settings.

5.4 New and ongoing areas of challenge are listed below along with identified current and new actions to address them.

Area of Challenge	Actions to address
Number of children coming into the SEN system continues to rise	Implementation of a revised model of support for Early Years to increase inclusive practice in mainstream settings to reduce the numbers of young children entering into a specialist pathway at Year R/Year 1. Increased robustness, transparency and consistency in the EHCP process.
Rising levels of additional financial support requested by mainstream and special schools Specifically: • Exceptional pupil need requests have nearly doubled in the two years between 2022-2023 and 2024-2025 forecasts from £7.5m to £14m (an 87% increase). • Requests for mainstream top up funding requests for SEN support cases has increased from £13m to	The Localities Model of School Inclusion will have two key features to address this area. 1. Communities of Schools that will enable the schools to have more flexibility in deploying available resources to meet the needs of the children in their local area through whole school approaches, with less dependence on individual one to one support and greater emphasis on supporting interventions for groups of children in an individual school or across a group of schools with similar interventions. 2. By implementing a SEN Funding Model that will bring a more consistent approach to the different funding arrangements for top-up funding for mainstream, SRP and special through one funding system. Individual

£21m in the two years between 2022-2023 and 2024-2025 forecasts (a 62% increase).	funding packages will still be available for our children who are considered more complex and occur less frequently across all schools through a graduated tariff structure that will be will be used to inform the funding allocations for children attending special schools and SRPs; and identify the relevant funding stream for pupils with an EHCP in mainstream schools. In more tangible terms, the phased transfer of costs associated with the provision of Specialist Teaching and Learning Service from separately funding in the HNB to including within the Communities of Schools budget will deliver £2m saving in 2025-26 academic year.
Kent remains a negative national outlier in the number of children educated in special schools across the county.	Implementation of the Localities Model of School Inclusion, the revised model of support for Early Years settings, review of Specialist Resource Provision (SRP) and the Special School Review will enable more children with SEN to be supported in mainstream settings. SRP Phase 3 will consider the type and location of SRPs to create pathways within SRP provision as an alternative to special schools, offering opportunities for transfer at end of key stages. Plans to accelerate capital spend on small projects to increase accessibility in mainstream schools and Post-16 specialist provision is in development. Removing barriers to mainstream inclusion. Understanding and creating pathways into mainstream settings for Post-16 students as part of the review into Post-16 provision. Ongoing delivery and refinement of embedded annual Phase Transfer process.
The rapidly increasing cost of special school places as a consequence of inflation, the wider economy and Government's aspirations around national living wage, including independent special schools placements.	Ongoing targeted review of outcomes for children and young people in independent placements outside of Kent to determine if suitable, alternative provision in Kent can meet their needs and implementing that transition. Increased fairness and consistency in decision making regarding the placement of children and young people in independent mainstream settings.

	Ongoing use and refinement of fee increase process for Non-Maintained Independent Special Schools to enable cost avoidance. Planned re-procurement of the Non-Maintained Independent Special Schools Dynamic Purchasing System.
Like much of the country, there are more children and young people being educated out of schools	Planned projects to: Undertake a review of Emotionally Based School Avoidance to understand the experience of children and young people, barriers to school attendance and design supported pathways back into mainstream. Thematic review of children and young people not in school to identify pathways for re-integration into education and preparation for adulthood, including: • Policies and processes related to Education Other Than At School packages. • Tuition • Hospital Schools
Costs of tuition have risen at a higher rate than originally assumed due to inflation pressures and market conditions.	Tuition remains a more cost effective provision in comparison to independent special school places. However, an increase in the number of children being educated out of school alongside increases in costs, have resulted in a larger than expected increase in cost in this area. Understand options to maximise use of most value for money providers.
Delays in resolving joint funding placements with Health	Ongoing work to embed the Joint Funding Review process.

5.5 The timescales for implementation and realisation of benefits can be found in Appendix 2.

6. Alternative options

6.1 A range of alternative options have also been considered, and ruled out. These are areas of more radical change that could be delivered in a shorter timeframe and, whilst realising financial benefits, would be subject to the significant risk of unintended consequences.

- A specific programme to identify and move children from special school to mainstream, and from independent to state-funded special schools (currently this may be considered at key points of transition). Benchmarking undertaken in 2024 as part of the special school review showed that in Kent there were approximately a third more children educated in special school (either state-funded or independent) than the national average. This would indicate scope to move up to 2,000 pupils.
    - We have ruled this option out. The Council has made a commitment to not move children, unless it is deemed to be the most appropriate way to meet children and young people’s needs as part of a review process and / or at a point of transition. Further schools, could refuse to engage and public perception is undermined.
- Cuts to mainstream funding. The criteria for accessing mainstream top-up funding could be adjusted to reduce or remove the support for children who do not have an EHCP. Latest spending shows we will spend approximately £20m in 2024-25 on providing additional funding to schools to help support children without an EHCP.
    - We have ruled this option out. Short-term risk that schools become more likely to enter into deficit if insufficient time is given to allow for this change, including possible restructuring.
- Ceasing all (non-statutory) SEN Support Services generating a saving of over £10m.
    - We have ruled this option out. Mainstream schools may refuse to take children and refer more children for an EHCP based on “lack of sufficient resources”. A change of placement may be requested or the placement breaks down, leaving children and young people out of education.

