



Finance Monitoring Report

As at July 21-22

By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services,
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Corporate Directors

To Cabinet – 30 September 2021

Unrestricted

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1 Introduction

This report provides the Council's financial position up to the end of July 21-22, setting out both business as usual and the impact of Covid-19 on our resources. Also included are Revenue and Capital budget adjustments which require Cabinet approval.

1.1	The report presentation has been revised.	This report has been updated to include: <ul style="list-style-type: none">• Revenue Tables showing the gross impact on the General Fund and the variance to budgeted contributions to/(from) reserves• Capital shown in a separate section• A Treasury section• A Council Tax and Business Rates section
	Additional sections will be included in future reports.	Further sections will be added in future monitoring reports, including: <ul style="list-style-type: none">• A section on progress in delivery agreed savings• A section on our reserves position• A high-level analysis by expenditure type• Key Financial Health Indicators• Financial Resilience indices

1.2	The overall Revenue General Fund forecast is a +£9.7m overspend.	<p>The Revenue General Fund forecast position is a net overspend of +£9.7m. There is an underlying overspend of +£9.6m before contributions to reserves of £0.1m.</p> <p>The largest variance is +£9.5m in ASCH, with smaller overspends forecast in CYPE (+£0.8m) and GET (+£0.2m). S&CS (-£0.1m) and NAC (-£0.8m) are forecasting small underspends. Details can be found in the individual directorate sections.</p>
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1.3	The Covid-19 forecast is a breakeven position as the additional spend is being met from the emergency reserve.	<p>The additional spend of £15m above the corporately held budget for Covid-19 is being funded from a drawdown from the Covid-19 emergency reserve, bringing the current position to breakeven.</p> <p>There is £55.6m held in the emergency reserve and the remaining £40.6m will be used to cover ongoing Covid-19 related costs.</p> <p>Details can be found in the Covid-19 section and the individual directorate sections.</p>
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1.4	The Schools' Delegated Budgets are reporting a +£49.6m overspend.	The overspend position of +£49.6m reflects the impact of high demand for additional SEN support and high cost per child of High Needs Placements.
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1.5	The Capital forecast is an underspend of -£42.7m.	<p>The underspend is made up of +£14.6m real and -£57.3m rephasing variance, which represents 9.3% of the budget.</p> <p>The largest real variance is an overspend of +£14.8m in GET. Details can be found in the capital sections.</p> <p>The major rephasing variances are -£35.4m in CYPE and -£18.1m in GET.</p>
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1 Introduction

Details can be found in the capital section.

2 Recommendations

Cabinet is asked to:

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| 2.1 | Note the forecast Revenue and Capital monitoring position | Management action needs to be taken to eliminate the current forecast overspend on the Revenue budget to ensure we achieve a balanced budget by the year end. |
| 2.2 | Note the way we are monitoring the financial impact of Covid-19 | Please refer to Section 4 for details. |
| 2.3 | Note and agree the Revenue budget adjustments | Please refer to Section 11 and Appendix 3 for details. |
| 2.4 | Note and agree the Capital budget adjustments | Please refer to Section 12 for details. |
| 2.5 | Note the Prudential Indicators report | Please refer to Appendix 4. |
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3 Revenue

General Fund forecast +£9.7m overspend
 Dedicated Schools Grant (DSG) +£49.5m overspend
 Covid-19 forecast breakeven

Forecast position as overspend/(underspend)

Directorate	Revenue Budget £m	Revenue Forecast Outturn £m	Gross Revenue Forecast Variance £m	Forecast Variance on contribution to/(from)Reserves £m	Net Revenue Forecast Variance £m
Adult Social Care & Health	426.4	444.0	17.6	0.0	17.6
Children, Young People & Education	290.7	289.7	(1.0)	2.1	1.1
Growth, Environment & Transport	176.9	176.5	(0.3)	0.5	0.2
Strategic & Corporate Services	94.1	96.5	2.4	(2.5)	(0.1)
Non-Attributable Costs	115.8	115.5	(0.3)	0.0	(0.3)
Corporately Held Budgets	16.1	7.2	(8.9)	0.0	(8.9)
General Fund	1,120.0	1,129.4	9.6	0.1	9.7
Ringfenced Items					
Schools' Delegated Budgets	0.0	49.5	49.5		49.5
Overall Position	1,120.0	1,179.1	59.1	0.1	59.2

Covid-19 budgets held corporately allocated by Directorate

The £16.1m held corporately for COVID, is in addition to the £16.1m corporately held budgets in the table above

Forecast position as overspend/(underspend)

Directorate	Covid-19 Allocation £m	Covid-19 Forecast £m	Covid-19 Variance £m
Adult Social Care & Health	7.0	11.7	4.7
Children, Young People & Education	5.3	9.7	4.4
Growth, Environment & Transport	0.4	(0.3)	(0.7)
Strategic & Corporate Services	1.3	9.6	8.3
Non-Attributable Costs	2.1	0.4	(1.7)
Variance to Covid-19 Budgets held corporately	16.1	31.2	15.0
Drawdown from COVID-19 Reserve			(15.0)
Total Covid-19 Position			0.0

General Fund

The General Fund forecast position is a net overspend of +£9.7m, almost all of which relates to Adult Social Care (after applying the corporately held budget of £8.1m). There is an underlying overspend of £9.6m in the Directorates (before contributions to reserves of £0.1m). Management action will be required to address the overspend as any overspend at the year-end will have to be financed from reserves.

Covid-19

The Council's response to the pandemic continues to be considerably complex, causing uncertainty to the forecast. This is due to the nature of the financial impact, ranging from additional expenditure, market sustainability payments, loss of income, and unachievable savings. The forecasting in this area is also impacted by the effect of the relaxation in restrictions, ongoing costs and the expected withdrawal of a range of government support schemes.

Each directorate has an allocated COVID 19 budget held corporately, which amounts to £16.1m in total. Any additional expenditure will be met from the COVID-19 reserve. The forecast is breakeven after contributions from reserves of £15m. There is £55.6m held in the Covid-19 reserve and the remaining £40.6m will be used to cover ongoing Covid-19 related costs. Further details of Covid-19 related costs are detailed in Section 4 and the individual directorate sections.

Without the one-off COVID grants, our forecast overspend position would be £31.2m higher, bringing it to £40.9m. The impact of COVID on our spend may be ongoing, particularly in Adults and Children's social care and if this pressure is not recognised in the Spending Review, we could see a significant impact on our 3-year medium term plan.

Collection Fund

Council Tax remains a significant source of income and future years' budgets will be dependent on the scale and pace of recovery in both the level of Council Tax Reduction Scheme discounts and the collection rate.

Council tax reduction discounts have continued to increase since the tax base estimate was set. The number and value of discounts peaked at the end of April and since then have started to reduce but at the end of June remained higher than the amount identified in the tax base estimate. Collection rates in the first quarter have been better than the first quarter of 2020-21 but are still lower than collection rates prior to the pandemic. For more information, please refer to section 15

Schools' Delegated Budgets

The forecast overspend is +£49.5m. The DSG deficit will increase from £51m to £101m in 2021/22. The Council continues to work with the Schools' Funding Forum to set out the challenge and agree and deliver a plan to address the deficit. The Department for Education is expected to make contact with local authorities to discuss the detail of their plan and next steps although it is not clear when this might be. For more information, please refer to section 10.

Categories	ASCH	CYPE	GET	S&CS	NAC	Total
	£m	£m	£m	£m	£m	£m
Covid-19 Allocation held corporately	7.0	5.3	0.4	1.3	2.1	16.1
Contribution from Public Health Reserve*						0.0
Forecast Real spend	7.2	7.7	2.0	9.7	0.0	26.6
Underspend	(0.7)	(0.2)	(6.7)	(1.3)	0.0	(8.9)
Loss of income	0.2	0.5	1.5	1.2	0.4	3.8
Unrealised savings	0.0	1.6	0.0	0.0	0.0	1.6
Market sustainability - loans	0.0	0.0	0.0	0.0	0.0	0.0
Market sustainability - one off payments	5.0	0.1	0.0	0.0	0.0	5.1
Payments for undelivered services (fixed fee)	0.0	0.0	0.0	0.0	0.0	0.0
Payments for undelivered services (variable fee)	0.0	0.0	2.9	0.0	0.0	2.9
Total Covid-19 Forecast	11.7	9.7	(0.3)	9.6	0.4	31.1
Variance to Covid-19 Budgets held corporately	4.7	4.4	(0.7)	8.3	(1.7)	15.0
Contribution from Covid-19 Reserve	(4.7)	(4.4)	0.7	(8.3)	1.7	(15.0)
Total Covid-19 Position	0.0	0.0	0.0	0.0	0.0	0.0

* Any Public Health net spend relating to Covid-19 will be funded by a drawdown from the Public Health reserve. Currently no Public Health related Covid-19 spend is being forecast.

As a consequence of Covid-19, the total additional expenditure impact (excluding ring-fenced grants spend) on General Fund services is forecast at £31.2m. There is £16.1m of budget allocated for Covid-19 which is held corporately. £6.0m of the £15m additional expenditure relates to Helping Hands which is funded from the Covid-19 reserve. The remaining £9.1m will be funded from a drawdown from the Covid-19 reserve.

There is £55.6m held in the Covid-19 reserve and the remaining £40.6m Covid-19 reserve will be used to cover the overspend and ongoing Covid-19 related costs.

A return is completed for MHCLG on a regular basis but timing differences and reporting requirement differences mean that the return and what is reported here may differ. However, a separate reconciliation is undertaken for completeness.

	Budget	Revenue Forecast Outturn	Forecast Variance		Net Revenue Forecast Variance
			Gross Revenue Forecast Variance	Contribution to/(from) Reserves	
	£m	£m	£m	£m	£m
Adult Social Care & Health Operations	382.6	400.4	17.9	0.0	17.9
Strategic Management & Directorate Budgets (ASCH) including Public Health	32.2	32.7	0.5	0.0	0.5
Business Delivery	11.6	10.9	(0.7)	0.0	(0.7)
Adult Social Care & Health	426.4	444.0	17.6	0.0	17.6
Earmarked Budgets Held Corporately	8.1	0	(8.1)	0.0	(8.1)
Net Total incl provisional share of CHB	434.5	444.0	9.5	0.0	9.5
Covid-19 forecast position	7.0	11.7	4.7	(4.7)	0.0

The Adult Social Care & Health directorate is projected to be overspent by +£9.5m.

