



Revenue and Capital Budget Outturn 2021-22

By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services,
Peter Oakford
Interim Corporate Director Finance, John Betts
Corporate Directors

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Unrestricted

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Contact Details

Interim Corporate Director Finance – John Betts
Head of Finance Operations – Cath Head
Chief Accountant – Emma Feakins
Capital Finance Manager – Jo Lee
Capital Finance Manager – Julie Samson

03000 410 066 | johnbetts@kent.gov.uk
03000 416 934 | cath.head@kent.gov.uk
03000 416 082 | emma.feakins@kent.gov.uk
03000 416 939 | joanna.lee@kent.gov.uk
03000 416 950 | julie.samson@kent.gov.uk

1 Introduction

This report presents the provisional budget outturn position for 2021-22 for both Revenue and Capital budgets, and sets out the business as usual activities and the impact of Covid-19 on our resources.

For the 22nd consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools). This is a considerable accomplishment considering the forecast position throughout the year. It should be noted that within the overall out-turn position there is a significant overspend in Children's Services totalling £8m, which is offset by underspends elsewhere. The provisional outturn against the combined directorate revenue budgets is an underspend of -£7.6m (excluding schools and roll forward requests of £7.1m). There may be minor variations to the figures during the final stage of the year end process and the external audit.

Details of the proposals for the use of the £7.6m revenue budget underspend are provided in Appendix 1. This identifies those projects where there is already a commitment or a request to spend in 2022-23, leaving a balance of £0.5m. It is recommended that this remaining underspend is transferred to the earmarked reserve to support future years' budgets.

Also included are capital re-phasing and budget adjustments which require Cabinet approval. It also includes the impact on our reserves.

1.1 The provisional revenue outturn for business as usual (General Fund) is an underspend of -£7.620m before roll forward requests. After roll forward requests the underlying underspend is -£0.493m.

The provisional revenue outturn for business as usual before roll forwards is an underspend of -£7.620m. After roll forwards of £7.127m the underspend reduces to -£0.493m.

Although the Council is showing an overall underspend, the CYPE directorate is showing an overspend of +£7.958m excluding roll forwards (+£10.313m after roll forwards).

All other directorates are showing underspends, before taking into account roll forwards; the largest is -£5.929m in GET, followed by S&CS (-£4.986m), NAC including Corporately Held Budgets (-£3.781m) and ASCH (-£0.822m).

There may be minor variations to the figures during the final stages of the year end processes and external audit.

1.2 £4.519m of roll forward requests are proposed to be funded from earmarked reserves.

There were a further £5.244m of roll forward requests received. £4.519m are proposed to be met from earmarked reserves (£3.670m from the Covid-19 emergency reserve and £0.850m from the Strategic Priorities Reserve).

£0.723m of roll forward requests have been rejected as they are below £100k.

1 Introduction

- 1.3 The provisional revenue outturn spend for Covid-19 is £17.990m. This is shown as a breakeven position as the spend has been met from the Covid-19 emergency grant reserve.
- The provisional outturn position for Covid-19 is a breakeven position with net spend of £17.990m being funded from the Covid-19 emergency grant reserve.
- The balance held in the Covid-19 emergency grant reserve is £53.728m. The following commitments are to be met from the reserve during 2022/23; £15m for the continuation of Contain Outbreak Management, £8.293m for Helping Hands, £6.820m for Reconnect, £5m for Market Sustainability and £3.670m Covid-19 related roll forward requests. The remaining £14.946m is to be set aside to support future Covid-19 related spend and loss of income and unrealised savings that have been impacted by Covid-19.
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- 1.4 The provisional capital outturn position is an underspend of -£171.7m excluding Covid-19.
- The underspend is made up of -£2.2m real and -£169.5m rephasing variance. This represents 34.2% of the capital budget.
- The largest real variance is an underspend of -£30.8m in CYPE (-£26.3m in the Basic Need Kent Commissioning Plan 2017 mainly due to some projects no longer progressing). GET is reporting a real overspend of +£19.8m (+£7.9m due to Dover Inland Border Facility and +£6.4m due to Government Transition Works, these are to be funded from Government Grant) and S&CS is reporting a real overspend of +£9m (£9.5m due to the Former Royal School for the Deaf Site).
- The major rephasing variances are -£96.7m in GET, -£56.9m in CYPE and -£12.9m in S&CS.
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- 1.5 Schools' Delegated Budgets are reporting a £41.197m overspend.
- The overspend position of £41.197m reflects the combination of high demand for additional SEN support and high cost per child due to greater demand for more specialist provision. This is in part due to the impact of legislative changes introduced in 2014 and funding shortages. Section 10 of the report provides more detail.
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2 Recommendations

Cabinet is asked to:

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| 2.1 | Note the provisional Revenue position for 2021-22 | Please refer to Section 3 and 4 for details. |
| 2.2 | Note the provisional Capital position for 2021-22 | Please refer to Section 11 for details. |
| 2.3 | Agree that £4.054m of the 2021-22 revenue underspending is rolled forward to fund existing commitments | Please refer to Section 2 of Appendix 1. |
| 2.4 | Agree that £2.454m of the 2021-22 revenue underspending is rolled forward to fund the re-phasing of existing initiatives. | Please refer to Section 3 of Appendix 1. |
| 2.5 | Agree that £0.620m of 2021-22 revenue underspending is rolled forward to fund bids. | Please refer to Section 4 of Appendix 1. |
| 2.6 | Agree that the £0.493m remaining business as usual underspend is set aside in the earmarked reserve to support future years' budgets. | |
| 2.7 | Agree the £169.507m of capital re-phasing from 2021-22 will be added to the 2022-23 and later years capital budgets. | Please refer to Appendix 2. |
| 2.8 | Agree the proposed capital cash limit changes. | Please refer to Appendix 3. |
| 2.9 | Agree the contributions to and from reserves. | Please refer to Appendix 4. |
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3 Revenue

General Fund Provisional Outturn position -£7.6m underspend
 Dedicated Schools Grant (DSG) +£41.2m overspend
 Covid-19 Provisional Outturn position breakeven

General Fund

Provisional outturn position as overspend/(underspend)

Directorate	Revenue Budget £m	Provisional Outturn £m	Net Revenue Variance £m
Adult Social Care & Health	422.913	422.031	(0.882)
Children, Young People & Education	287.534	295.492	7.958
Growth, Environment & Transport	182.755	176.826	(5.929)
Strategic & Corporate Services	95.671	90.684	(4.986)
Non Attributable Costs	156.722	153.462	(3.260)
Corporately Held Budgets	0.521	0.000	(0.521)
Initial General Fund	1,146.115	1,138.495	(7.620)
Roll forward requests			7.127
Revised Variance			(0.493)
Ringfenced Items			
Schools' Delegated Budgets	0.000	41.197	41.197
Overall Position	1,146.115	1,179.692	40.704