7. Risks and barriers to success

7.1 Generally, it takes two to three years to embed cultural changes within organisations and systems. Not recognising the need to change can impede, delay and de-rail change programmes. In relation to the Safety Valve, some projects have experienced significant challenge and additional steps have been required to rebuild relationships, trust and assurance that the system is working together to achieve best outcomes for children and young people.

7.2 Since the beginning of the programme, five public and other targeted consultations have been undertaken to inform the development of models enabling system recalibration, and six Key Decisions have been taken by the Cabinet Member for Education and Skills to enable this change. The time taken to complete Democratic processes was not accounted for in the original timescales or projections of when benefits would be realised. As additional context, four reports have been submitted to Scrutiny Committee, and information has been provided for seven meetings of the SEND Sub-Committee in relation to specific project areas, SEND and the Safety Valve more generally.

7.3 Delays to the building of the two new special schools which would have increased the overall number of state-funded special schools places available, and therefore more children and young people being educated in private independent schools. The original Safety Valve assumptions included new schools in Swanley and Whitstable opening from September 2024 (now unlikely to open until September 2027 at the earliest) and a further school on Isle of Sheppey to open from September 2025 (this was rejected by Department for Education).

7.4 If they had opened this year as expected, a saving of £1.9m would have been achieved. The total lost saving from the delays between 2024-2025 and 2027-2028 is approximately £23m in total. This is adding to the deficit and accounts for the continuing forecast of a £20-£30m remaining accumulated deficit at the end of March 2028.

8. Conclusions

8.1 There is a national challenge around how the SEND system works and part of this involves funding. Until there is greater clarity at a national level, the Council needs to continue delivering on its Safety Valve agreement, to best protect those receiving SEND services as well as the local taxpayer.

8.2 Significant work has been undertaken and progress made in achieving the outcomes of the Safety Valve agreement.

8.3 The current Safety Valve plan assumes linear improvement over a five year period. Focus to date has been on embedding robust statutory processes as the building blocks of a well-functioning education system while undertaking planning and completing democratic processes required to implement the transformative change required to recalibrate the SEN education system.

8.4 As a five-year plan it would be reasonable to review and make adjustments based on learning, new activity trends and updated data. In light of this, the financial projections have been revised.

8.5 The ambition remains to reach a breakeven position on the in-year High Needs Grant by the end of 2027-28 financial year, and to reduce the accumulated deficit which was originally forecast to be over £600m, if historic trends had continued. It is likely the accumulated deficit will not be fully paid back by March 2028, with a residual balance of at least £30m remaining relating to the costs incurred from delays in building new special schools. The forecast seeks to implement further actions to counteract the costs of increased inflation, higher demand for additional support, and delayed actions caused by protracted reviews. The ability to recover the position still remains a risk.

8.5 A range of projects have been developed to continue delivering the objectives and benefits of the programme, some of which are now embedded as business as usual, others are approaching full implementation and some are in the early stages of development. It is expected that as these programmes are implemented, demonstration of outcomes and benefits will accelerate.

Supporting Documents

Children Young People and Education Cabinet Committee

Project	Supporting Documents
Model of support for Early Years	Agenda for Children's, Young People and Education Cabinet Committee on Tuesday, 16th January, 2024, 10.00 am Agenda for Children's, Young People and Education Cabinet Committee on Tuesday, 9th July, 2024, 2.00 pm
Local Model for School Inclusion: • Communities of Schools, including • Specialist Teaching and Learning Service	Specialist Teaching and Learning Service (inclusion resource) Agenda for Children's, Young People and Education Cabinet Committee on Tuesday, 9th July, 2024, 2.00 pm Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 16th January, 2025, 10.00 am Localities Model Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 16th May, 2024, 2.00 pm
Local Model for School Inclusion: • SEN Funding	Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 16th January, 2025, 10.00 am
Specialist Resource Provision	Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 16th May, 2024, 2.00 pm
State-funded special schools	Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 16th May, 2024, 2.00 pm Agenda for Children's, Young People and Education Cabinet Committee on Thursday, 21st November, 2024, 2.00 pm

Scrutiny Committee (including Scrutiny Committee and SEND Sub-Committee)