There is an underlying Covid-19 projected additional spend of +£4.7m, which is offset by a contribution from reserves to show a breakeven position. Uncertainty remains around the ongoing impact Covid-19 will have on services.

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

Key Service (Division)	Variance	Summary	Detail
Adult Learning Disability - Residential Care Services & Support for Carers (Adult Social Care & Health Operations)	+£6.7m	Learning Disability Residential Care has high levels of complexity and high-cost packages transferring from 18-25.	The overspend is mainly due to an increase in the levels of complexity of clients and high-cost packages transferring in from the 18 – 25 service. In addition, there were some home closures in 2020-21 resulting in an increase in average weekly rates for those transferred clients due to availability of alternative placements when the market is under significant pressures.
Adult Learning Disability - Community Based Services & Support for Carers (Adult Social Care & Health Operations)	+£5.4m	Learning Disability (LD) 26+ Supported Living has seen an increase in activity numbers and average weekly costs.	The overspend mainly relates to an increase in activity numbers and average weekly costs in the Learning Disability (LD) 26+ Supported Living service. Average weekly costs for new clients entering the service are higher than for those leaving, particularly for transitional clients coming through from the 18-25 pathway. This is mainly due of the number of hours of service being received rather than the actual cost per hour.
Adult Physical Disability - Community Based Services (Adult Social Care & Health Operations)	+£3.2m	Physical Disability Supported Living Service numbers and weekly costs higher than anticipated.	Most of the Physical Disability (PD) Community variance is in the Supported Living Service (+£2.9m) and is due to client numbers and weekly costs being higher than anticipated.
Older People -	+£3.1m	The number of homecare	This overspend predominantly relates to Homecare

Key Service (Division)	Variance	Summary	Detail
Community Based Services (Adult Social Care & Health Operations)		clients began to increase at the start of 2021-22.	(+£2.9m). The number of homecare clients began to increase at the start of 2021-22.

Adult Mental Health - Community Based Services (Adult Social Care & Health Operations)	+£2.7m	The Mental Health Supported Living Service has seen an increase in client numbers and higher weekly costs.	Most of the Mental Health (MH) Community overspend is within the Supported Living Service (+£3.5m). As with the Learning Disability service, more new clients are starting each quarter than ending and average weekly costs for new clients are greater than those ending. The service is investigating to see if there is any correlation between higher costs and the transfer of clients being discharged to social care from the NHS.
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services (Adult Social Care & Health Operations)	-£2.6m	One-Off Payments within the Direct Payment service have decreased.	A significant portion of the underspend on these services relates to Direct Payments where the normal level of one-off payments to clients has significantly decreased during the year.
Older People - Residential Care Services (Adult Social Care & Health Operations)	-£1.4m	Older People Residential Services client numbers began to decrease at the end of 2020-21.	At the end of 2020-21 the service began to see fewer clients enter residential settings with more remaining in the community which has resulted in an underspend. The forecast assumes that all clients that were in residential care remain in placements through 2021-22.

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Covid-19 Allocation held corporately	£7.0m	
Forecast Real Spend	£7.2m	The cost of supporting additional demand for services resulting from Covid-19, including a range of projects to tackle backlogs in addition to increased staffing requirements.
Underspends	(£0.7m)	Underspends have been observed in client transport to day care during the first quarter of 2021-22 as some centres have remained closed during this period due to COVID-19.
Loss of income	£0.2m	Relates to where day services are still not providing the same level and type of service as before meaning that clients cannot be charged for those periods
Market Sustainability	£5.0m	We are expecting to have to continue to support the social care market during the recovery period of the pandemic in 2021-22 so are assuming a £5m cost at this stage.
Total Covid-19 Forecast	£11.7m	
Covid-19 overspend	£4.7m	
Contribution from Reserves	(£4.7m)	
Revised Covid-19 position	£0.0m	

	Budget £m	Revenue Forecast Outturn £m	Gross Revenue Forecast Variance £m	Forecast Contribution to/(from) Reserves £m	Forecast Variance Net Revenue Forecast Variance £m
Integrated Children's Services (East & West)	160.5	157.6	(2.8)	1.5	(1.3)
Special Educational Needs & Disabilities	76.3	76.7	0.3	0.0	0.3
Education	51.7	53.3	1.6	0.6	2.2
Strategic Management & Directorate Budgets (CYPE)	2.2	2.1	(0.1)	0.0	(0.1)
Children, Young People & Education	290.7	289.7	(1.0)	2.1	1.1
Earmarked Budgets Held Corporately	7.3	7.0	(0.3)	0.0	(0.3)
Net Total incl provisional share of CHB	298.0	296.7	(0.8)	2.1	0.8
Covid-19 forecast position	5.3	9.7	4.4	(4.4)	0.0

The Children, Young People & Education directorate is project to be overspend by +£0.8m. This is due to a delay in the implementation of the Special Educational Needs (SEN) transport re-procurement which is partially offset by lower accommodation costs of supporting Care Leavers. The reserve variances relate to a reduction in the contribution from reserves to fund legacy transformation projects in integrated children services where the costs were less than initially planned (totalling +£1.5m). The increased transfer of surpluses from the PFI school projects of +£0.6m in Education will be used to fund possible future year costs.

The Covid-19 underlying additional expenditure is £4.4m (before contributions from reserves of £4.4m), mainly due to higher number of referrals for Special Educational Needs services and delays in the ability to achieve budgeted social care savings. COVID restrictions at the start of the year have also meant a greater dependency on use of temporary accommodation to provide sufficient school places and reductions in income from adult education courses. Uncertainty remains around the ongoing impact Covid-19 will have on services.

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

Key Service (Division)	Variance	Summary	Detail
Home to School & College Transport (Education)	+£2.3m	Delays in re-procurement of transport contracts	The re-procurement of the SEN transports contracts has been put back due to delays in the implementation of new software to support this project.
Care Leavers Service (Integrated Children Services)	-£1.7m	Lower accommodation related costs of supporting care leavers	The service has been working to reduce the number of children in semi-independent placements to ensure young people are placed in the most cost-efficient placements. This has resulted in an underspend of approximately £1.1m. The number of young people requiring support with their council tax continues to remain lower than initially estimated leading to a further £0.6m underspend.

Looked After Children/Children In Need (with Disability) - Care & Support (Special Educational Needs & Disabilities)	+£0.2m	Increase number and cost of residential placements	We have seen a significant number of new placements earlier in the year than expected. The forecast assumes further placements will be made during the year, leading to an overspend of +£0.6m. This is partially offset by a -£0.4m underspend on direct payments and home care services.
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Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Covid-19 Allocation held corporately	£5.3m	
Forecast Real Spend	£7.7m	<ul style="list-style-type: none"> Latent demand estimates for Children Social Services: additional staffing to cover increased staff sickness and higher numbers of cases along with estimated increased demand for looked after children placements. Delays in the basic need capital programme resulting in greater use of temporary accommodation to meet demand for school places and higher contractor costs. Increased demand for Education and Health Care Plan assessments and supportive services following interruption to schooling due to COVID restrictions.
Underspends	-£0.2m	Delay in recruitment in detached youth workers
Loss of income	£0.5m	Reduction in income whilst the adult learning services recovers following prolonged closures due to COVID restrictions.
Unrealised savings	£1.6m	Delay in the delivery of children social care savings due to: <ul style="list-style-type: none"> COVID restrictions has delayed or reduced the impact of new initiatives to increase the number of children supported in in-house foster care rather than more expensive alternatives. The demand for children's social workers has increased during COVID, due to increased staff sickness and a higher number of cases therefore delaying the planned reduction in agency staff.
Market Sustainability	£0.1m	Additional payments to support tutors in adult learning services
Total Covid-19 Forecast	£9.7m	
Covid-19 overspend	+£4.4m	
Contribution from Reserves	(£4.4m)	
Revised Covid-19 Position	£0.0m	

	Budget £m	Revenue Forecast Outturn £m	Forecast Variance		Net Revenue Forecast Variance £m
			Gross Revenue Forecast Variance £m	Contribution to/(from) Reserves £m	
Highways, Transportation & Waste	146.1	146.2	0.1	0.2	0.3
Environment, Planning & Enforcement	16.8	16.3	(0.4)	0.3	(0.1)
Libraries, Registration & Archives	8.6	8.5	(0.1)	0.0	(0.1)
Economic Development	4.1	4.2	0.1	0.0	0.1
Strategic Management & Directorate Budgets (GET)	1.4	1.4	0.0	0.0	0.0
Growth, Environment & Transport	176.9	176.5	(0.3)	0.5	0.2
Earmarked Budgets Held Corporately	0.0	0.0	0.0	0.0	0.0
Net Total incl provisional share of CHB	176.9	176.5	(0.3)	0.5	0.2
Covid-19 forecast position	0.4	(0.3)	(0.7)	0.7	0.0

The Growth, Environment & Transport directorate is projected to be overspent by +£0.2m excluding Covid with forecast overspends of +£1.8m being largely offset by projected underspends of -£1.6m.

The largest variance is a net +£0.3m within the Highways, Transportation & Waste division, where significant inflationary price and contractual pressures (in excess of the provision during the budget setting process) within the Residual Waste service are largely offset by favourable prices within Recycling.

The Covid-19 underlying expenditure is £0.7m less than the budget (before contributions to reserves of £0.7m to break even). Uncertainty remains around the ongoing impact that Covid-19 will have on services.