Roll Forwards

Directorate	£m	Variance	Committed	Re-Phased	Bid	Revised Variance
Adult Social Care & Health		(0.882)	0.371	0.000	0.000	(0.511)
Children, Young People & Education		7.958	0.572	1.784	0.000	10.313
Growth, Environment & Transport		(5.929)	3.014	0.100	0.000	(2.815)
Strategic & Corporate Services		(4.986)	0.098	0.370	0.620	(3.899)
Non Attributable Costs		(3.260)	0.000	0.200	0.000	(3.060)
Corporately Held Budgets		(0.521)	0.000	0.000	0.000	(0.521)
Total excluding Schools		(7.620)	4.054	2.454	0.620	(0.493)

Provisional outturn position as overspend/(underspend)

Directorate	Covid-19 Allocation £m	Covid-19 Provisional Outturn £m	Covid-19 Variance £m
Adult Social Care & Health	0.000	4.835	4.835
Children, Young People & Education	0.000	9.313	9.313
Growth, Environment & Transport	0.000	1.263	1.263
Strategic & Corporate Services	0.000	2.110	2.110
Non Attributable Costs	0.000	0.469	0.469
Variance to Covid-19 Budgets held corporately	0.000	17.990	17.990
Drawdown from COVID-19 Reserve			(17.990)
Total Covid-19 Position			(0.000)

General Fund

The General Fund provisional outturn position is an underlying underspend of £0.493m after taking account of roll forwards.

The final outturn variance is an underspend of -£7.620m on the 21-22 revenue budget before roll forwards and excluding Covid-19. There are Directorate roll forward requests of £7.127m. Although the Council is showing an overall underspend, the CYPE directorate is showing an overspend of +£7.958m (+£3.702m in the Special Education Needs and Disabilities division and +£5.279m in the Education division). All other directorates are reporting underspends. -£5.929 in GET (-£4.241m in Highways, Transportation and Waste division) followed by -£4.986m in S&CS (-£1.011m in Infrastructure), -£3.781m in NAC (including Corporately Held Budgets) and -£0.822m in ASCH.

At Quarter 3 a £13.9m overspend was forecast, equivalent to 1.2% of the net budget. Proactive action was taken by services to reduce spend and increase income and maximise the use of grant, particularly in Adult Social Care & Health, where additional income from NHS was received, alongside the rephasing of tenders and unused grant that will be rolled forward. Going forward, work is ongoing to improve forecasting accuracy.

Roll forward requests

The £7.127m proposed roll forward requests are split as follows:

- £4.054m of contractually committed items
- £2.454m relating to rephasing of existing initiatives
- £0.620m of bids

The remaining £0.493m is to be set aside in the earmarked reserve to support future years' budgets.

There were a further £5.244m roll forward requests received. £4.519m are proposed to be met from earmarked reserves (£3.670m from the Covid-19 emergency reserve and £0.850m from Strategic Priorities).

£0.723m are removed from the roll forward requests as below £100k.

Covid-19

The provisional outturn position for Covid-19 is a breakeven position with net spend of £17.990m being funded from the Covid-19 emergency grant reserve.

The balance held in the Covid-19 emergency grant reserve as at 31st March 2022 is £53.728m. The following commitments are to be met from the reserve during 2022/23; £15m for the continuation of Contain Outbreak Management, £8.293m for Helping Hands, £6.820m for Reconnect, £5m for Market Sustainability and £3.670m Covid-19 related roll forward requests. The remaining £14.946m is to be set aside to support Covid-19 related costs that arise during 2022/23. Further details of Covid-19 related costs are detailed in Section 4 and the individual directorate sections.

Schools' Delegated Budgets

The overspend is +£41.197m. The DSG deficit has increased from £51.049m to £97.616m in 2021/22. This is almost entirely due to an increase in the High Needs budget deficit, which is the Council's single biggest financial risk which therefore requires continued action. 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 has recently invited the Council to take part in the second round of the Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery, this may include further funding from the DfE to pay off historic deficits but only if the Council can demonstrate a credible plan. For more information, please refer to section 10.

Summary Covid-19 Outturn Position

	£m
Covid-19 Emergency Grant Reserve	71.718
Actual spend	30.584
Underspends, Loss of Income & Unrealised savings	(12.594)
	53.728
2022-23 Commitments against COVID-19 Emergency Grant Reserve:	
Covid-19 related roll forwards	3.670
Helping Hands	8.293
Reconnect	6.820
Contain Outbreak Management Fund (COMF)	15.000
Market Sustainability	5.000
Total 2022-23 Commitments	38.782
Balance available	14.946

Further details are provided in the table below.

Categories	ASCH	CYPE	GET	S&CS	NAC	Total
	£m	£m	£m	£m	£m	£m
Forecast Real spend	4.595	8.635	5.955	2.488	0.000	21.673
Underspends	0.000	(2.940)	(14.732)	(1.287)	0.000	(18.960)
Loss of income	0.240	1.317	1.225	0.909	0.469	4.160
Unrealised savings	0.000	2.100	0.105	0.000	0.000	2.205
Market sustainability - loans	0.000	0.000	0.000	0.000	0.000	0.000
Market sustainability - one off payments	0.000	0.118	0.000	0.000	0.000	0.118
Payments for undelivered services (fixed fee)	0.000	0.000	0.000	0.000	0.000	0.000
Payments for undelivered services (variable fee)	0.000	0.083	8.710	0.000	0.000	8.793
Total Provisional Covid-19 Revenue Outturn	4.835	9.313	1.263	2.110	0.469	17.990
Contribution from Reserves	(4.835)	(9.313)	(1.263)	(2.110)	(0.469)	(17.990)
Total Covid-19 Position	0.000	0.000	0.000	0.000	0.000	0.000

There was £71.718m held in the Covid-19 emergency grant reserve, comprising the £55.583m balance as at 31st March 2021 and £16.135m budget allocated to fund Covid-19 which has been transferred in at the end of the year.

During 2021-22 the net spend on the Covid-19 response and recovery was £17.990m and this has been funded from a drawdown from the reserve. No Covid-19 related variances are shown within the Directorates.

The balance held in the Covid-19 emergency grant reserve as at 31st March 2022 is £53.728m. There are £38.782m of commitments to be met from the reserve during 2022-23 and are detailed in summary 1 above. This leaves £14.946m to support Covid-19 related costs during 2022-23. The impact and use of the Covid-19 emergency grant reserve will be reported in the quarterly budget monitoring reports.

We had £147.617m additional grant income to support the Covid-19 pandemic which has no impact on the Council's base budget. These are specific, ring-fenced grants to support a range of additional activities, primarily relating to Public Health. An additional S31 compensation grant has been received and set aside to fund the collection fund deficit.

There are additional capital costs of around £5.3m, the majority of this relates to construction of schools.