Topic	**Committee**
Following second area SEND inspection and in light of pending discussions with DfE about participating in the Safety Valve, discussion regarding establishment of a SEND Sub-Committee.	Scrutiny Committee: 25 January 2023 Agenda for Scrutiny Committee on Wednesday, 25th January, 2023, 2.00 pm
SEND Sub-Committee process of gathering information and evidence, reviewing and scrutinising decisions and actions taken by KCC's Executive.	SEND Sub Committee Seven meetings: 22 March 2023 to 7 February 2024
SEND Sub-Committee presented a report of their work Members resolved to disband the SEND Sub-Committee and return responsibility to the Scrutiny Committee	Scrutiny Committee: 24 April 2024 Agenda for Scrutiny Committee on Wednesday, 24th April, 2024, 10.00 am
SEND Quarterly monitoring (including details of reporting to SEND Sub-Committee)	Scrutiny Committee: 18 September 2024 (Public Pack)Agenda Document for Scrutiny Committee, 18/09/2024 10:00 (Public Pack)Agenda Document for Scrutiny Committee, 18/09/2024 10:00
SEND Quarterly monitoring	Scrutiny Committee: 4 December 2024 (Public Pack)SEND Scrutiny - Quarterly Reporting (2nd report) Agenda Supplement for Scrutiny Committee, 04/12/2024 10:00 (Public Pack)Scrutiny Review - SEND Transformation Agenda Supplement for Scrutiny Committee, 04/12/2024 10:00

Appendix 1: Nine Conditions of the Safety Valve Agreement

- Implement a countywide approach to 'Inclusion Education', to further build capacity in mainstream schools to support children and young people with SEN, thus increasing the proportion of children successfully supported in mainstream education and reducing dependence on specialist provision;

- Introduce a robust SEN offer for early years, through a review, which explores alternatives to special school admission before KS2, SEN redesign and implementation of County Approaches to Inclusive Education (CAtIE) to support a consistent mainstream offer, including leadership development programmes, peer review and core training offer;

- Review the system of EHCP assessments and annual reviews to ensure robustness, transparency, and consistency, through use of consistent criteria and practice framework;

- Implement models of reintegration of children from special/independent schools to mainstream;

- Develop a robust post 16 offer across the county with clear pathways to independence for children with SEN, through increased post 16 opportunities for preparing for adulthood;

- Develop the Transition Charter to increase parental confidence in Kent's provision. This involves working with schools to enable them to articulate the provision pathways for parents clearly and provide support to both children and parents at key transition points;

- Ensure there is sufficient and consistent capacity across the county to support children with severe and complex needs in their local area where possible. This includes recruitment of temporary posts to support sufficiency planning, reviewing the use of SRPs and reviewing the specialist continuum to ensure only the most severe and complex needs are supported in special schools;

- Increase school accountability through development of a school/area-led approach to commissioning of SEN support services (Locality Based Resources), to better respond to the needs of children and young people with SEND;

- Continue working closely with NHS Kent and Medway to ensure a common understanding of SEND needs, including the drivers behind increases in need, ensuring clarity of clinical assessment and the subsequent funding associated.

Appendix 2: Timeframes for expected project implementation and delivery of benefits per financial year

Key:

	Scoping / Planning / Design
	Pilot / Phased Implementation
	Full implementation / delivery of benefits

SVC	Project	April 2025 – March 2026				April 2026 – March 2027				April 2027 – March 2028			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	STLS / LIFT review												
1	Accelerate capital spend in small projects												
2	Early Years Implementation												
2	Early Years Foundation Stage: Year R Inclusion												
3	Continuous Improvement: embedding and evaluating process improvements (CI Team)												
3	Continuous Improvement: EHCP process												
3	Annual Review Integration with ICS												
3	Continuous Improvement: Officer Support at Annual Review to ensure consistency of decision making regarding Exceptional Pupil Need												

4	Review of Independent Placements in Other Local Authority SPIs/PFA												
4	Review of Independent Mainstream Placements												
4	Review of EBSA												
5	Pathways for All												
5	Review of Post – 16 Provision												
6	Implementation and monitoring of Phase Transfer												
7	SEN Sufficiency Planning: SRP Phase 2												
7	SEN Sufficiency Planning: Special Schools												
7	Re-procurement NMISS Dynamic Purchasing System												
7	Thematic review of children and young people, not in schools												
8	Locality Based Resources: Communities of Schools												
8	Locality Based Resources: SEN Funding Model												
9	Joint Funded Placement process												
9	Implementation and embedding of Balanced System Scheme												

From:	Sue Chandler, Cabinet Member for Integrated Children's Services Sarah Hammond, Corporate Director – Children, Young People and Education
To:	Scrutiny Committee – 18 March 2025
Subject:	**Scrutiny of Key Decision – 23-00100 Commissioned Youth Service Contracts**
Classification:	Unrestricted

1. Background

1.1 The proposed decision (Key Decision 23/00100) to cease and not recommission alternatives for the contracts for 12 District based youth contracts was presented to the Children's, Young People and Education Cabinet Committee on 21 November 2023. The Decision was taken by Cabinet on 30 November 2023. This decision was called into Scrutiny Committee on 19 December 2023. The Scrutiny Committee resolved to express comments but did not require reconsideration of the decision.

1.2 It is considered best practice for Scrutiny Committee to revisit decisions that it has previously scrutinised. Following a request from Mr Brady the Scrutiny Committee will examine the impact of the Key Decision 23/00100 to cease the contracted youth provision.