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

Key Service (Division)	Variance	Summary	Detail
Residual Waste (Highways, Transportation & Waste)	+£1.3m	Inflationary price pressures.	The inflation index has risen significantly since the budget was approved, and this is reflected in contract values that are now being let.
Public Protection (Enforcement) (Environment, Planning & Enforcement)	-£0.3m	Staffing, additional income and other minor variances.	Staffing vacancy management and several other minor variances including additional income within Trading Standards.
Waste Facilities & Recycling Centres (Highways, Transportation & Waste)	£0.9m	Favourable recycling prices	Favourable prices relating to the material recycling facility and anaerobic digester contracts, as well as additional income for paper, card and metal. These are offset in part by pressures within major site refurbishment.

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Covid-19 Allocation held corporately	£0.4m	
Forecast Real Spend	£2.0m	Primarily relates to the sustained increase in kerbside tonnes being presented at Waste Transfer Stations together with other minor costs within Coroners and Economic Development around backlogs and social distancing measures.
Underspends	(£6.7m)	Public Transport costs eligible for Government grant and a reduction in Concessionary Fares journeys. Other general underspends across the directorate due to home-working and reduced activity.
Loss of income	£1.5m	Income loss primarily resulting from reduced operations at Libraries and fewer Driver Awareness Courses with other minor income impacts across various services.
Payments for undelivered variable fee services	£2.9m	Support to maintain financial stability, mainly in public transport, partially offset by Government grant for those services that were not within fixed price contracts.
Total Covid-19 Forecast	(£0.3m)	
Covid-19 underspend	(£0.7m)	(includes £0.4m allocation held corporately)
Contribution to Reserves	+£0.7m	
Revised Covid-19 position	£0.0m	

	Budget £m	Revenue Forecast Outturn £m	Forecast Variance		Net impact on General Fund £m
			Gross Revenue Forecast Variance £m	Contribution to/(from) Reserves £m	
Infrastructure	27.2	27.5	0.4	(0.4)	0.0
Corporate Landlord	25.1	26.8	1.6	(1.7)	(0.1)
People & Communication	13.3	13.3	0.0	0.0	0.0
Finance	12.3	12.3	0.0	0.0	0.0
Strategic Commissioning including Public Health	7.3	7.7	0.4	(0.4)	0.0
Governance, Law & Democracy	6.9	6.8	(0.1)	0.0	(0.1)
Strategy, Policy, Relationships & Corporate Assurance	3.8	3.9	0.1	0.0	0.1
Strategic Management & Directorate Budgets (S&CS)	(1.7)	(1.7)	0.0	0.0	0.0
Strategic & Corporate Services	94.1	96.5	2.4	(2.5)	(0.1)
Earmarked Budgets Held Corporately	0.2	0.2	0.0	0.0	0.0
Net Total incl provisional share of CHB	94.3	96.7	2.4	(2.5)	(0.1)
Covid-19 forecast position	1.3	9.6	8.3	(8.3)	0.0

The Strategic & Corporate Services directorate is projected to underspend by -£0.1m.

The Covid-19 underlying spend is £8.3m (before contributions from reserves of £8.3m). Uncertainty remains around the ongoing impact Covid-19 will have on services.

There are no significant variances on the General Fund to report.

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Covid-19 Allocation held corporately	£1.3m	
Forecast Real spend	£9.7m	Council Tax and hardship fund support payments to district councils, part of the Helping Hands project. Additional council wide costs including PPE warehousing and distribution costs, part of which is subject to a separate claim for central government funding which is uncertain, so cost forecast is included here. Increased revenue contribution to capital because of delays to capital projects due to Covid-19. Additional ICT infrastructure to enable staff to work from home, such as laptops and licenses for A2K and Microsoft Teams and early implementation of Microsoft E5 licences. Also, costs related to reopening buildings, surveys, and adaptations to make offices Covid secure and enhanced cleaning specification.

Underspends	(£1.3m)	Reduced costs for printing and copying with an offsetting reduction included in Loss of Income (below). There are savings on Total Facilities Management and utility costs due to some properties remaining closed.
Loss of income	£1.2m	For Managed Print there is forecast reduced income with an offsetting cost saving in underspends (above), Forecast loss of rental income on various properties.
Total Covid-19 Forecast	£9.6m	
Covid-19 spend above budget	+£8.3m	
Contribution from Reserves	(£8.3m)	
Revised Covid-19 position	£0.0m	

9 Non-Attributable Costs

General Fund forecast (£0.8m) underspend
Covid-19 forecast breakeven

	Budget £m	Revenue Forecast Outturn £m	Gross Revenue Forecast Variance £m	Forecast Variance Contribution to/(from) Reserves £m	Net Revenue Forecast Variance £m
Non-Attributable Costs	115.8	115.5	(0.3)	0.0	(0.3)
Earmarked Budgets Held Corporately	0.5	0.0	(0.5)	0.0	(0.5)
Net Total incl provisional share of CHB	116.4	115.6	(0.8)	0.0	(0.8)
Covid-19 forecast position	2.1	0.5	(1.7)	1.7	0.0

The Non-Attributable Costs are projected to be underspent by (£0.8m).

There is an underlying Covid-19 projected spend less than budget of (£1.7m). Uncertainty remains around the ongoing impact Covid-19 will have on services. At year-end any underspend will be transferred to reserves.

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

Key Service (Division)	Variance	Summary	Detail
Non-Attributable Costs	-£0.3m	Compensating under and overspends.	<p>There are a number of compensating under and overspends, of which the main variances are:</p> <p>+£0.9m reduction in Council Tax Income Guarantee (TIG) compared to the budget assumption.</p> <p>-£0.7m Business Rates TIG that had not been reflected in the budget due to lack of robust estimates.</p> <p>Both of the figures above are based on latest estimates provided by Central Government.</p>

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Covid-19 Allocation held corporately	£2.1m	
Loss of income	£0.4m	Loss of investment income
Total Covid-19 Forecast	£0.4m	
Covid-19 spend less than budget	(£1.7m)	
Contribution to Reserves	£1.7m	
Revised Covid-19 position	£0.0m	

The latest forecast for the Schools' Delegated Budget reserves is a surplus of £56.3m on individual maintained school balances, and a deficit on the central schools' reserve of £101m.

The balances of individual schools cannot be used to offset the overspend on the central schools reserves and therefore should be viewed separately. The table below provides the detailed movements on each reserve.

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.

	Individual School Reserves	Central Schools Reserve	<i>Note: a negative figure indicates a drawdown from reserves/deficit</i>
Balance brought forward	55.5	-51.1	
Forecast movement in reserves:			
Academy conversions and closing school deficits	0.4		
School Block Related Spend		-11.0	
High Needs Placements, Support & Inclusion Fund		-37.3	
Early Years		-1.0	
Overspend on Central DSG Budgets		-0.6	
Forecast reserve balance	56.3	-101.0	

In accordance with the statutory override implemented by the Ministry of Housing, Communities & Local Government (MHCLG) during 2020-21, and in line with the Department for Education (DfE) advice that local authorities are not expected to repay deficits on the DSG from the General Fund and can only do so with Secretary of State approval, the central DSG deficit of £101m will be held in a separate unusable reserve from the main council reserves. This statutory override is expected to be in place until April 2023 whilst Councils implement recovery plans. The Council continues to work with the Schools Funding Forum to set out the challenge and agree a plan to address the deficit. The DfE is expected to make contact with local authorities to discuss the detail of their plan and next steps although it is not clear when this might be. The DSG deficit is the Council's single biggest financial risk; therefore the finalisation and successful implementation of the Council's deficit recovery plan is critical.

Key Issues	Details
School Block: One-off Settlement	The DSG Reserve as at 31 st March 2021 of £51m is formed from a net surplus on the Schools Block of £11m and a net deficit on the High Needs block of £62m. The two blocks of funding have different purposes and rules and Secretary of State Approval is needed to transfer funding from the schools block to other funding blocks. The Schools Block funds primary and secondary schools' budgets, and the accumulated balance from previous years underspend of £11m, has been fully committed to be paid to schools in 2021-22, as a one-off additional payment to support the cost of changes to the calculation of pay for term time only staff.
Early Years: funding insufficient to meet estimated demand	The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds. There are concerns the funding from the Department of Education will not follow closely enough the payments made to providers during the year, particularly if numbers recover to pre-COVID levels in the Autumn term. Early estimates suggest a £1.0m overspend.
Reduction in government funding for Central Services	Since 2020-21, the Government has reduced the amount used to support some of the central services currently funded from the DSG. In the short-term this has been addressed through the Medium-Term Financial Plan without any direct impact to schools; however, during the next year we will need to review our relationship with schools in line with Government policy and funding and implement changes that will eliminate the funding shortfall.

Higher demand and higher cost for high needs placements

The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision. The HNB funds payments to maintained schools and academies (both mainstream and special), independent schools, further education colleges, specialist independent providers and pupil referral units. Some of the HNB is also retained by KCC to support some SEND services (staffing/centrally commissioned services) and overheads

The net deficit on the high needs block was £62m as at 31st March 2021 and is estimated to increase to over £100m by 31st March 2022. The overspend on the high needs block has been growing significantly over recent years and is the most significant financial risk to the council.

The forecast in-year funding shortfall for High Needs placements and support in 21-22 is +£45m due to a combination of both higher demand for additional SEN support and higher cost per child resulting from greater requests for more specialist provision, which has resulted in the council now placing greater numbers of children in both special and independent schools. The levels of growth are similar to previous years, since the introduction of the legislative changes in 2014, which also saw the expansion of duties to the age of 25 without sufficient extra funding. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types. In 2021-22 this pressure is being partially offset by a one-off underspend on activities to support inclusive practices in mainstream schools (-£8.0m). Work has been underway to establish how this fund should be used but activity in relation to this programme of spend will not start until September 2021 due to Covid-19 related delays.