Details of the forecasts in the table above can be found in the relevant directorate pages, but the key ones are here:

4.1	£4.595m actual real spend in ASCH	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.
4.2	£8.635m actual spend in CYPE	Latent demand estimates for Children Social Services: increased complexity of both looked after children and children in need cases. Court delays resulting in higher legal costs due to protracted court proceedings & increased number of hearings. Delays in the basic need capital programme resulting in greater use of temporary accommodation to meet demand for school places and higher contractor costs.
4.3	-£2.940m underspend in CYPE	Delays in recruitment in detached youth workers, in the commissioning of the SEND parenting programme. Savings from the phased re-opening of children centres, youth services, and adult learning services at the start year.
4.4	£2.100m unrealised savings in CYPE	Children social care savings delayed due to COVID restrictions delaying or reducing 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 increasing during COVID, due to increased staff sickness and increased complexity of children in need cases therefore delaying the planned reduction in agency staff.
4.5	£5.955m actual spend in GET	Primarily relates to the sustained increase in kerbside tonnes being presented at Waste Transfer Stations (including increased cost of haulage) (£4.9m overall), Helping Hands schemes within Economic Development (0.3m), together with other minor costs within Highways, Libraries, and Economic Development.

4.6	-£14.732m underspends in GET	Public Transport costs eligible for Government grant and a reduction in English National Concessionary Travel Scheme (ENCTS) journeys are the primary elements. Other general underspends across the directorate due to reduced activity. Reduced activity levels have been reflected in the 2022-23 budget build, on the assumption that this will be the budgeted level of usage going forward.
4.7	£2.488m actual spend in S&CS	The main areas of spend are: increased revenue contribution to capital because of delays to capital projects due to Covid-19; Members' Local Covid Support Grants; Crowd funding match funding; Additional ICT cost for mobile handheld devices and call diversion costs on SIP exchange; early implementation of Microsoft E5 licences; New chairs for Hybrid working; Costs of social distancing in elections; Security at former county transport workshop for temporary place of rest.

4.8 During 2021-22 we received additional specific grants and receipts in advance from 2020-21 amounting to £147.617m to support the response to the Covid-19 pandemic. The table below shows all the grants available during 2021-22.

The Covid-19 Compensation for Covid related business rate reliefs grant amounting to £15.3m has been transferred to reserves to be earmarked to fund the collection fund deficit and fall outside the scope of reserves earmarked for services.

COVID-19 GRANT 2021-22

Grant Name	Amount Received £m
Covid 19 Test & Trace grant	2.711
Covid 19 Adult Social Care Infection Control grant - tranche 2	-0.092
Covid 19 Bus Services Support Grant Restart scheme	1.322
Covid 19 School & College Transport Capacity funding	2.403
Covid 19 Wellbeing for Education Return project	0.177
Covid 19 Contain Outbreak Management Fund	39.157
Covid 19 Compensation for Loss of Sales, Fees & Charges	-0.759
Covid 19 Winter Grant Scheme	1.600
Covid 19 Clinically Extremely Vulnerable	0.379
Covid 19 NHS Hospital Discharge claim Part 2	-0.046
Covid 19 Asymptomatic Community Testing	5.060
Covid 19 Adult Social Care Rapid Testing Fund	-0.071
Covid 19 Adult Social Care Workforce Capacity Fund	-0.103
Covid 19 Compensation for irrecoverable local taxation losses (local tax income guarantee for 2020-21)	0.030
Covid 19 Local Council Tax Support Grant	14.289
Covid 19 Compensation for Covid related business rate reliefs	16.513
Covid 19 Adult Social Care Infection Prevention and Control Fund 2021	5.982
Covid 19 Adult Social Care Rapid Testing Fund 2021	3.870
Covid 19 Working in Partnership to support the vaccination delivery programme	0.053
Covid 19 Practical Support for those self isolating	3.673
Covid 19 Local Support Grant (Winter Support Grant extension 17 Apr to 20 Jun 21)	5.299
Covid 19 NHS Hospital Discharge claim Part 3	3.057
Covid 19 Adult Social Care Extended Infection Control grant (tranche 4)	4.400
Covid 19 Adult Social Care Extended Rapid Testing Fund (tranche 3)	3.366
Covid 19 Recovery Household Support Fund	9.162
Covid 19 Adult Social Care Infection Prevention & Control Fund (tranche 5)	7.169
Covid 19 Adult Social Care Testing fund (tranche 4)	3.891

Covid 19 Care Workers Access to Vaccines Fund	0.743
Covid 19 Adult Social Care Workforce Retention & Recruitment Fund	4.175
Covid 19 Local Transport Authority Bus Recovery Grant	0.960
Covid 19 Adult Social Care Workforce Recruitment & Retention Fund (Round 2)	7.706
Covid 19 Adult Social Care Omicron Support Fund (Infection Control)	1.541
TOTAL GRANT RECEIVED 2021-22	147.617

			Provisional Outturn Variance				
	Budget	Provisional Outturn	Net Revenue Variance				
	£m	£m	£m				
Adult Social Care & Health Operations	378.084	385.379	7.295				
Strategic Management & Directorate Budgets (ASCH)	35.240	27.547	(7.693)				
Public Health	0.052	0.021	(0.031)				
Business Delivery	9.537	9.084	(0.453)				
Adult Social Care & Health	422.913	422.031	(0.882)				
Roll forward requests			0.371				
Revised Variance			(0.511)				
			Budget	Provisional Outturn	Net Covid Revenue Variance	Contribution to/(from) Reserves	Net impact on General Fund
			£m	£m	£m	£m	£m
Covid-19 Outturn position			0.000	4.835	4.835	(4.835)	0.000

The Adult Social Care & Health directorate provisional revenue outturn variance, excluding Covid-19 is an underlying underspend of -£0.511m after roll forwards. Details of the underspend of -£0.882m before roll forwards of +£0.371m is detailed below and the roll forward requests are set out in Appendix 1.

The Covid-19 underlying additional expenditure is £4.835m, mainly due to the cost of supporting additional demand. The net spend has been funded from the Covid-19 emergency grant reserve. Uncertainty remains around the ongoing impact that Covid-19 will have on services.