1.3 Scrutiny Committee have asked the Executive to provide information on the current Kent County Council (KCC) Youth offer as well as the impact of the cessation of the commissioned provision on both the young people and the contracted organisations, specifically:

- The impact of the decision on those children who were accessing service provision - set out in Section 4
- What has happened to the providers who were delivering the service - set out in Section 5
- What the communication with the ex-providers looks like - set out in Section 4
- The impact on the providers to offer similar services, or not, following the decision, and what that looks like - set out in Section 5

2. Kent County Council (KCC)'s Commissioned Youth Offer – 2016 to 2024

2.1 KCC's commissioned Youth offer was in place from 1 December 2016 to 31 March 2022. The wider offer included both internal and externally commissioned provision which provided a mixture of activity, support and advice through Open Access Hubs and targeted additional support for young people who required individual interventions. The offer was aimed at children aged 8-19 as well as those with disabilities up to the age of 25. This typically included group sessions on weekday evenings that were free at point of delivery with music, cooking, dance, sport and crafts being common activities.

2.2 In 2019, following a restructure of the Early Help provision, the KCC youth offer had two distinct elements:

- In-house, targeted youth offer: Each district had a KCC-run youth hub, from which the internal offer was delivered. Whilst offering some universal open access sessions for all young people, the in-house offer was primarily focused on targeted work with young people who had additional needs.
- Externally provided, open access commissioned youth offer. In December 2016, in line with our role as a commissioning authority and as part of a drive to rationalise and improve the commissioned Early Help offer, twelve district-based youth contracts were let across the county to seven providers.

2.3 The internal provision sat within the wider Early Help offer and was delivered across the districts from Youth Hubs and was not part of the scope of the decision that went to Scrutiny.

2.4 As set out below, there were seven providers delivering the commissioned Youth Services across the 12 Districts. Contracts ranged from £75,000 to £137,000 per annum.

District	Provider	Contract value p.a.
Ashford	The Canterbury Academy	£95,749.80
Canterbury		£109,331.40
Dartford	Play Place	£87,990.00
Dover	Pie Factory	£99,980.40
Thanet		£136,947.96
Folkestone and Hythe	Salus	£86,700.00
Maidstone		£91,700.04
Tonbridge and Malling		£81,799.92
Tunbridge Wells		£75,799.92
Gravesham	The Grand	£99,999.96
Sevenoaks	West Kent Extra	£75,000.00
Swale	Optivo	£133,950.00

3. Ceasing the Commissioned Youth Services contracts

3.1 Whilst KCC acknowledged the value of the work carried out by the providers during the life of their contracts, the extent of the financial challenge the Council faces led to difficult decisions being necessary.

3.2 The annual cost of the commissioned Youth Service contracts was £1.2m, and the savings made by not continuing to commission these services from 1 April 2024 was £913k from the base budget. The remainder c£321k of the funding enabled a reduction to the Dedicated Schools Grant (DSG) overspend.

3.3 Continuing with the Youth Service contracts delivering discretionary services beyond March 2024 would have required greater cuts in other parts of the Council's CYPE budget. Having considered alternative options to achieve the savings, the Executive decided that cessation of the discretionary contracts, while regrettable, was the appropriate way to deliver savings while protecting other statutory services.

3.4 The decision to cease the commissioning of Youth Services aligned with Securing Kent's Future, and the development of a whole family 0-19 delivery model via Family Hubs, which refreshed KCC's youth offer.

3.5 The Family Hub consultation set out the rationale behind the programme and proposed changes to youth services which included the proposal to no longer continue with commissioned youth services in March 2024. The reasoning and consideration of relevant consultation feedback featured within the decision-making when Cabinet took both the Family Hub implementation and Commissioned Youth Contracts decisions on 30 November 2023.

4. KCC's Youth Offer delivered through the Family Hub – 2024 onwards

4.1 KCC remains committed to meeting the needs of vulnerable young people in Kent. Under S507b of the 1996 Education Act, the local authority has a duty to undertake an annual assessment, to ensure 'adequate provision' for 13-19 years (up to 25 for those young people with SEND) to access facilities and leisure-time activities for improvement of well-being and promote personal and social development.

4.2 The Cabinet decision was informed by the view that KCC's in-house provision, including the developments within the Family Hub model, the Family Hub Network, and the offer across the Council's wider services including that provided by schools, would be sufficient for KCC to meet relevant statutory requirements without the commissioned Youth Services.

4.3 Information about the Statutory Youth Assessment and Kent's first iteration was presented to the Start for Life and Family Hubs board in December 2024 (See Appendix 1).

4.4 The assessment has been discussed with Voluntary Sector partners, including by the Assistant Director with responsibility for Family Hubs, at the Voluntary and Community Sector Strategic Partnership Board in January 2025. Attendees of this meeting included representatives from the formerly commissioned provider, Pie Factory.

4.5 The Family Hub Partnership and Participation Manager remains a key link for the voluntary sector with Family Hubs, and has participated in the voluntary sector led Intelligence Sharing and Networking event in February 2025; the voluntary sector led ‘CYP Steering group’ and other forums involving formerly commissioned providers Salus and Pie Factory.