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

	18-19 £'ms	19-20 £'ms	20-21 £'ms	21-22 £'ms
Maintained Special School	87	97	106	119
Independent Schools	36	40	49	56
Mainstream Individual Support & SRP* **	31	38	46	55
Post 16 institutions***	16	16	17	18
Other SEN Support Services	42	44	49	48
Total Spend	212	234	264	296

*Specialist Resource Provision

** Please note this data excludes any costs incurred by primary & secondary schools from their own school budget.

***Individual support for students at FE College and Specialist Provision Institutions (SPIs)

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

	18-19 No	19-20 No	20-21 No	21-22 No
Maintained Special School	4,349	4,751	5,118	5,537
Independent Schools	796	907	1,126	1,288
Mainstream Individual Support & SRP*	3,278	39,22	4,510	5,402
Post 16 institutions***	1,046	1,196	1,281	1,365
Total Number of Pupils	9,468	10,776	12,035	13,592

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

	18-19 £s per pupil	19-20 £s per pupil	20-21 £s per pupil	21-22 £s per pupil
Maintained Special School	£20,010	£20,330	£20,629	£21,531
Independent Schools	£44,871	£43,851	£43,734	£43,478
Mainstream Individual Support & SRP* **	£9,461	£9,691	£10,294	£10,265
Post 16 institutions***	£15,723	£13,393	£13,309	£13,004

It is important to note this is not a Kent phenomenon; and this pressure is being experienced in many other local authorities to varying degrees. In response, the Government launched a major review into support for children with SEN; however, the outcome has been delayed again and is not expected until Autumn 2021. In the interim, further funding is being provided; however, as can be seen from the forecast, this has been insufficient to meet the demand. This position reflects the fact that more funding can only be part of the answer and that there is need for wider legislative reform and a review of how funding is distributed to meet need.

The Written Statement of Action (WSOA), put in place to address a number of areas of concern raised in last year's Ofsted/CQC Local Area SEND Inspection, overlaps in a number of places with our strategy for reducing the pressure on the High Needs budget which includes:

- Reviewing our commissioning strategy for SEN provision across the county including supporting the development of new special schools and Specialist Resource Provisions to reduce our increasing reliance on independent schools including the opening of two new special schools last year which when fully opened will avoid over 350 higher cost placements.
- Reviewing commissioning arrangements including independent providers, home tuition and therapy services.
- Improving parental confidence through supporting inclusive practice and capacity building in mainstream schools to reduce reliance on special and independent schools
- Further collaborative working with Health and Social Care partners

Work is progressing; however, progress has been slower/paused/stopped due to the Covid-19 pandemic. There are also wider concerns on the longer-term impact of children being out of school during the last year on this budget. However, we are unlikely to know the full impact of the pandemic until 2022-23.

Directorate	Capital Budget	Variance excl. Covid-19	Real Variance	Rephasing Variance	Covid-19 Forecast
Adult Social Care & Health	2.9	0.0	0.0	0.0	0.0
Children, Young People & Education	157.5	(35.5)	(0.1)	(35.4)	2.1
Growth, Environment & Transport	270.8	(3.3)	14.8	(18.1)	0.0
Strategic & Corporate Services	25.7	(3.9)	(0.1)	(3.8)	0.8
TOTAL	456.9	(42.7)	14.6	(57.3)	2.9

The total approved General Fund capital programme including roll forwards for 2021/22 is £456.9m

The current estimated capital programme spend for the year is forecast at £414.1m, which represents 90.6% of the approved budget. The spend to date is £91.6m, representing 20% of the total approved budget.

The directorates are projecting a £42.7m underspend against the budget, this is split between a +£14.6m real variance and -£57.3m re-phasing variance.

The major variances are described below:

Children, Young People & Education:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>New Variances to Report:</u>			
Annual Planned Enhancement Programme	0.2	-2.2	The rephasing is due to delays on projects across the programme due to covid. The real variance is due to -£0.1m contribution towards a basic need project, and +£0.3m additional funding from High Needs Provision. Cash limit changes have been requested as part of this report.
Basic Need Kent Commissioning Plan 2016	0.9		Additional soil removal costs and highway changes have increased project forecasts at two schools.
Basic Need Kent Commissioning Plan 2017	-0.8	-12.7	Rephasing due to: -£5m Park Crescent Academy delays due to pre-project works, demolition & planning, -£4.4m due to planning objection with Highways, redesign required and re-submission for planning approval, -£3.7m Thamesview School is not required until 2023.

			Real variance due to: -£0.7m due to early completion on Bennett Memorial School.
Basic Need Kent Commissioning Plan 2018	0.2	-12.5	Rephasing due to: -£4.6m Gravesend Grammar School - first design has been rejected and a redesign is now required. -£2.4m The Abbey School - internal works are to be completed in summer 2021, main scheme is deferred until next year. -£2.0m Dartford Bridge Primary - project not now required until a later year -£3.0m Simon Langton School for Boys - planning issues have meant the works have been rephased.
Basic Need Kent Commissioning Plan 2019	1.4	-8.3	Rephasing due to: -£3.3m Wrotham School - pending confirmation of a successful Condition Improvement Fund (CIF) bid. -£2.5m Maidstone Grammar School for Girls - project has been rephased completion now expected December 2023. -£1.5m Queen Elizabeth's Grammar – rephasing due to feasibilities being re-done so the project has been pushed back. Real variance due to: +£1.4m costs forecast for initial works across four projects where main project delivery is not required until later years
Basic Need KCP 2021-25	-2.0		The real underspend on this programme is due to: -£4.3m The Beacon project which was duplicated as it is within KCP17, +£0.8m St Peters Aylesford and +£0.4m St Mary of Charity – these projects have been added to the programme as additional places are required. +£0.5m Guston CEPS for early feasibility costs, +£0.5m Dover Christ Church Academy for early feasibility costs, +£0.08m Goldwyn School – internal adaptations required for additional places needed September 2021.
Overall Basic Need Programmes			Over the life of the Basic Need Programmes there is currently a forecast overspend predominantly due to projects required to commence in the next three-year period, which is earlier than originally predicted. This is being carefully monitored and funding streams such as developer contributions are being sought to reduce the overall pressure.
High Needs Provision	2.0		Additional grant received.
Barton Court Academy Free School		+1.5	This is a Department for Education (DfE) project being

managed by KCC. The project is now progressing well and is ahead of schedule.

School Roofs	-3.2	The works on Birchington Primary will now be completed in summer 2022.
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Growth, Environment & Transport:

Project	Real Variance £m	Rephasing Variance £m	Detail
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New Variances to Report:

Thanet Parkway (Environment, Planning & Enforcement)		6.4	Phasing of the scheme has been brought forward in line with latest project plans. The overall cost of the scheme has increased due to Network Rail cost increases and higher than expected costs for the level crossings. The forecast overspend on the scheme over the life of the project is £7.3m. This is partially offset by an award of £3.4m from the New Stations Fund, and alternative funding is being sought for the remaining £3.9m.
Public Rights of Way (Environment, Planning & Enforcement)	0.1		Public Rights of Way (PROW) are in partnership with the Experience EU project and are expecting £276k of grant over two years to enhance KCC's PROW.
Highway Major Enhancement (Highways, Transportation & Waste)		-3.5	This relates to works on the A299 Thanet Way which have been postponed due to the likelihood of more "staycations" and the impact of closing the Thanet Way could risk the recovery of businesses around the coastal areas. Most of this work will take place in Spring 2022.
Government Transition Works (Highways, Transportation & Waste)	12.8		This project is fully funded from the Department for Transport who have requested further works at the Ashford Sevington site. Additional grant funding is being claimed to cover these works.
Sturry Link Road (Highways, Transportation & Waste)		-5.6	This project has been reprofiled to future years.
Green Corridors (Highways, Transportation and Waste)		-2.4	The programme is just getting started and some stages will not begin until 22-23.

Housing Infrastructure Fund – Swale (Highways, Transportation and Waste)	-3.1	Spend was reprofiled to reduce KCC liability and risk in year 20-21, with a knock-on effect of delays on the programme through planning and construction. Although a funding agreement has been signed with Homes England this is conditional on the M2 Junction 5 project being delivered by Highways England coming forward. An extension to the funding agreement has been accepted by Homes England with funding extension granted until June 2024.
National Productivity Investment Fund – Kent Medical Campus (Highways, Transportation and Waste)	-3.0	A planning delay has pushed back the start of construction works until October/November 2021.
Fastrack Full Network – Bean Road Tunnels (Highways, Transportation and Waste)	-3.5	The construction start has been delayed due to the design being more challenging than originally expected. Construction will now start at the end of 2022.
Kent Strategic Congestion Management (Highways, Transportation and Waste)	1.2	The A2/A251 priority junction scheme was added to this project within the Local Growth Fund programme in 20/21 following approval by KMED and SELEP Boards. It aims to make improvements to the junction capacity and promote journey time improvements through the signalisation of the junction. The real variance is the external funding that has been received into the programme and which is required to complete this scheme.
A2 Off Slip Wincheap, Canterbury (Highways, Transportation and Waste)	-1.5	All budgets rephased to future years as the Homes England bid was not successful but alternative funding is being sought.
Trees Outside Woodlands (Highways, Transportation & Waste)	0.1	The project is funded by the Department for Environment, Food and Rural Affairs (DEFRA) and the real variance reflects expected funding; the cash limits for which will be amended once funding is received.
Innovation Investment Initiative (i3) (Economic Development)	-2.0	The rephasing reflects that there is unlikely to be another application round during this financial year due to time constraints and the focus on the Kent & Medway Business Fund Scheme.
Kent Empty Property Initiative (Economic Development)	+0.15	Anticipated additional external contributions
Decarbonisation Fund – Kings Hill and West End Solar Farms (Economic Development)	+0.3	Grant funding has been received – the variance is due to the cash limits not yet reflecting the increased spend to move these projects forward.

Strategic & Corporate Services:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>New variances to report:</u>			
Live Margate		-1.7	The actual plots of the surplus properties on the Royal School for the Deaf site are unlikely to be confirmed until the actual footprint for the new school is confirmed, therefore the majority of the Live Margate acquisition and development costs are now expected to be incurred in 22-23.
Asset Utilisation – Oakwood House		-2.1	Due to complexities of the refurbishment £2.1m has been moved into 22-23. However, a start on site is expected soon and monies may need to rephase forwards if the works accelerate.