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

Division	Variance	Summary	Detail
Strategic Management & Directorate Budgets (ASCH)	-£7.693m	Centrally held funds released to cover underlying overspends elsewhere.	<p>A significant portion of this underspend relates to central funds held for new initiatives which have been released to cover underlying overspends in commissioned client services. A budget realignment process has corrected this for 2022-23.</p> <p>-£0.848m relates to an underspend in Housing Related Support services as a result of alternative one-off funding.</p> <p>-£0.751m relates to additional income from external sources not recognised in the budget.</p> <p>-£3.173m of un-ringfenced Clinically Extremely Vulnerable grant has not been spent in the year and will be part of the wider consideration of all Covid related spend going forward into 2022-23. It is proposed that this is funded from the Covid-19 emergency grant reserve.</p>

Division	Variance	Summary	Detail
Adult Social Care & Health Operations	+£7.295m	There are significant overspends against Older People's services and Learning Disability Residential Care.	<p>The majority of the overspend in the ASCH Operations division relates to commissioned services for Older People.</p> <p>Residential Care Services for Older People are showing an overspend of +£20.626m. This is due to people leaving hospital with highly complex needs requiring additional support. The impact of lockdown restrictions resulted in individuals delaying receiving support and having less access to the use of preventative services. There was also an increase in situations where it was considered detrimental to move an individual to a lower cost placement as a result of Covid restrictions.</p> <p>Community Based Services for Older People are showing an underspend of -£10.846m. There has been severe pressure in the social care market throughout 2021-22 relating to workforce capacity. This has manifested partially due to a lack of available suitable homecare packages and more clients receiving alternative support.</p> <p>The 21-22 budget anticipated increasing numbers of clients receiving support in the community rather than residential care. This has not been achieved due to delays in delivering the service redesign savings.</p> <p>In-House services are reporting an underspend of -£3.517m; several units have continued to operate at reduced service levels during 2021-22 due to the pandemic, with services levels increasing toward the end of the year. There have been vacancy slippages and delays in recruitment.</p> <p>The number and costs of Learning Disability clients in Residential care was higher than budgeted levels. This was mainly due to the high level of additional complex needs seen in young people transitioning from Children's Services into Adult Social Care which resulted in a significant increase in care costs above negotiated contract price increases.</p>
Business Delivery Unit)	-£0.453m	A roll forward has been requested, and there are variances against several projects.	<p>Within the Business Delivery Unit there is an overspend of +£0.837m due to additional expenditure incurred delivering the Directorate's Social Care Activity System (Mosaic) Digital Implementation project. This has been largely offset by underspends against other projects delivered by the Projects and Innovation Delivery Teams (-£0.476m) and slippages on staff vacancies and recruitment.</p> <p>-£0.341m has been requested as a roll forward into 2022-23 as legally committed match funding for ongoing Interreg projects.</p>
Public Health	-£0.031m	A roll forward has been requested.	-£0.031m has been requested as a roll forward into 2022-23 as legally committed match funding for ongoing Interreg projects.

Details of the Covid-19 provisional outturn are shown here:

Grant Category	Provisional Outturn	Explanation
Additional Spend	£4.595m	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.
Loss of income	£0.240m	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.
Total Covid-19 Revenue Outturn	£4.835m	
Contribution from Reserves	(£4.835m)	
Revised Covid-19 position	£0.000m	

Provisional Outturn Variance					
	Budget	Provisional	Net		
	£m	Outturn	Revenue		
		£m	Variance		
			£m		
Integrated Children's Services (East & West)	159.334	158.602	(0.732)		
Special Educational Needs & Disabilities	82.769	86.471	3.702		
Education	41.223	46.503	5.279		
Strategic Management & Directorate Budgets (CYPE)	4.209	3.917	(0.292)		
Children, Young People & Education	287.534	295.492	7.958		
Roll forward requests			2.355		
Revised Variance			10.313		
	Budget	Provisional	Net Covid	Contribution	Net impact
	£m	Outturn	Revenue	to/(from)	on General
		£m	Variance	Reserves	Fund
			£m	£m	£m
Covid-19 Outturn position	0.000	9.313	9.313	(9.313)	0.000

The Children, Young People & Education directorate's provisional revenue outturn variance, excluding Covid-19 is +£10.313m after roll forwards. Details of the overspend of +£7.958m before roll forwards of +£2.355m are set out below and the roll forward requests are set out in Appendix 1.

The overspend is due to a delay in the implementation of the Special Educational Needs (SEN) transport re-procurement coupled with higher demand along with pressures across the children social work service and higher costs of supporting looked after children. This is partially offset by lower accommodation costs of supporting Care Leavers.

The Covid-19 underlying additional expenditure is £9.313m, mainly due to COVID restrictions at the start of the year, have meant a greater dependency on use of temporary accommodation to provide sufficient school places and reductions in income from adult education courses. Greater complexity of children's cases and delays in the ability to achieve budgeted social care savings have also contributed to this spend. The net spend has been funded from the Covid-19 emergency grant reserve. Uncertainty remains around the ongoing impact that 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 Transport (Education)	+£5.781m	Delays in re-procurement of transport contracts and increase in demand	<p>The 2021 MTFP also included an estimated saving relating to the re-procurement of the SEN transport contracts. The re-procurement was put back to the end of the financial year due to delays in the implementation of new software to support this project, therefore any financial benefits were no longer expected to impact in 2021-22</p> <p>In addition, there continues to be a significant increase in the number of children requiring SEN transport with over a 10% year on year increase in the number travelling. This is a consequence of a greater number of children with SEN not being educated in their local school (total pressure of +£2.8m).</p>
Other School Services (Education)	-£0.376m	Various school related costs	<p>Delays in basic need projects due to archaeological/environmental factors have resulted in use of more temporary accommodation to ensure sufficient school places from September (+£0.6m). Feasibility and abortive costs of school projects which are no longer progressing and can no longer be capitalised (+£0.5m). This is offset by underspend of -£1.5m on the School Improvement Grant to be requested as a roll forward to 22-23 (£1.055m) with the residual amount to be used to meet the costs of existing services.</p>
Care Leaver Services (Integrated Children Services)	-£2.713m	Lower accommodation related costs of supporting care leavers	<p>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 -£1.4m. 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. The balance relates to an underspend on staffing (-£0.4m) and the block contract for floating support (-£0.3m).</p>
Looked After Children - Care & Support (Integrated Children Services)	+£3.823m	Increased number and cost of residential placements	<p>The number of looked after children has remained fairly static but the cost of placements continues to rise with a greater number being placed in more expensive external settings as no suitable alternative is available. The average cost of residential placement has risen by over 20% in 2 years.</p>

Key Service (Division)	Variance	Summary	Detail
Youth Services (Integrated Children Services)	-£1.242m	Underspend on Secure Accommodation Grant	The grant for secure accommodation is based on historic levels of children on remand. Where actual demand is lower than the grant available a request to roll forward the unspent grant is made to support possible future fluctuations in demand (£0.7m) and to provide further resources for prevention & management of high-risk cases (£0.3m).
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers (Special Educational Needs & Disabilities)	+£0.563m	Increased cost of residential placements	The number of young people has reduced in residential care, but the average cost of placements has increased due to complexity and lack of availability of suitable placements.
Adult Learning & Physical Disability Pathway – Community Based Services (Special Educational Needs & Disabilities)	+£0.500m	Increased cost of supported living packages	The average cost of supported living packages has increased due to complexity and where additional support is required for those individuals who would previously have required residential care.
Looked After Children (with Disability) - Care & Support (Special Educational Needs & Disabilities)	+£0.952m	Increased number and cost of residential and unregulated placements	We have seen a significant number of new placements earlier in the year than expected. The average cost of residential placement has risen by over 20% in 2 years. High-cost unregulated placements have been used as an alternative where it has not been possible to find suitable residential placements for children with complex needs.
Children in Need (Disability) - Care & Support (Special Educational Needs & Disabilities)	+£0.480	Increase Direct Payments & Homecare packages of support	Demand for direct payments & homecare packages had been rising but was suppressed last financial year whilst COVID restrictions reduced access to clients and limited supply of providers. Demand is now higher than initially expected and includes several exceptionally high costed packages to meet increasingly complex cases. The lack of supply has also meant the use of higher cost agencies which has partly contributed to the higher unit cost for day care.
Special Educational Needs & Psychology Services (Special Educational Needs & Disabilities)	+£0.716m	Increased use of agency	Difficulties in the recruitment of suitably qualified Education Psychologist and SEN officers has led to an increasing use of agency staff.