4.6 The Local Childrens Partnership Groups continue to be district-based forums which include invitations, but are not limited, to those VCS organisations which held the commissioned contracts.

4.7 Work is ongoing between Family Hub District Managers and partners to fully reflect the insight and service delivery to collate and to keep an up to date directory of information about what is available in each locality. This will support Family Hubs to continue to signpost children, families and providers to appropriate services.

4.8 Community profiles, developed by Family Hub District Managers, and the statutory Youth Assessment, will be two of the iterative tools used by Family Hubs to help collate the county directory. It is recognised that this will not provide an exhaustive list of all services available, and will be iterative, updated twice yearly. Local knowledge and expertise will also be available from Family Hub practitioners and partners working within the Family Hub network.

4.9 Kent’s Youth Assessment reflects KCC’s Family Hub model, which includes a hub-based, outreach and digital youth provision. The offer includes direct support, participation, volunteering and the digital offer. The digital offer is available on the internet to anyone who wishes to access it.

4.10 Each Family Hubs has a timetable of activities that are offered in the area and this can be accessed at Activities in family hubs - Kent County Council. The web pages explain what activities are offered, where and what the process of signing up for these activities is.

4.11 KCC’s delivery of youth intervention in groups is shaped and informed by the voice of children and identified local and county need. These insights determine a core offer which is delivered in every district, with additional provision according to local need. For example, on-line safety intervention is available in every district as part of the core offer, whether delivered by KCC or a partner.

4.12 Young people with SEND continue to be able to receive a universal support service via the existing KCC channels and are supported in accessing wider groups and support through the Family Hub network.

4.13 Work is ongoing with KCC’s Supporting Independence Service to further develop the bespoke offer in the Family Hubs for young people with learning difficulties (13-24), young carers, and those with special education needs and disabilities (SEND).

4.14 Street based youth work is planned, delivered and reviewed in response to contextual safeguarding need. It is delivered in community spaces that have been identified as areas that young people spend their time and at times when they can be particularly vulnerable e.g. parks or high streets. This makes support accessible to vulnerable young people who are unlikely to attend building-based services.

4.15 An analysis of demand for Children Services since the cessation of the commissioned youth contracts indicates that there has been a decrease in demand for statutory children's services for those children aged 10 to 17, exclusive of those children seeking asylum. Statutory children services refer to those services offered under the Children Act 1989 for children who are assessed as being in need, in need of protection or children in care.

4.16 KCC noted a decrease in referrals for this cohort of children, a decrease in the number of children aged 10 to 17 who need to receive support under child in need or child protection plans and a decrease in the number of citizen children aged 10 to 17 who enter care. We have also seen a decrease in the number of children aged 10 to 17 who need intensive early help support for prevention and diversion from the criminal justice system (i.e. who receive out of court resolutions).

Fig. 1 Demand for children services for citizen children aged 10 to 17

Financial Year	Referrals	CIN Plan Starts	CP Plan Starts	LAC Starts	EH Starts - EYOT
01/04/2023 to 31/03/2024	9918	1874	392	294	1033
01/04/2024 to 31/01/2025	8169	1492	284	227	604

4.17 KCC reflected on whether the decrease in demand is due to lack of visibility and we note that six of the seven providers are still operating and working with children and continue to have a duty to refer them to Children Services when they require additional support.

4.18 Data provided by Management Information and Intelligence shows that from the total number of referrals received Voluntary and Commissioned Services have seen a decrease which aligns with the general decrease in referral numbers.

Fig. 2 Referrals from Voluntary and Commissioned Services

Financial Year	Referrals from Voluntary and Commissioned Services
01/04/2023 to 31/03/2024	263
01/04/2024 to 31/01/2025	217

5. Impact on Providers

5.1 Providers of all contracted services are aware of when the contract, and therefore funding, ends before the contract is awarded. Therefore, the financial planning and sustainability of their organisation remains the providers responsibility.

5.2 One year on from the cessation of the commissioned Youth Services, six of the seven providers are still operating. The exception is West Kent Extra, which was dissolved after the end of the contract into its parent company, West Kent Housing Association.

5.3 In six of the 12 districts (excluding Ashford, Dover, Dartford, Tonbridge and Tunbridge Wells) a level of open access youth provision is still in place from these providers.

5.4 Of the former contracted providers, those engaged with Family Hubs report the following:

- Salus - continue delivery in Hythe and Tonbridge and Malling; the latter with funding secured from the Borough Council. Salus have withdrawn their service in Tunbridge Wells, however other providers are delivering, including YMCA in Paddock Wood.
- Pie Factory Music – they continue delivery.
- Gravesham Network Development CIC (The Grand) - they have continued with reduced youth provision.
- Brogdale CiC (Vibe) - they have continued most of the provision that was previously funded by KCC, using Safer Streets funding.