12 Revenue Budget Changes

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between Key Services in light of the 2020-21 final spend and activity levels and the latest service transformation plans. Explanations for these changes is provided below, and a breakdown of the changes by Key Service is available in Appendix 2.

Cabinet is asked to approve these changes. The variances reflected in this report assume these cash limit changes have been approved.

Adult Social Care & Health

Gross decrease -£3.2m
Income decrease £3.3m

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

Adjustment of the income and gross budget lines within Strategic Safeguarding to align with annual grant updates	+£0.034m gross -£0.034m income
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Adjusting budgets within Service Provision to align income with monies received from health for Integrated Care Centres	-£1.982m gross +£1.982m income
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Adjusting budgets within the Business Delivery Unit to align income with monies received from health funding specific projects	+£0.229m gross -£0.289m income
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Formal virements, requiring approval:

Realignment of Social Care in Prisons Grant between key service lines to fund provision of community care in prisons	No Impact
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The alignment of Improved Better Care Fund Monies with 2021-22 planned expenditure within Key Service lines; includes transfer to CYPE funding Adult Learning & Physical Disability pathway services for young people aged 18-25	+£0.086m gross
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The alignment of Better Care Fund Monies (including Care Act Implementation monies) with 2020-21 planned expenditure within Key Service lines	-£1.679m gross +£1.669m income
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The realignment of in-house savings to reflect updated planning	+/-£0.080m
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Allocating centrally held monies from Strategic Management and Directorate Support to support client activity and staffing budgets within Operations	No Impact
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Transfer of administrative staffing posts from Assessment safeguarding services into Divisional Management and Support	+/- £0.328m
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The distribution of agreed retender cash limits across Older Persons, Physical Disability, Learning Disability and Mental Health key service lines	No Impact
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Transfer of one post from Strategic Management and Directorate Support to Operations	+/- £0.091m
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Realignment of budgets between the Learning Disability and Older Persons and Physical Disability to reflect operational plans in 2020-21	+/- £0.004m
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The realignment of Non framework placements savings to reflect updated commissioning information for 2020-21	No Impact
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12 Revenue Budget Changes

Transfer of Kent Card Prepaid Charges Budget from Operations to the Purchasing Team within the Business Delivery Unit to reflect budget manager accountability for these monies +/- £0.1m

Transfer of budget from Housing Related Support to Community Based Preventative Services to reflect updated contracts for 2020-21 +/- £0.066m

Children, Young People & Education

Gross increase £7.2m
Income increase -£7.3m

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

Other school services - Income to reflect new holiday activities and food programme funding from DfE +£5.3m gross
-£5.3m income

Adoption - Income to reflect the new Regional Adoption Agency agreement +£1,7m gross
-£1.7m income

Formal virements, requiring approval:

Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers - Adjustment to enable alignment of Improved Better Care Fund Monies with 2021-22 planned expenditure £-0.1m

Growth, Environment & Transport

Gross increase £0.2m
Income increase -£0.3m

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

Increase in funding for Sports +£0.598m gross
-£0.598m income

Decrease in funding for Sustainable Business & Communities -£0.393m gross
+£0.393m income

Formal virements, requiring approval:

A budget transfer from Highways, Transport & Waste Management Costs and Commercial Operations to Strategic Commissioning in the Strategic and Corporate Services Directorate to reflect the transfer of a member of staff -£0.074m gross

Transfers of staff between key services in relation to the directorate restructure comprising £27k gross from Highway Transportation (including School Crossing Patrols) to Environment, Planning & Enforcement Management Costs, and £25.4k gross from Public Protection (Enforcement) to Environment & Planning No Impact

Small realignment of budgets by the Head of Service, transferring £12.8k gross between Environment & Planning and Environment, Planning & Enforcement Management Costs No Impact

12 Revenue Budget Changes

Strategic & Corporate Services

Gross increase £3.9m
Income increase -£3.7m

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

Realignment in Corporate Landlord primarily for rental income from investment properties. +£2.112m gross
-£2.112m income

Change in expected partner income for the Kent Public Sector Network within ICT related services +£1.417m gross
-£1.417m income

Revisions to Strategic Commissioning to reflect increased internal recharges +£0.912m gross
-£0.912m income

Increases in Finance income mainly relating to Client Financial Services and Treasury and Investments +£392.2m gross
-£392.2m income

Public Health realignment following confirmation of grant allocation and to reflect a revised level of external income -£11.25m gross
+£11.25m income

Formal virements, requiring approval:

A budget transfer from Non Apportionable to Finance to fund an agreed increase in the Audit structure +£0.125m gross

A budget transfer from Highways, Transport & Waste Management Costs and Commercial Operations in the Growth, Environment & Transport Directorate to Strategic Commissioning to reflect the transfer of a member of staff +£0.074m gross

Transfer of responsibility for the Oakwood trading account from Property related services to Corporate Landlord +/-£0.350m

Minor realignment within People & Communications with a small transfer from Human Resources related services to Customer contact, Communications & Consultations +/-£0.035m

Non-Attributable Costs

Gross decrease -£0.1m

Formal virements, requiring approval:

Transfer from Non-Apportionable Costs to Finance in S&CS to reflect the agreed increase in Audit structure -£0.125m gross

13 Capital Budget Changes

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

Project	Year	Amount (£m)	Reason
Annual Planned Enhancement Programme (CYPE)	21-22	0.250	Additional High Needs Provision Grant
High Needs Provision (CYPE)	21-22 22-23	1.964 4.425	Additional High Needs Provision Grant
Basic Need Kent Commissioning Plan (KCP) 17 (CYPE)	21-22	1.907	Additional developer contributions available to fund the programme.
Basic Need KCP18 (CYPE)	22-23	1.500	Additional developer contributions available to fund the programme.
Basic Need KCP19 (CYPE)	21-22 22-23	-0.561 7.676	Net additional developer contributions available to fund the programme.
Basic Need KCP21-25 (CYPE)	21-22 23-24	0.500 3.773	Additional developer contributions available to fund the programme.
Newingreen A20 Junction Improvement (GET)	21-22 22-23 23-24	-0.050 -2.572 -0.416	Removal of the scheme and the funding (developer contributions) as this will now be delivered by the developer.
Manston Green (GET)	22-23 23-24 24-25 25-26	-1.213 -4.215 -0.834 -0.028	Removal of the scheme and the funding (grant) as this will now be delivered by the developer.
Maidstone Heat Network (GET)	21-22	0.009	Revenue contribution to the scheme.
Kent Strategic Congestion Management (GET)	21-22	0.300	Revenue contribution to the scheme.
Kent Thameside LST – Integrated Door to Door Journeys (GET)	21-22	0.271	To reflect additional income from a successful Kent Lane Rental Bid.
West End Decarbonisation Fund Project (GET)	21-22	0.02	Agreed initial works to be funded from grant.
Kings Hill Decarbonisation Fund Project (GET)	21-22	0.08	Agreed initial works to be funded from grant.

13 Capital Budget Changes

Cabinet is asked to approve the following changes:

Project	Year	Amount (£m)	Reason
Annual Planned Enhancement Programme (CYPE)	21-22	-0.100	Contribution of Schools Condition Allocation (SCA) Funding to Harrietsham School in basic need.
Basic Need Programme KCP16	21-22	+0.100	Contribution of SCA grant from Annual Planned Enhancement Programme
A228 and B2160 Junction Improvements with B2017	21-22	0.375	To reflect this new project which is to be funded by developer contributions.
Badsell Road (GET)	22-23	0.375	
	23-24	2.745	
	24-25	0.200	
Waste Replacement CCTV (GET)	21-22	0.026	To reflect new scheme to be funded from a revenue contribution.
Sandgate Library Enhancements (GET)	21-22	0.048	To reflect improvements to Sandgate Library (new project) to be funded from developer contributions.

14 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 investments 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. 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.

14.1 Total external debt outstanding in July was £851.4m down by £2.3m since 31st March 2021

KCC debt includes £449.6m of borrowing from Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at fixed rates of interest. The average length to maturity of PWLB debt is 15.6 years at an average interest rate of 4.83%.

Outstanding loans from banks amount to £291.8m. This is also at fixed term rates with average length to maturity of 37.2 years at average interest rate of 4.4%.

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 42.6 years at average interest rate of 4.15%.

The balance of debt relates to loans from Salix Finance for LED streetlighting programme. The outstanding balance is £20m with average of 10.7 years to maturity at average rate of 1.43%.

In addition to the £851.4m external debt we also have £211.4m of internal borrowing.

14.2 Majority is long term debt with 15% due to mature within 5 years

Maturity 0 to 5 years £127.1m (14.9%)
Maturity 5 to 10 years is minimal
Maturity 10 to 20 years £216.7m (25.5%)
Maturity over 20 years £507.6m (59.6%)

14.3 Total cash balance at end of July was £565m down by £10m from the end of June

Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure. Balances are forecast to peak at £609m in August before declining throughout the remainder of the year to £497m (the same balance as at 31st March 2021)

14.4 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.

Short term deposits (same day availability) are held in bank accounts or money market funds. Current balances in short-term deposits in July were £142.7m (25.2% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning less than 0.1% return

A further £118m is deposited 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 July the Council had £118m in DMO deposits, representing 20.9% of cash investments with an average rate of return of 0.01%.

Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is usually 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 bond portfolio. Currently the Council has £100m invested in covered bonds earning an average rate of return of 0.68%.

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 £178.9m invested in pooled funds (31.7% of cash balances). These funds have earned a total of £31.6m since investment at an average annual rate of 4.4%. Returns on pooled funds can be volatile.

15 Council Tax

The purpose of this section is to provide an early indication of how discounts and collection rates are changing/recovering throughout the year and the likely impact of these changes on the collection fund and the Council Tax Base to be included in the following years budget.