Details of the Covid-19 forecast are shown here:

Grant Category	Provisional Outturn	Explanation
Additional Spend	£8.635m	<ul style="list-style-type: none"> Latent demand estimates for Children Social Services: increased complexity of both looked after children and children in need cases. Court delays resulting in higher legal costs due to protracted court proceedings & increased number of hearings. Delays in the basic need capital programme resulting in greater use of temporary accommodation to meet demand for school places and higher contractor costs.
Underspends	(£2.940m)	<ul style="list-style-type: none"> Delay in recruitment in detached youth workers Delay in the commissioning of the SEND parenting programme Savings from the phased re-opening of children centres and youth services at the start year Savings from the phased re-opening of adult learning services at the start of the year
Loss of income	£1.317m	<ul style="list-style-type: none"> Reduction in income whilst the adult learning services recovers following prolonged closures due to COVID restrictions. Reduction in 16+ travel saver income where numbers of children have not yet recovered to pre-COVID levels Reduction in income from Duke of Edinburgh whilst COVID restrictions were in place.
Unrealised savings	£2.100m	<p>Delay in the delivery of children social care savings due to:</p> <ul style="list-style-type: none"> COVID restrictions delaying or reducing 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 increasing during COVID, due to increased staff sickness and increased complexity of children in need cases therefore delaying the planned reduction in agency staff.
Market sustainability - one off payments	£0.118m	Additional payments to support tutors in adult learning services
Payments for undelivered services (variable fee)	£0.083m	Catering reimbursements for Free School Meals
Total Covid-19 Revenue Outturn	£9.313m	
Contribution from Reserves	(£9.313)	
Revised Covid-19 Position	£0.000m	

	Provisional Outturn Variance			Contribution to/(from) Reserves £m	Net impact on General Fund £m
	Budget	Provisional Outturn	Net Revenue Variance		
	£m	£m	£m		
Highways, Transportation & Waste	150.428	146.187	(4.241)		
Environment, Planning & Enforcement	17.732	16.470	(1.261)		
Libraries, Registration & Archives	8.589	8.250	(0.338)		
Economic Development	4.598	4.469	(0.128)		
Strategic Management & Directorate Budgets (GET)	1.409	1.449	0.040		
Growth, Environment & Transport	182.755	176.826	(5.929)		
Roll forward requests			3.114		
Revised Variance			(2.815)		
Covid-19 Outturn position	0.000	1.263	1.263	(1.263)	(0.000)

The Growth, Environment & Transport directorate provisional revenue outturn variance, excluding Covid-19 is -£2.815m after roll forwards. Details of the underspend of -£5.929m before roll-forwards of +£3.114m is detailed below and the roll forwards are set out in Appendix 1.

The roll forwards are predominantly due to projects that have been re-phased and will now occur in 2022-23, or where there is committed funding for on-going project delivery.

The Covid-19 underlying net additional expenditure is +£1.263m which has been funded from the Covid-19 emergency reserve. 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
Highway Asset Management (Other), (Highways, Transportation & Waste)	+£0.137m	Additional Drainage spend offset by income and streetlight energy savings.	<p>Overspend within drainage (+£2.1m) offset by additional permit and street works income (-£1.7m) plus volume and price savings in streetlights energy (-£0.4m) where these were below budgeted levels.</p> <p>Within this position are underspends of -£0.3m relating to inspection costs of Structures and Tunnels that could not be delivered in 2021-22 due to Covid and two years' worth will now be conducted in 2022-23.</p>
Kent Travel Saver (Highways, Transportation & Waste)	-£0.392m	Payments to operators lower than anticipated.	This is due to anticipated additional costs not materialising.
Environment & Planning (Environment, Planning & Enforcement)	-£0.516m	Underspends on projects to be rolled forwards	Within this position are underspends totalling -£0.7m that the division would like to request to be rolled forward, including -£0.4m committed spend relating to the Barnfield Gypsy and Traveller site, as well as -£0.3m of committed funding for on-going projects.
Public Protection (Enforcement) (Environment, Planning & Enforcement)	-£0.742m	Staffing, additional income and other minor variances.	<p>Staffing vacancy management and several other minor variances including additional income within Kent Scientific Services and Trading Standards.</p> <p>Within this position are underspends totalling -£0.3m that include -£0.2m for the Connected Communities Interreg project and -£0.1m relating to the Serious and Organised Crime pilot. These are requested to be rolled forward.</p>
Waste Facilities & Recycling Centres (Highways, Transportation & Waste)	-£1.994m	Favourable recycling prices offset by one-off costs.	<p>Favourable prices relating to the material recycling facility and anaerobic digester contracts, as well as additional income for paper, card and metal (-£2.7m). This improved position has been reflected in the 2022-23 budget build.</p> <p>These savings are offset in part by pressures including one-off costs relating to new contracts in East Kent and some refurbishments at HWRCs (+£0.7m).</p>
Highways, Transport & Waste Management Costs & Commercial Operations (Highways, Transportation & Waste)	-£2.084m	Underspends on environmental works and staffing, additional income and other minor variances.	Environmental and other works at Closed Landfill Sites will not be completed until 2022-23 and are a committed roll forward (-£1.1m). Staffing vacancy management and several other minor variances, including additional grant income within Public Transport, comprise the balance.