6. Recommendation

6.1 Scrutiny Committee is asked to NOTE the report.

7. Background documents

Full consultation Report including an executive summary

Contact Details

Report Author:
Ingrid Crisan
Director of Integrated Children's Operational Services
Ingrid.crisan@kent.gov.uk

Director:
Sarah Hammond
Corporate Director for Children, Young People and Education
Sarah.hammond@kent.gov.uk

From: Rory Love, Cabinet Member for Education and Skills

Sarah Hammond, Corporate Director of Children, Young People and Education

To: Scrutiny Committee, 18th March 2025

Subject: SEN Update - Quarterly reporting – 3rd report.

Classification: Unrestricted

Summary: This report provides the quarterly update on key performance indicators.

Recommendation(s):

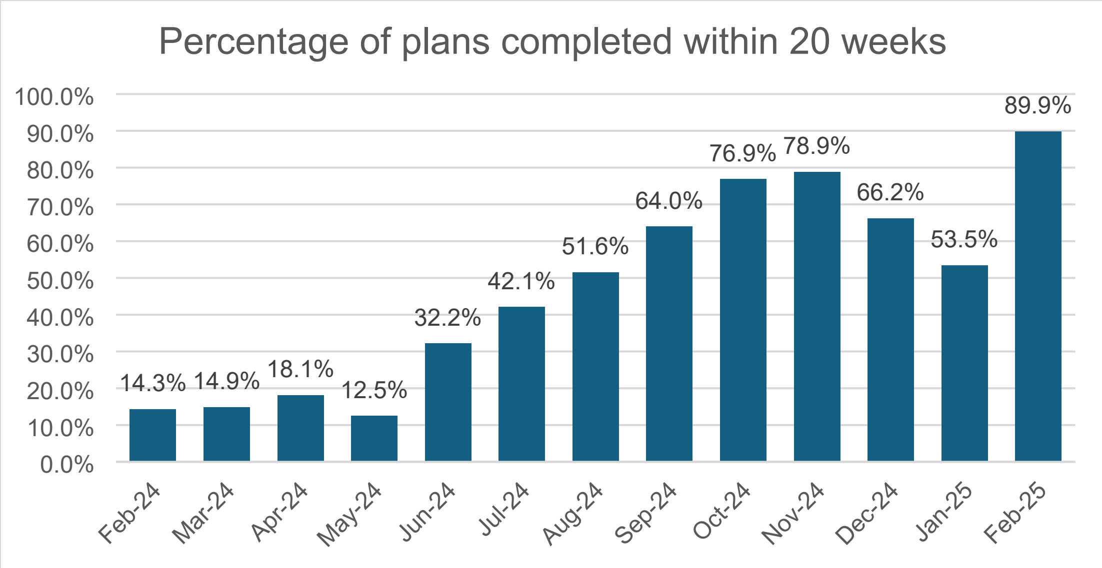
The committee is asked to note the report.

1. Key performance indicator update

1.1 Percentage of Plans Completed within 20 Weeks Completion of plans within the statutory deadline of 20 weeks is now consistently above national average of 50.3% (published by DfE in June 2024). February's completion rate was 89.9%.

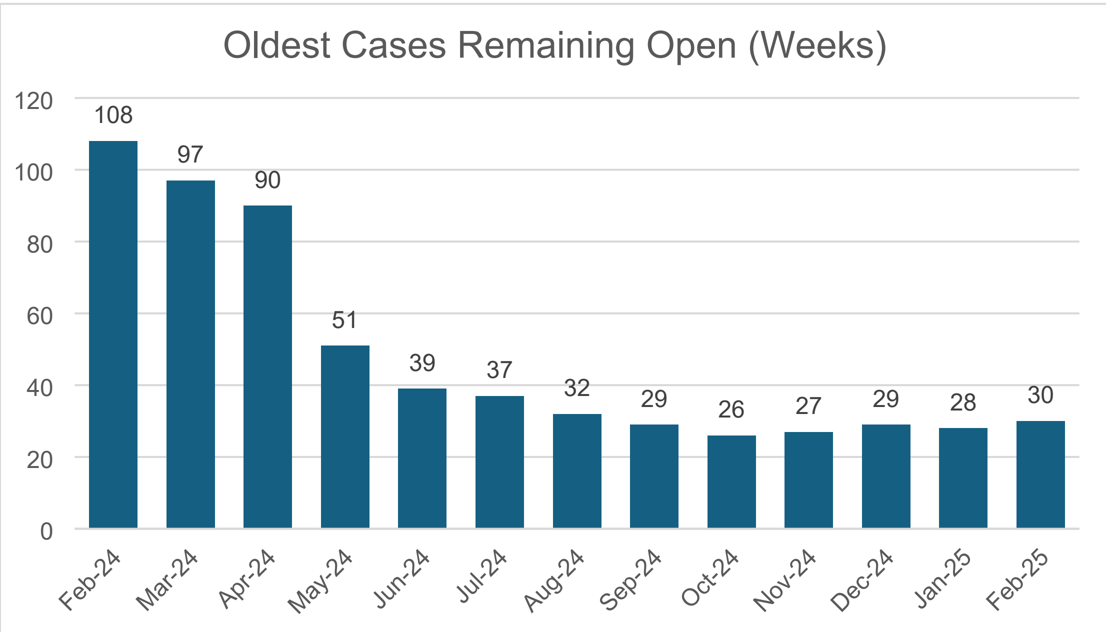
Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
14.3%	**14.9%**	**18.1%**	**12.5%**	**32.2%**	**42.1%**	**51.6%**	**64.0%**	**76.9%**	**78.9%**	**66.2%**	**53.5%**	**89.9%**

1.2 Whilst there has been an increase in the number of plans being finalised within 20 weeks, the table shows month to month fluctuations which are expected. The fluctuations are dependent on the number of new requests coming in, school holiday periods, as well as staff leave.