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15.1 Council Tax income is a key source of funding for council services and makes up almost 70% of our net budget (and just under 50% of our gross budget). | The amount generated through Council Tax is principally determined by the Council Tax Base. This is the number of properties (expressed as the number of weighted band D equivalent properties) and adjusted for exemptions, discounts and premiums, other minor adjustments (e.g. estimated new builds), the Band D charge per property and the collection rate. The most significant discounts are the 25% single persons discount and the Council Tax Reduction Scheme for low income households. |
| 15.2 The budget is based on estimated council tax collection. Actual collections are managed through local district collection funds | The twelve Kent districts provide the budgeted Council Tax Base which forms the basis for the County Council precept after applying the county's share of the council tax charge (including a separate precept for adult social care) and is included in the annual budget. Districts must remit the budgeted precept to the County Council in-year and any difference between the budgeted precept and the actual Council Tax collected is accounted for by districts through the local collection fund. |
| 15.3 The Covid-19 pandemic has significantly affected both the discounts provided through the Council Tax Reduction Scheme and the collection rate. | The impact of Covid-19 has caused an unprecedented reduction of just over 1% to the 2021-22 budgeted taxbase and a large collection fund deficit in 2020-21. A 1% increase to the taxbase provides £7.8m additional council tax income for the County Council. |
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Budgeted Tax Base 2021-22

15.4 548,862.48 Band D Equivalents
= £778.7m for the County
Council precept

The 2021-22 net budgeted Council Tax Base for Kent is 548,862.48 Band D equivalents which produces the County Council precept of £778.7m. The precept includes £70.9m reduction due to single persons discount, £77.4m Council Tax Reduction Scheme and £17.6m loss for the expected collection rate. The table below shows the composition of the budgeted Council Tax Base for Kent County Council precept:

	Band D equivalent	Total Precept @ £1,418.76 £m
Number of Dwellings (684,240)	676,913.44	960.4
Less Exemptions & Disabled	-15,070.89	-21.4
Less Single Persons Discount	-49,938.11	-70.9
Less Council Tax Reduction Discounts	-56,027.89	-79.5
Less Other Discounts	-2,617.35	-3.7
Add Premiums, New Builds, etc	7,980.72	11.3
Less Collection Losses	-12,377.44	-17.6
Net Tax Base/Precept	548,862.48	778.7

The net precept of £778.7m includes £87.2m for the Adult Social Care precept.

Monitoring

15.5 In the first quarter of 2021-22 Council Tax Reduction discounts have been higher than budgeted in the precept. Collection rates have been higher than in 2020-21 but have still not recovered to pre-pandemic levels (and are lower than assumed in budgeted precept)

The twelve Kent Districts have been providing updates on the existing collection rate and level of CTRS claimants. The table below shows the forecast based on the current level of Council Tax Reduction Scheme discounts and collection rate. This shows that assuming the current levels stay the same for the remainder of the year there would be a potential collection fund deficit for KCC of approximately £9m due to higher than budgeted Council Tax Reduction Discounts and lower than estimated collection rates:

	Budget	Forecast	Variance
Council Tax Reduction Scheme	-£77.4m	-£79.2m	£1.8m
Collection Rate	97.8%	96.9%	0.9% = £7.2m

However, this does not take into consideration any payments against 2020-21 arrears. These would reduce the collection fund deficit. We are working with the Districts to gather this information to include this in future reports.

The number and value of Council Tax Reduction Scheme discounts initially increased from the budgeted position and peaked at the end of April. The number and value of Council Tax Reductions Scheme discounts has reduced in both May and June but they are still higher than the budgeted level. We anticipate there are likely to be further reductions in the number and value of Council Tax Reduction Discounts during the remainder of the year as the economic recovery continues through progress on national roadmap for easing Covid-19 restrictions. If the Council Tax Reduction Scheme discounts stay at the current level then the 2022-23 tax base would reduce by 0.2% which equates to a further £1.5m loss of Council Tax income (based on the 2021-22 Band D charge).

If the anticipated collection rate for 2022-23 remains at the current rate then this would lead to the 2022-23 taxbase reducing by 0.9% which equates to a further £7.2m loss of Council Tax income (based on the 2021-22 Band D charge).

As already indicated it is likely there will be further reductions in Council Tax Reduction Scheme discounts and improvements in collection rates but it is too early at this stage in the year to be able to accurately predict the scale and pace of recovery. Future monitoring reports will provide regular updates on current scale and pace of recovery which should provide a more robust basis for predictions

Additional Support for Kent Residents

15.6 Additional £50 reduction for working age CTRS claimants at an estimated total cost of £3.6m

At the County Council meeting on 13th February, the Leader announced a new scheme to support working age households currently receiving Council Tax Reduction Scheme discounts through the recovery stage of the pandemic. This additional support provided an additional up to £50 reduction to the Council Tax demand notice for 2021-22 for qualifying households¹.

To date 71,332 households have received this additional reduction to their bills and the total discount provided to date is £3.5m. £3.6m was provided in the budget to fund this scheme. There is therefore a small balance of £0.1m available which could fund this discount for approximately further 1,500 new Council Tax Reduction Scheme claimants during the remainder of this year.

15.7 Additional £2.4m Hardship Fund

At the County Council meeting on 13th February, the Leader also announced a hardship fund to support households suffering significant financial difficulty. This is in addition to the existing hardship schemes operated by the Districts.

To the end of June £0.1m has been provided to 432 households

Each District has been allocated a share of £2.4m budgeted for this scheme. The share allocated to each district was weighted based on the level of deprivation in the district, the number of Council Tax Reduction Scheme claimants and the total number of households.

¹ Qualifying households received an additional discount of up to £150 in 2020-21 under national government support scheme

Appendix 1 - Key Service Summary as at July 2021-22

	Revenue Budget £m	Variance excl. Covid- 19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Community Based Preventative Services	17.2	(0.1)	0.1	(0.0)
Housing Related Support	6.9	0.0	0.0	0.0
Transfers to and from Reserves	0.0	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	4.5	(0.1)	6.7	6.6
Social Support for Carers	3.1	0.6	0.0	0.6
Partnership Support Services	0.0	0.0	0.0	0.0
Strategic Safeguarding	0.5	0.1	0.0	0.1
Public Health - Advice and Other Staffing	0.0	0.0	0.0	0.0
Public Health - Children's Programme	0.0	0.0	0.0	0.0
Public Health - Healthy Lifestyles	0.0	0.0	0.0	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	0.0	0.0
Public Health - Sexual Health	0.0	0.0	0.0	0.0
Strategic Management & Directorate Budgets	32.2	0.5	6.8	7.3
Adult In House Carer Services	2.6	0.0	0.0	0.0
Adult In House Community Services	6.9	(0.4)	0.0	(0.4)
Adult In House Enablement Services	7.1	(0.1)	0.0	(0.1)
Adult Learning Disability - Case Management & Assessment Service	5.1	(0.4)	0.2	(0.2)
Adult Learning Disability - Community Based Services & Support for Carers	89.9	5.4	(0.6)	4.8
Adult Learning Disability - Residential Care Services & Support for Carers	65.0	6.7	0.0	6.7
Adult Mental Health - Case Management & Assessment Services	8.7	0.4	0.0	0.4
Adult Mental Health - Community Based Services	8.0	2.7	2.2	4.9
Adult Mental Health - Residential Care Services	14.9	0.1	0.0	0.1
Adult Physical Disability - Community Based Services	18.2	3.2	0.0	3.2
Adult Physical Disability - Residential Care Services	16.7	1.5	0.0	1.5
ASCH Operations - Divisional Management & Support	6.2	0.1	0.0	0.1
Looked After Children (with Disability) - In House Provision	2.9	(0.1)	0.0	(0.1)
Older People - Community Based Services	46.2	3.1	0.8	3.9
Older People - In House Provision	15.2	(0.3)	(0.0)	(0.3)
Older People - Residential Care Services	33.4	(1.4)	1.9	0.5
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	22.3	0.8	0.2	1.0
Older People & Physical Disability - In House Community Homecare Service	0.0	0.0	0.0	0.0
Older People & Physical Disability Carer Support - Commissioned	0.9	(0.3)	0.0	(0.3)
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	7.2	(2.6)	0.0	(2.6)
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.3	(0.2)	0.0	(0.2)
Sensory & Autism - Assessment Service	1.8	0.0	0.0	0.0
Service Provision - Divisional Management & Support	0.0	0.0	0.0	0.0
Adaptive & Assistive Technology	2.1	(0.3)	0.0	(0.3)
Adult Social Care & Health Operations	382.6	17.9	4.8	22.6
Business Delivery	9.8	(0.8)	0.1	(0.7)
Safeguarding Adults	0.0	0.0	0.0	0.0
Independent Living Support	0.7	0.1	0.0	0.1
Statutory and Policy Support	1.2	(0.0)	0.0	(0.0)
Business Delivery Unit	11.6	(0.7)	0.1	(0.6)
Adult Social Care & Health	426.4	17.6	11.7	29.3
Earmarked Budgets Held Corporately	8.1	(8.1)		(8.1)
Net Total incl provisional share of CHB	434.5	9.5		