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Additional Spend	£5.955m	<p>Primarily relates to the sustained increase in kerbside tonnes being presented at Waste Transfer Stations (including increased cost of haulage) (£4.9m overall), Helping Hands schemes within Economic Development (0.3m), together with other minor costs within Highways, Libraries, and Economic Development.</p> <p>The increase in kerbside waste tonnages has been reflected in the 2022-23 budget build as whilst linked to Covid, this appears to be the new baseline going forward given more people are home-working and will continue to do so, so this represents a shift from commercial waste disposal (not KCC) to KCC waste disposal costs.</p>
Underspends	(£14.732m)	<p>Public Transport costs eligible for Government grant (-£9.6m) and a reduction in English National Concessionary Travel Scheme (ENCTS) and Kent Travel Saver (KTS) journeys (-£2.8m) are the primary elements. Other general underspends across the directorate due to reduced activity including in some Waste Recycling contracts (-£2.3m). Reduced journey levels have been reflected in the 2022-23 budget build, on the assumption that this will be the budgeted level of usage going forward.</p>
Loss of income	£1.225m	<p>Income loss primarily relating to the KTS, less passes in issue due to the pandemic and more parents home-working and dropping their children to school, with some offset from one-off additional Registration bookings. This is not deemed to be the new-normal baseline but a reduction in the backlog of cancelled or deferred bookings during the pandemic.</p>
Unrealised savings	£0.105m	<p>These may continue into 2022-23 as they will have a negative impact on economic recovery.</p>
Payments for undelivered services (variable fee)	£8.710m	<p>Support to maintain financial stability, mainly in public transport (ENCTS and KTS), partially offset by Government grant. This is in line with the Government request to continue paying operators at budgeted levels, even if activity is lower than expected/budgeted. Therefore, the charge to the Covid grant reflects the payments that have been made to operators, even where journeys did not occur, which in turn created an underspend on business as usual activity. The cost is therefore shown within 'payments for undelivered services' and the underspend is included within the £14.7m 'underspends due to Covid' section above. This accounted for £7.3m of the £8.7m charge, the other element related to additional capacity payments to allow social distancing etc to occur.</p>
Total Covid-19 Revenue Outturn	£1.263m	
Contribution from Reserves	(£1.263m)	
Revised Covid-19 position	£0.000m	

Provisional Outturn Variance

	Budget £m	Provisional Outturn £m	Net Revenue Variance £m
Infrastructure	29.052	28.041	(1.011)
Corporate Landlord	24.745	24.085	(0.659)
Business Services Centre	0.000	(0.007)	(0.007)
People & Communication	13.412	12.976	(0.436)
Finance	12.030	11.704	(0.326)
Strategic Commissioning	7.451	6.601	(0.850)
Governance, Law & Democracy	6.891	6.046	(0.845)
Strategy, Policy, Relationships & Corporate Assurance	3.830	3.537	(0.294)
Strategic Management & Directorate Budgets (S&CS)	(1.741)	(2.299)	(0.558)
Strategic & Corporate Services	95.671	90.684	(4.986)
Roll forward requests			1.087
Revised Variance			(3.899)

	Budget £m	Provisional Outturn £m	Net Covid Revenue Variance £m	Contribution to/(from) Reserves £m	Net impact on General Fund £m
Covid-19 Outturn position	0.000	2.110	2.110	(2.110)	0.000

The Strategic & Corporate Services directorate provisional revenue outturn variance, excluding the impact of Covid-19 is -£3.899m after roll forwards. Detail of the underspend of -£4.986m before roll forwards of +£1.087m is detailed below and the roll forward requests are set out in Appendix 1.

The Covid-19 underlying additional expenditure is £2.110m, mainly due to increased revenue contributions to capital where capital projects have been delayed, Members' Local Covid Support Grants and Managed Print loss of income offset by reduced costs for printing and copying. The net spend has been funded from the Covid-19 emergency grant reserve. 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
Infrastructure	-£1.011m	Staff vacancies held whilst new structures within Property and ICT were finalised.	Underspend against staffing budgets in both Property and ICT services due to vacancies unfilled until new structure is agreed. One-off underspend on Kent Enterprise Partnership Shared Workspace project delayed start which is the subject of a roll forward request £0.098m. Unbudgeted income from school meals contract rebates related to prior years. Staffing underspend on emergency planning service due to the early delivery of a 2022-23 saving from ending the on-call payments scheme.
Strategic Commissioning	-£0.850m	Staff savings from rephasing of initiatives and additional income above budget from new burdens grant funding.	Additional grant New Burdens funding for Domestic Violence Team; Inclusion recharges to CYPE and other non-forecasted income; staff saving due to vacancy management; underspend on CIPS £0.070m and it is proposed that this is funded from the Covid-19 emergency reserve in 2022-23. Re-phasing of initiatives to meet audit requirements £0.370m is a requested roll forward.
Governance, Law & Democracy	-£0.845m	Underspend on Local Member Grants and additional income from school admissions appeals	The main element of this underspend is on Local Member Grants which is subject to a roll forward request of £0.620m; Appeals income greater than budget.
Corporate Landlord	-£0.659m	Refunds due to business rates reviews	One off income due to business rates reviews. Review of open purchase orders leading to cancellation of accruals no longer needed.
Strategic Management & Directorate Budgets	-£0.558m	Reduced early retirement costs and unused contingency	Due primarily to reduced early retirement costs and reduced spend on controllable budgets to offer an underspend.
People & Communication	-£0.436m	Additional income from several sources	Human Resources Related Services: mostly due to income from sales, fees & charges together with a slight underspend on the hire of venues for training courses. Customer Contact Communications & Consultations: internal income from reallocation above budgeted figure offsetting pressures elsewhere within the division.

Key Service (Division)	Variance	Summary	Detail
Finance	-£0.326m	Additional grant income	Additional income from grants, contributions, sales, fees, and charges; purchase card rebate; salary contribution from Infection Control Grant.
Strategy Policy Relationships & Corporate Assurance	-£0.294m	Mainly staff vacancy management	Underspend within Policy team due to Vacancy Management awaiting restructure; underspend within KSCB and KSAB

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Additional Spend	£2.488m	The main areas of spend are: increased revenue contribution to capital because of delays to capital projects due to Covid-19; Members' Local Covid Support Grants; Crowd funding match funding; Additional ICT cost for mobile handheld devices and call diversion costs on SIP exchange; early implementation of Microsoft E5 licences; New chairs for Hybrid working; Costs of social distancing in elections; Security at former county transport workshop for temporary place of rest.
Underspends	(£1.287m)	The main areas of underspend are 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 being closed for the early part of the year; reduced travel costs.
Loss of income	£0.909m	For Managed Print there is forecast reduced income with an offsetting cost saving in underspends (above); Loss of rental income on various properties whilst used for testing centres.
Total Covid-19 Revenue Outturn	£2.110m	
Contribution from Reserves	(£2.110m)	
Revised Covid-19 position	£0.000m	

	Provisional Outturn Variance			Net Revenue Variance £m
	Budget £m	Provisional Outturn £m		
	Non Attributable Costs	156.722	153.462	
Earmarked Budgets Held Corporately	0.521	0.000	(0.521)	
Net Total incl provisional share of CHB	157.243	153.462	(3.781)	
Roll forward requests			0.200	
Revised Variance			(3.581)	

	Budget £m	Provisional Outturn £m	Net Covid Revenue Variance £m	Contribution to/(from) Reserves £m	Net impact on General Fund £m
Covid-19 Outturn position	0.000	0.469	0.469	(0.469)	0.000

The Non-Attributable Costs provisional revenue outturn variance, excluding Covid-19 is -£3.581m after roll forwards. Details of the underspend of +£3.781m before roll forwards of +£0.200m is detailed below and the roll forward requests are set out in Appendix 1.