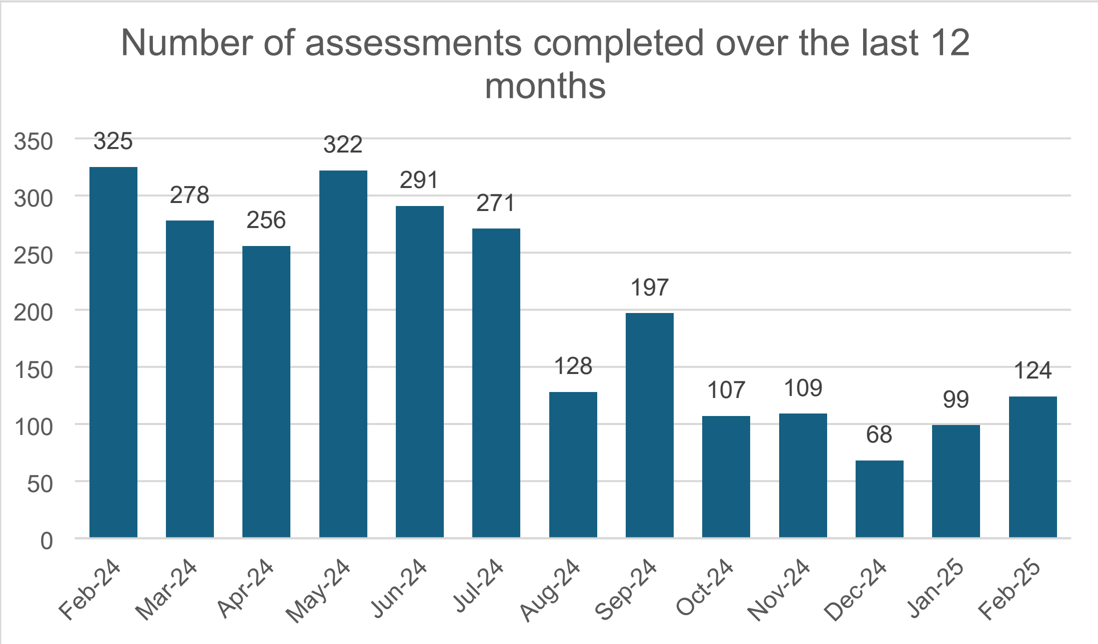
1.3 **Oldest Cases Remaining Open** – Some EHCPs are more complex and in order to ensure all the relevant evidence is considered, the statutory deadline cannot be met. KCC's work on ensuring a high quality EHCP does mean for a few children and families, there is a longer wait to have an EHCP issued than the statutory 20 weeks. The numbers continue to be carefully monitored to ensure there is good reason for not meeting the deadline. Again, this is an indicator where we expect monthly fluctuations.

Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
108	**97**	**90**	**51**	**39**	**37**	**32**	**29**	**26**	**27**	**29**	**28**	**30**



1.4 **Number of Assessments Completed Over the Last 12 Months** - The overall decrease in plans reflects the successful processing of the significant backlog of children and young people waiting to be issued with a plan.

Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
325	**278**	**256**	**322**	**291**	**271**	**128**	**197**	**107**	**109**	**68**	**99**	**124**

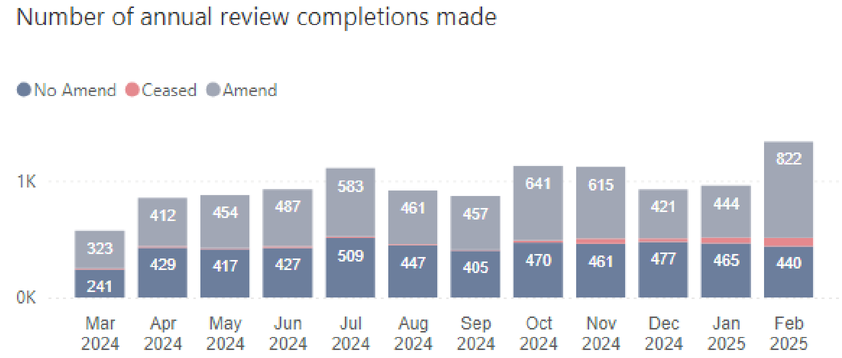


1.5 **Annual Reviews** - Once a child or young person has been issued with an EHCP, a review of the plan should take place annually, or potentially more frequently in the Early Years. A review can also requested ahead of the annual cycle of review if there is a good reason such as a view there is an urgent need for a change to the child or young person's EHC plan. The review generally takes place in the education setting or school. For children and young people who are educated other than at school or college or are Electively Home Educated, they will have their annual reviews arranged and chaired by a case officer at the Local Authority.