	Revenue Budget £m	Variance excl. Covid- 19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Strategic Management & Directorate Budgets	2.2	(0.1)	0.0	(0.1)
Community Learning & Skills (CLS)	(0.6)	0.0	0.6	0.6
Early Years Education	0.0	(0.0)	0.0	(0.0)
Education Management & Division Support	1.4	(0.1)	0.0	(0.1)
Education Services provided by The Education People	4.2	0.0	0.0	0.0
Fair Access & Planning Services	0.0	0.1	0.0	0.1
Home to School & College Transport	44.5	2.3	0.1	2.4
Other School Services	2.2	(0.1)	2.8	2.7
Education	51.7	2.2	3.5	5.7
Adoption & Special Guardianship Arrangements & Service	14.9	0.3	0.0	0.3
Asylum	(0.1)	(0.0)	0.1	0.1
Care Leavers Service	7.7	(1.7)	0.0	(1.7)
Children in Need - Care & Support	3.3	(0.1)	0.0	(0.1)
Children's Centres	3.6	0.0	0.0	0.0
Children's Social Work Services - Assessment & Safeguarding Service	47.8	0.0	0.9	0.9
Early Help & Preventative Services	7.3	0.0	0.0	0.0
Integrated Services (Children's) Management & Directorate Support	5.1	(0.1)	0.0	(0.1)
Looked After Children - Care & Support	65.9	0.2	4.0	4.2
Pupil Referral Units & Inclusion	(0.0)	0.0	0.0	0.0
Youth Services	4.8	0.0	(0.2)	(0.2)
Integrated Children's Services (East & West)	160.5	(1.3)	4.8	3.5
Adult Learning & Physical Disability Pathway - Community Based Services	30.1	(0.0)	0.0	(0.0)
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.0	0.0	0.0	0.0
Children in Need (Disability) - Care & Support	5.1	(0.4)	0.0	(0.4)
Children's Disability 0-18 Commissioning	1.7	0.0	0.0	0.0
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7.9	0.2	0.0	0.2
Looked After Children (with Disability) - Care & Support	11.4	0.6	0.0	0.6
Special Educational Needs & Disability Management & Divisional Support	0.2	(0.0)	0.0	(0.0)
Special Educational Needs & Psychology Services	10.9	(0.1)	1.5	1.4
Special Educational Needs & Disabilities	76.3	0.3	1.5	1.8
Children, Young People & Education	290.7	1.1	9.7	10.8
Earmarked Budgets Held Corporately	7.3	(0.3)		(0.3)
Net Total incl provisional share of CHB	298.0	0.8		

	Revenue Budget £m	Variance excl. Covid- 19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Strategic Management & Directorate Budgets	1.4	0.0	0.0	0.0
Arts	1.3	(0.0)	0.0	(0.0)
Economic Development	2.7	0.1	0.3	0.5
Economic Development	4.1	0.1	0.4	0.5
Highway Transportation (including School Crossing Patrols)	6.2	0.0	0.0	0.0
Highway Asset Management (Roads and Footways)	10.4	0.2	0.0	0.2
Highway Asset Management (Other)	18.9	(0.2)	(0.0)	(0.2)
Subsidised Buses and Community Transport	6.5	0.0	0.0	0.0
Concessionary Fares	17.2	0.0	(1.9)	(1.9)
Kent Travel Saver	7.6	0.0	(1.3)	(1.3)
Residual Waste	39.8	1.3	1.3	2.6
Waste Facilities & Recycling Centres	34.2	(0.9)	0.1	(0.8)
Highways, Transport & Waste Management Costs and Commercial Operations	5.4	(0.1)	0.0	(0.1)
Highways, Transportation & Waste	146.1	0.3	(1.7)	(1.4)
Environment & Planning	5.7	0.1	0.1	0.2
Environment, Planning & Enforcement Management Costs	0.7	(0.0)	0.1	0.1
Public Protection (Enforcement)	10.4	(0.2)	0.2	(0.0)
Environment, Planning & Enforcement	16.8	(0.1)	0.4	0.3
Libraries, Registration & Archives	8.6	(0.1)	0.7	0.5
Growth, Environment & Transport	176.9	0.2	(0.3)	(0.1)

	Revenue Budget £m	Variance excl. Covid- 19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Strategic Management & Directorate Budgets	(1.7)	(0.0)	0.0	(0.0)
Customer Contact, Communications & Consultations	5.4	0.1	0.4	0.4
Human Resources related services	8.0	(0.1)	(0.0)	(0.1)
People & Communication	13.3	(0.0)	0.4	0.3
Finance	12.3	0.0	6.1	6.1
Governance & Law	6.1	(0.1)	(0.1)	(0.2)
Local Member Grants	0.8	(0.0)	0.0	(0.0)
Governance, Law & Democracy	6.9	(0.1)	(0.1)	(0.2)
ICT related services	21.4	(0.0)	1.0	1.0
Property related services	5.8	(0.0)	1.2	1.2
Infrastructure	27.2	(0.0)	2.2	2.2
Corporate Landlord	25.1	(0.1)	0.2	0.2
Strategic Commissioning	7.3	(0.0)	0.8	0.8
Strategy, Policy, Relationships & Corporate Assurance	3.8	0.1	0.0	0.1
Total - Strategic & Corporate Services	94.1	(0.1)	9.6	9.5
Earmarked Budgets Held Corporately	0.2	0.0		0.0
Net Total incl provisional share of CHB	94.3	(0.1)		
Non Attributable Costs	115.8	(0.3)	0.4	0.1
Corporately Held Budgets (to be allocated)	0.5	(0.5)		(0.5)
Net Total incl provisional share of CHB	116.4	(0.8)		
Total excluding Schools' Delegated Budgets	1,120.0	9.7	31.1	40.8

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Community Based Preventative Services	19.0	-5.3	13.7	19.1	-5.3	13.8	0.1	0.0	0.1
Housing Related Support	8.4	-1.4	7.0	8.4	-1.4	6.9	-0.1	0.0	-0.1
Strategic Management & Directorate Support (ASCH)	4.7	-1.2	3.4	4.8	-0.3	4.5	0.2	0.9	1.1
Social Support for Carers	4.8	-1.7	3.1	4.8	-1.7	3.1	0.0	0.0	0.0
Partnership Support Services	10.4	-10.4	0.0	10.4	-10.4	0.0	0.0	0.0	0.0
Strategic Safeguarding	0.8	-0.4	0.5	0.9	-0.4	0.5	0.0	-0.0	0.0
Strategic Management & Directorate Budgets	48.1	-20.5	27.7	48.4	-19.6	28.8	0.2	0.9	1.1
Adult In House Carer Services	2.5	+0.0	2.5	2.6	-0.0	2.6	0.0	-0.0	0.0
Adult In House Community Services	7.2	-0.1	7.1	7.0	-0.1	6.9	-0.2	0.0	-0.2
Adult In House Enablement Services	18.4	-11.5	6.9	18.7	-11.6	7.1	0.2	-0.1	0.1
Adult Learning Disability - Case Management & Assessment Service	5.3	-0.3	5.0	5.4	-0.3	5.1	0.1	0.0	0.1
Adult Learning Disability - Community Based Services & Support for Carers	99.1	-9.4	89.7	98.8	-8.9	89.9	-0.3	0.4	0.2
Adult Learning Disability - Residential Care Services & Support for Carers	70.3	-5.6	64.7	70.6	-5.6	65.0	0.3	0.0	0.3
Adult Mental Health - Case Management & Assessment Services	9.1	-0.3	8.8	9.0	-0.3	8.7	-0.1	0.0	-0.1
Adult Mental Health - Community Based Services	8.2	-0.7	7.5	8.6	-0.6	8.0	0.3	0.1	0.5
Adult Mental Health - Residential Care Services	15.7	-0.9	14.8	15.9	-1.0	14.9	0.1	-0.0	0.1
Adult Physical Disability - Community Based Services	21.4	-3.4	18.0	21.4	-3.2	18.2	0.1	0.1	0.2
Adult Physical Disability - Residential Care Services	19.1	-2.7	16.5	19.1	-2.4	16.7	-0.1	0.3	0.2
ASCH Operations - Divisional Management & Support	5.9	-0.0	5.9	6.5	-0.2	6.2	0.6	-0.2	0.4
Looked After Children (with Disability) - In House Provision	4.7	-1.8	2.9	4.7	-1.8	2.9	0.0	0.0	0.0
Older People - Community Based Services	75.6	-28.3	47.3	74.6	-28.4	46.2	-1.0	-0.1	-1.1
Older People - In House Provision	24.5	-9.4	15.0	22.6	-7.4	15.2	-1.8	2.0	0.1
Older People - Residential Care Services	76.2	-40.9	35.3	74.5	-41.1	33.4	-1.7	-0.2	-1.9
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	25.3	-2.8	22.5	24.7	-2.5	22.3	-0.5	0.3	-0.2
Older People & Physical Disability Carer Support - Commissioned	2.5	-1.6	0.9	2.5	-1.6	0.9	-0.0	0.0	-0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	8.0	-0.8	7.2	8.0	-0.8	7.2	0.1	0.0	0.1
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.4	-0.1	1.3	1.4	-0.1	1.3	0.0	0.0	0.0
Sensory & Autism - Assessment Service	1.8	+0.0	1.8	1.8	+0.0	1.8	0.0	0.0	0.0
Service Provision - Divisional Management & Support	0.0	+0.0	0.0	0.0	+0.0	0.0	0.0	0.0	0.0
Adaptive & Assistive Technology	9.0	-6.9	2.1	9.0	-6.9	2.1	0.0	0.0	0.0
Adult Social Care & Health Operations	511.1	-127.4	383.7	507.4	-124.8	382.6	-3.8	2.6	-1.1
Business Delivery	9.7	-0.4	9.4	10.1	-0.6	9.5	0.3	-0.2	0.1
Safeguarding Adults	0.0	+0.0	0.0	0.0	+0.0	0.0	0.0	0.0	0.0
Independent Living Support	0.9	-0.2	0.7	0.9	-0.2	0.7	0.0	0.0	0.0
Statutory and Policy Support	1.2	+0.0	1.2	1.2	+0.0	1.2	0.0	0.0	0.0
Business Delivery Unit	11.8	-0.6	11.2	12.1	-0.8	11.3	0.3	-0.2	0.1
Adult Social Care & Health	571.1	-148.5	422.6	567.9	-145.2	422.7	-3.2	3.3	0.1