1.6 When the inspection took place in September 2022 there was a significant backlog, and the vast majority of Annual Reviews were not within timescale. Good progress has been made in reducing the backlog and this trajectory of improvement will continue. This table shows the improvement in the percentage of Annual Reviews being completed from 39.8% in October 2023 to 64.7% in February 2025.

Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	June 24	July 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25
39.8 %	42.6 %	45.1 %	48.6 %	51.1 %	51.9 %	54.8 %	58 %	60.2 %	62.8 %	64.4 %	65.3 %	65.8 %	55.4 %	64.0 %	59.1 %	64.7 %

1.7 The data below shows the progress during the last calendar year and the activities carried out on a monthly basis. It is noted that the variations during November during the consultation period for phase transfer and December and January are in line with the phase transfer process, creating amendment notices naming EHCPs that are issued in February in line with the statutory deadline.



1.8 This table shows Annual Reviews and by month and the outcome.

Current MMM YYYY	No Amend	Ceased	Amend
Mar 2024	241	9	323
Apr 2024	429	11	412
May 2024	417	8	454
Jun 2024	427	13	487
Jul 2024	509	15	583
Aug 2024	447	9	461
Sep 2024	405	6	457
Oct 2024	470	18	641
Nov 2024	461	43	615
Dec 2024	477	28	421
Jan 2025	465	49	444
Feb 2025	440	71	822

2. Recommendation(s)

Recommendation(s):

The committee is asked to note the contents of the report.

3. Contact Details:

Report Author: Christine McInnes	Relevant Director: Christine McInnes
Job Title: Director of Education & SEN	Job Title: Director of Education & SEN
Telephone Number: 03000 418913	Telephone: 03000 418913
Email: christine.mcinnes@kent.gov.uk	Email: christine.mcinnes@kent.gov.uk

By: Anna Taylor, Scrutiny Research Officer

To: Scrutiny Committee

Subject: Work Programme

Summary: This report gives details of the proposed work programme for the Scrutiny Committee.

---

1. Introduction

a) Any Member of the Council is entitled to give notice that they wish an item relevant to the functions of the Committee (which is not an excluded matter) to be included on the agenda for the next available meeting.

b) The definition of an excluded matter referenced above is:

   a. Any matter relating to a planning or licensing decision,
   b. Any matter relating to a person in respect of which that person has a right of recourse to a review of right of appeal conferred by or under any enactment,
   c. Any matter which is vexatious, discriminatory or not reasonable to be included in the agenda or discussion at a meeting of the Scrutiny Committee.

c) The Scrutiny Committee has the ability to 'call-in' decisions made by the Cabinet or individual Cabinet Members. Any two Members from more than one Political Group may give notice within five clear working days from the publication of a decision taken of their wish to call-in the decision.

---

2. Recommendation

The Scrutiny Committee is asked to consider and note the report.

Background Documents

None

Contact Details

Anna Taylor
Scrutiny Research Officer
anna.taylor@kent.gov.uk
03000 416478

This page is intentionally left blank

Work Programme - Scrutiny Committee March 2025

Items identified for upcoming meetings

Date requested	**Item**
06.06.23	Report back on social and financial impacts of the decision to end funding to Homeless Connect
November 2023	Framing Kent's Future (deferred from November 2023)
06.12.23	Decision 23/00083 – Supported Accommodation Service 16-19 and transitional arrangements
January 2024	23/00107 Kent SEND Sufficiency Plan 2023 - Chairman request to place this decision on the Scrutiny Committee/SEND Sub-Committee agenda for discussion at an appropriate time. (This went to Cabinet Committee in November 2023 and Cabinet in January 2024)
24.01.24	Request at Scrutiny Committee for: a. a deep dive into the mainstream home to school transport budget; and b. cross examination of the Council's school admissions, home to school transport and public transport policies.
28.02.24	Discussion with ASCH Chairman, Scrutiny Ch & Spokespeople in relation to further scrutiny of ASCH contracts – potentially 6 month on review. Ensure minimal duplication in Committee.
April 2024	European Union Entry Exit System – further monitoring
26.02.25	Transfer of the 18-25 section of the Strengthening Independence Service - Decision 24/00109 - Assess the Impact of the Transfer

Work Programme

16 July 2025	
Item	**Item background**
Budget Monitoring Year End	Regular Financial Scrutiny
Crime and Disorder Committee	Statutory Requirement for the Scrutiny Committee to meet as the Crime and Disorder Committee Annually

Provisional Future Items
November 2025 – Kent Flood Risk Management Committee Annual Report
November – Draft Budget
January 2026 – Budget Monitoring half yearly
June 2026 – Budget Monitoring year end
June 2026 – Scrutiny Committee meeting as Crime and Disorder Committee