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	6.0	-3.8	2.2	6.0	-3.8	2.2	0.0	0.0	0.0
Community Learning & Skills (CLS)	13.2	-13.9	-0.6	13.2	-13.9	-0.6	0.0	0.0	0.0
Early Years Education	74.8	-74.8	0.0	74.8	-74.8	0.0	0.0	0.0	0.0
Education Management & Division Support	2.4	-1.0	1.4	2.4	-1.0	1.4	0.0	0.0	0.0
Education Services provided by The Education People	9.0	-4.8	4.2	9.0	-4.8	4.2	0.0	0.0	0.0
Fair Access & Planning Services	2.9	-2.9	0.0	2.9	-2.9	0.0	0.0	0.0	0.0
Home to School & College Transport	47.8	-3.4	44.5	47.8	-3.4	44.5	0.0	0.0	0.0
Other School Services	40.1	-37.9	2.2	45.4	-43.1	2.2	5.3	-5.3	0.0
Education	190.2	-138.5	51.7	195.5	-143.8	51.7	5.3	-5.3	0.0
Adoption & Special Guardianship Arrangements & Service	15.0	-0.1	14.9	16.7	-1.8	14.9	1.7	-1.7	0.0
Asylum	17.0	-17.0	-0.1	17.0	-17.0	-0.1	0.0	0.0	0.0
Care Leavers Service	10.9	-3.2	7.7	11.0	-3.3	7.7	0.1	-0.1	0.0
Children in Need - Care & Support	3.3	-0.0	3.3	3.3	-0.0	3.3	0.0	0.0	0.0
Children's Centres	7.6	-4.0	3.6	7.6	-4.0	3.6	0.0	0.0	0.0
Children's Social Work Services - Assessment & Safeguarding Service	51.7	-3.9	47.8	51.7	-3.9	47.8	0.0	0.0	0.0
Early Help & Preventative Services	15.1	-7.8	7.3	15.3	-8.0	7.3	0.2	-0.2	0.0
Integrated Services (Children's) Management & Directorate Support	7.6	-2.5	5.1	7.6	-2.5	5.1	0.0	0.0	0.0
Looked After Children - Care & Support	70.2	-4.3	65.9	70.2	-4.3	65.9	0.0	0.0	0.0
Pupil Referral Units & Inclusion	8.4	-8.4	0.0	8.4	-8.4	0.0	0.0	0.0	0.0
Youth Services	7.3	-2.5	4.8	7.3	-2.5	4.8	0.0	0.0	0.0
Integrated Children's Services (East & West)	214.2	-53.7	160.5	216.1	-55.7	160.5	2.0	-2.0	0.0
Adult Learning & Physical Disability Pathway - Community Based Services	31.6	-1.6	30.1	31.6	-1.6	30.1	0.0	0.0	0.0
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.6	-0.5	9.1	9.5	-0.5	9.0	-0.1	0.0	-0.1
Children in Need (Disability) - Care & Support	5.1	-0.0	5.1	5.1	-0.0	5.1	0.0	0.0	0.0
Children's Disability 0-18 Commissioning	1.8	-0.1	1.7	1.8	-0.1	1.7	0.0	0.0	0.0
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7.9	+0.0	7.9	7.9	+0.0	7.9	0.0	0.0	0.0
Looked After Children (with Disability) - Care & Support	13.0	-1.6	11.4	13.0	-1.6	11.4	0.0	0.0	0.0
Special Educational Needs & Disability Management & Divisional Support	0.2	+0.0	0.2	0.2	+0.0	0.2	0.0	0.0	0.0
Special Educational Needs & Psychology Services	89.4	-78.5	10.9	89.4	-78.5	10.9	0.0	0.0	0.0
Special Educational Needs & Disabilities	158.7	-82.2	76.4	158.6	-82.2	76.3	-0.1	0.0	-0.1
Children, Young People & Education	569.0	-278.3	290.8	576.2	-285.5	290.7	7.2	-7.3	-0.1

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	1.5	-0.1	1.4	1.5	-0.1	1.4	0.0	0.0	0.0
Arts	1.4	-0.1	1.3	1.4	-0.1	1.3	0.0	0.0	0.0
Economic Development	5.2	-2.4	2.7	5.2	-2.4	2.7	0.0	0.0	0.0
Economic Development	6.6	-2.5	4.1	6.6	-2.5	4.1	0.0	0.0	0.0
Highway Transportation (including School Crossing Patrols)	9.1	-2.9	6.2	9.1	-2.9	6.2	-0.0	0.0	-0.0
Highway Asset Management (Roads and Footways)	12.4	-2.0	10.4	12.4	-2.0	10.4	0.0	0.0	0.0
Highway Asset Management (Other)	22.9	-4.0	18.9	22.9	-4.0	18.9	0.0	0.0	0.0
Subsidised Buses and Community Transport	10.0	-3.5	6.5	10.0	-3.5	6.5	0.0	0.0	0.0
Concessionary Fares	17.3	-0.0	17.2	17.3	-0.0	17.2	0.0	0.0	0.0
Kent Travel Saver	15.2	-7.6	7.6	15.2	-7.6	7.6	0.0	0.0	0.0
Residual Waste	40.2	-0.4	39.8	40.2	-0.4	39.8	0.0	0.0	0.0
Waste Facilities & Recycling Centres	36.9	-2.7	34.2	36.9	-2.7	34.2	0.0	0.0	0.0
Highways, Transport & Waste Management Costs and Commercial Operations	7.6	-2.1	5.5	7.5	-2.1	5.4	-0.1	0.0	-0.1
Highways, Transportation & Waste	171.5	-25.3	146.2	171.4	-25.3	146.1	-0.1	0.0	-0.1
Environment & Planning	16.8	-11.1	5.7	17.1	-11.4	5.7	0.3	-0.3	0.0
Environment, Planning & Enforcement Management Costs	0.7	-0.0	0.7	0.7	-0.0	0.7	0.0	0.0	0.0
Public Protection (Enforcement)	13.3	-2.9	10.4	13.3	-2.9	10.4	-0.0	-0.0	-0.0
Environment, Planning & Enforcement	30.8	-14.0	16.7	31.1	-14.3	16.8	0.3	-0.3	0.0
Libraries, Registration & Archives	15.1	-6.5	8.6	15.1	-6.5	8.6	0.0	0.0	0.0
Growth, Environment & Transport	225.4	-48.5	176.9	225.6	-48.7	176.9	0.2	-0.3	-0.1

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	2.9	-4.7	-1.7	2.9	-4.7	-1.7	0.0	0.0	0.0
Customer Contact, Communications & Consultations	5.9	-0.6	5.3	6.0	-0.6	5.4	0.1	-0.0	0.0
Human Resources related services	8.8	-0.8	8.0	8.7	-0.7	8.0	-0.1	0.1	-0.0
People & Communication	14.7	-1.4	13.3	14.7	-1.3	13.3	-0.0	0.0	0.0
Finance	18.6	-6.4	12.2	19.1	-6.8	12.3	0.5	-0.4	0.1
Governance & Law	6.4	-0.3	6.1	6.4	-0.3	6.1	0.0	-0.0	0.0
Local Member Grants	0.8	+0.0	0.8	0.8	+0.0	0.8	0.0	0.0	0.0
Governance, Law & Democracy	7.2	-0.3	6.9	7.2	-0.3	6.9	0.0	-0.0	0.0
ICT related services	24.2	-2.8	21.4	25.7	-4.3	21.4	1.4	-1.4	0.0
Property related services	7.6	-1.5	6.1	7.3	-1.5	5.8	-0.4	0.0	-0.4
Infrastructure	31.9	-4.4	27.5	33.0	-5.8	27.2	1.1	-1.4	-0.4
Corporate Landlord	32.0	-7.2	24.8	34.5	-9.3	25.1	2.5	-2.1	0.4
Strategic Commissioning	7.7	-0.6	7.2	8.7	-1.5	7.3	1.0	-0.9	0.1
Public Health - Advice and Other Staffing	4.1	-4.1	0.0	4.3	-4.3	0.0	0.2	-0.2	0.0
Public Health - Children's Programme	34.0	-34.0	0.0	32.4	-32.4	0.0	-1.6	1.6	0.0
Public Health - Healthy Lifestyles	8.8	-8.8	0.0	9.3	-9.3	0.0	0.6	-0.6	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	12.8	-12.8	0.0	12.9	-12.9	0.0	0.1	-0.1	0.0
Public Health - Sexual Health	14.8	-14.8	0.0	14.4	-14.4	0.0	-0.4	0.4	0.0
Strategic Commissioning including Public Health	82.2	-75.0	7.2	82.0	-74.8	7.3	-0.1	0.2	0.1
Strategy, Policy, Relationships & Corporate Assurance	5.8	-2.1	3.8	5.8	-2.1	3.8	0.0	0.0	0.0
Total - Strategic & Corporate Services	195.4	-101.5	93.9	199.3	-105.1	94.1	3.9	-3.7	0.2

Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Non Attributable Costs	128.4	-12.4	116.0	128.2	-12.4	115.8	-0.1	0.0	-0.1
Corporately Held Budgets	29.0	3.2	32.3	29.0	3.2	32.3	0.0	0.0	0.0
Total excluding Schools' Delegated Budgets	1,718.3	-585.9	1,132.4	1,726.2	-593.8	1,132.4	7.9	-7.9	0.0
Schools' Delegated Budgets	689.4	-689.4	0.0	689.4	-689.4	0.0	0.0	0.0	0.0
Total including Schools' Delegated Budgets	2,407.7	-1,275.2	1,132.4	2,415.6	-1,283.1	1,132.4	7.9	-7.9	0.0

Appendix 3 - Monitoring of Prudential Indicators as at 31 June 2021

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

	20-21 Actuals	21-22 Budget	21-22 Forecast
Total	340.63	424.2	415.90

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

	20-21 Actuals	21-22 Budget	21-22 Forecast
Total CFR	1,269.16	1,402.50	1,344.97

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

	20-21 Actuals	21-22 Budget	21-22 Forecast
Other Long-term Liabilities	235.80	245.20	245.20
External Borrowing	853.73	826.00	852.40
Total Debt	1,089.53	1,071.20	1,097.60
Capital Financing Requirement	1,269.16	1,402.50	1,344.97
Internal Borrowing	179.63	331.30	247.37

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

	20-21 Actuals	21-22 Limit	21-22 Forecast
Authorised Limit - borrowing	854	1,016	852
Authorised Limit - PFI and leases	246	245	245
Authorised Limit - total external debt	1,100	1,261	1,097
Operational Boundary - borrowing	854	991	852
Operational Boundary - PFI and leases	246	245	245
Operation Boundary - total external debt	1,100	1,236	1,097

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

	20-21 Actual	21-22 Budget	21-22 Forecast
Proportion of net revenue stream	9.57%	9.59%	9.21%