The underspend is due to a number of factors including release of reserves, release of unclaimed income from the Balance Sheet, additional grant income and underspend on debt charges due to slippage on the capital programme.

The Covid-19 underlying additional expenditure is £0.469m, mainly due loss of investment income. The net spend has been funded from the Covid-19 emergency grant reserve. Uncertainty remains around the ongoing impact that Covid-19 will have on services.

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

Key Service (Division)	Variance	Summary	Detail
Non-Attributable Costs	-£3.781m	Range of underspends	<p>The underspend is due to the following:</p> <ul style="list-style-type: none"> • Release of reserves and distribution following the unwinding of the Royal Mail site partnership with Maidstone District Council. • Release of reserves related to the 2020-21 List C roll forward requests that are no longer required. • Release of unclaimed income held on the Balance Sheet following the annual review which is undertaken as part of the closure of the accounts. • Late notification and/or additional grant income which was assumed to have ceased for the 2021-22 budget but continued. • Increase in underspend on debt charges due to slippage on the capital programme.

9 Non-Attributable Costs

General Fund Provisional Outturn position (£3.8m) underspend
Covid-19 Provisional Outturn position breakeven

Key Service (Division)	Variance	Summary	Detail
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- Re-phasing of costs related to the settlement of Term Time only staff following a change to how term time only annual leave is calculated.

Details of the Covid-19 forecast are shown here:

Grant Category	Forecast	Explanation
Loss of income	£0.469m	Loss of investment income
Total Covid-19 Revenue Outturn	£0.469m	
Contribution from Reserves	(£0.469m)	
Revised Covid-19 position	£0.000m	

The Schools' Delegated Budget reserves has ended the financial year with a surplus of £61.3m on individual maintained school balances, and a deficit on the central schools' reserve of £97.6m.

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	56.0	-51.0	
Movement in reserves:			
Academy conversions and closing school deficits	0.0		
Reduction in School deficit balances	0.7		
Increase in School surplus balances	4.6		
School Block Related Spend		-7.6	
High Needs Placements, Support & Inclusion Fund		-39.8	
Underspend on Early Years		0.4	
Overspend on Central DSG Budgets		0.4	
Reserve Balance	61.3	-97.6	

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 £97.6m 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 have recently invited the Council to take part in the second round of the Safety Valve Programme for those Councils with the highest deficits to support the development of sustainable plan for recovery; this may include further funding from the DfE to pay off historic deficits but only if the Council can demonstrate a credible plan. 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	<p>The DSG Reserve as at 31st 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 as a one-off additional payment to support the cost of changes to the calculation of pay for term time only staff. A total of £7.6m has been drawdown to fund these payments in 2021-22 with the balance to be paid in 2022-23.</p>
Early Years: general underspend	<p>The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds. Each a 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 minor under or overspends if activity is slightly lower or higher than expected. This has led to an underspend which has been used to fund the Inclusion Fund for children with Special Educational Needs which is normally charged to the High Needs Block and leaving the remaining £0.4m underspend, which will be used to offset 20-21 overspend on this grant.</p>
Reduction in government funding for Central Services	<p>Since 2020-21, the Government has reduced the funding used to support some of the central services currently funded from the DSG (£2.5m). In the short-term this has been addressed through the Medium-Term Financial Plan (£1.8m) 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.</p>

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 has grown to £104m 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 in-year funding shortfall for High Needs placements and support in 21-22 is +£50m due to a combination of both higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision. One consequence of this is the council now placing a greater proportion of children in both special and independent schools compared to other local authorities, and a smaller proportion of children with SEND included in mainstream 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 (-£9m). Work has been underway to establish how this fund should be used but activity in relation to this programme of spend did 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	123
Independent Schools	36	40	49	60
Mainstream Individual Support & SRP* **	31	38	46	54
Post 16 institutions***	16	16	17	19
Other SEN Support Services	42	44	49	43
Total Spend	212	234	264	299

*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	5,333
Independent Schools	796	907	1,126	1,333
Mainstream Individual Support & SRP*	3,278	39,22	4,510	5,258
Post 16 institutions***	1,046	1,196	1,281	1,453
Total Number of Pupils	9,468	10,776	12,035	13,377

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	£21,991
Independent Schools	£44,871	£43,851	£43,734	£45,303
Mainstream Individual Support & SRP* **	£9,461	£9,691	£10,294	£10,245
Post 16 institutions***	£15,723	£13,393	£13,309	£13,090

The Government recently published its review into support for children with SEN after a two-year delay which sets out a number of recommendations which are intended to achieve a sustainable SEN support system. Although Further funding has been provided; as can be seen from the forecast, this has been insufficient to meet the demand and Kent will need to take further actions to ensure we are able to support children with SEN sustainably, in partnership with the Schools Funding Forum.

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 Spend
Adult Social Care & Health	3.7	-3.2	-0.2	-3.0	0.0
Children, Young People & Education	163.1	-87.7	-30.8	-56.9	4.2
Growth, Environment & Transport	310.1	-76.9	19.8	-96.7	0.3
Strategic & Corporate Services	24.9	-3.9	9.0	-12.9	0.8
TOTAL	501.8	-171.7	-2.2	-169.5	5.3

The total approved General Fund capital programme excluding Covid in 2021/22 is £501.8m. This includes a total of £58.3m slippage rolled forward from the previous year.

The actual capital programme spend for the year excluding Covid is £330.1m, which represents 65.8% of the approved budget.

There is a -£171.7m underspend against the budget, this is split between a -£2.2m real variance and -£169.5m rephasing variance.

The major variances (>£0.1m real variances and >£1.0m rephasing variances) are described below. Previously reported variances are shown in italics:

Adult Social Care & Health:

Project	Real Variance £m	Rephasing Variance £m	Detail
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Previously Reported Variances:

<i>Learning Disability Good Day Programme</i>	<i>-1.8</i>	<i>The majority of projects within this programme are on hold pending review. Smaller scale projects have been agreed and are progressing at Southfields and Meadowside. Developer contributions have been used in 2021-22 instead of £200k prudential that was previously vired from Modernisation of Assets (MOA) in S&CS. The prudential will therefore be returned to S&CS MOA. (Previously reported -£1.8m).</i>
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Children, Young People & Education:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>New Variances to Report:</u>			
Basic Need Kent Commissioning Plan 2016	-1.2	-0.5	<p>The main projects making up the real underspend are as follows:</p> <ul style="list-style-type: none"> -£1.6m Wilmington Grammar due to a contribution from the school. +£0.3m Wilmington Academy, due to an additional highways works. -£0.2m Sellindge Primary, final costs are less than expected. <p>The remainder of the real variance is made up of minor variances across a number of schemes.</p>
Basic Need Kent Commissioning Plan 2017	-26.3	-16.2	<p>The main projects making up the real variance are:</p> <ul style="list-style-type: none"> -£1.2m savings due to 3 projects completing early. -£3.5m Skinners Kent Academy, the project is no longer progressing. -£19.0m Park Crescent Academy, the project is no longer required. +£0.2m Canterbury Academy, due to original budget allocation being incorrect. -£0.2m St Gregory's – project is complete. Costs were negotiated due to variations added without approval. -£0.2m River Mill – project was completed by the DfE. <i>(Previously reported -£21.9m).</i> <p>The main projects making up the rephasing variance are:</p> <ul style="list-style-type: none"> -£5.4m Meopham School, delays due to a highways planning objection, redesign required and re-submission for planning approval. -£3.9m Thamesview School, school not now required until 2023. -£3.8m Beacon Satellite, commercial strategy with procurement has led to delays in obtaining approval. -£2.3m Ursuline College, rephasing due to design clarifications required. <i>(Previously reported -£18.8m).</i>
Basic Need Kent Commissioning Plan 2018	-0.4	-12.6	<p>The main projects making up the rephasing variance are:</p> <ul style="list-style-type: none"> +£1.5m Sevenoaks Selective School – early completion on the main project. -£4.5m Gravesend Grammar School, first design has been rejected and a redesign is required. -£2.3m Simon Langton Boys School, rephasing due to planning issues. -£3.9m The Abbey School, although internal works have been completed during the summer of 2021, the main scheme has been deferred until next year.

-£3.0m Dartford Bridge Primary, project rephased as it is not now required until a later year.
(Previously reported -£14.7m).

Basic Need Kent Commissioning Plan 2019	-0.1	-15.1	<p>The main projects making up the rephasing variance are:</p> <ul style="list-style-type: none"> -£3.6m Wrotham School, rephasing pending a funding agreement. -£1.0m Highsted Grammar, pending a funding agreement with the school. -£3.1m Chilmington Green Secondary – the agreement required to forward fund the early works has been delayed. -£2.4m Invicta Grammar, rephasing pending funding agreement with the school. -£2.1m Queen Elizabeth’s Grammar, rephasing due to feasibilities being re-done. -£1.5m Nexus, rephasing due to feasibility studies taking longer than anticipated due to site constraints and project costs have come in too high. -£1.0m Borden Grammar – there have been design delays and abnormalities have been identified. <p>(Previously reported -£14.2m).</p>
Basic Need Kent Commissioning Plan 2021-25	-3.0	-5.4	<p>Real variance is due to:</p> <ul style="list-style-type: none"> -£2.5m the budget has been reallocated to other projects as they have been confirmed, and some projects have been removed. -£0.3m St Peter’s Aylesford costs coming in below budget. <p>(Previously reported -£2.5m).</p> <p>Rephasing is due to:</p> <ul style="list-style-type: none"> -£3.5m the Abbey School, subsequent phase of this project has been deferred. -£0.5m St Peters Primary, Aylesford – due to a delay in receiving a formal instruction to proceed. -£0.5m Dover Christ Church Academy – the project has been pushed back to 2022-23. -£0.5m Guston CEPS – the project has been pushed back to 2022-23. -£0.4m St Mary of Charity – a change of headteacher has required a revised feasibility. <p>(Previously reported -£5.5m).</p>

Previously Reported Variances:

Annual Planned Enhancement Programme	+0.3	+0.5	<p>The real variance reflects schemes to be completed under the Decarbonisation Fund, for which there is additional funding (+£1.2m), additional developer contributions of £0.2m, -£0.3m to be vired to Basic need KCP19, -£0.5m to be transferred for Maidstone Girls Grammar School and -£0.3m to be vired to Basic need KCP18. (Previously reported +£0.9m).</p> <p>The rephasing forwards is due to improved internal process, collaboration and financial monitoring resulting in quicker project delivery. (Previously reported -£2.4m).</p> <p>Due to budget pressures identified for this programme it is proposed that £6.1m of banked grant be added to the 2022-23 budget. This is detailed in the capital cash limit changes tables.</p>
High Needs Provision		-1.9	<p>Rephasing is across a number of projects, none of which are above £1m individually. (Previously reported -£1.3m).</p>
School Roofs		-4.1	<p>Project costs for Birchington CEPS being reviewed as original plan included covid restrictions which are no longer required. Birchington CEPS due for completion Summer 2023. (Previously reported -£4.3m).</p>
Priority School Build Programme	0.5		<p>Real variance is due to additional costs across a number of projects to be funded from banked grant. (Previously reported +£0.3m).</p>
Nest 2		-1.5	<p>The project is still at discussion/planning stage hence the rephasing.</p>

Growth, Environment & Transport:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>New Variances to Report:</u>			
Integrated Transport Schemes (Highways, Transportation & Waste)	0.2	-1.8	The real variance is due to various small schemes that are externally funded. The rephasing is due to construction delays as a result of the pandemic, as well as the war in Ukraine, meaning that prices have increased so the service are seeking additional quotes to ensure budgets are sufficient.
Kent Thameside LST – Integrated Door to Door Journeys (Highways, Transportation & Waste)		-1.5	There have been delays to this project due to utility delays and also material shortages. There are remedial works to be completed which will be completed in early 22/23.
Dover Bus Rapid Transit (Highways, Transportation & Waste)		-2.1	The rephasing is because the project is linked directly to the Inland Border Facility (IBF) and alignment has caused some delays. The award of the construction contract was delayed, and mobilisation has reduced anticipated spend in 21/22. Works are now progressing on site.
Kent Active Travel Fund Phase 2 (Highways, Transportation & Waste)		-2.7	There have been delays on the design and construction (and eventual implementation) of the Active Travel Funded schemes in Kent. These delays have been partly caused by feedback from our extensive public consultation and the need to make substantial design changes to ensure community and political buy-in to the proposed Schemes. This has all been done with regular dialogue with the Department for Transport.
Old Scheme Residual Works (Highways, Transportation & Waste)	-0.1		The real variance is due to small underspends on various old schemes which have been transferred to the Bearsted Road project.
Decarbonisation Fund – Kings Hill and West End Solar Farms (Economic Development)	+2.9	-3.0	The real variance reflects the funding that has not yet been added to the cash limit (<i>previously reported +£2.9m</i>). The rephasing is due to delays on the Kings Hill Solar Farm pending governance sign off. This was due to a series of issues including uncertainty in the market around inflation costs as well as around the purchase of the land where the Solar Farm will be located. The use of the grant funding has been extended with agreement by Salix to 30 th June 2022.

Javelin Way Development (Economic Development)	0.8		Real variance due to an increased overall cost for the project that will ultimately be funded from enhanced capital receipts of the industrial units. This is further down the line and therefore forward funding of these enhanced capital receipts is required.
Zebra Funding			£9.5m grant funding has been received for electric buses and associated infrastructure which is proposed to be added to the cash limits in 2022-23 and 2023-24, as detailed in the capital cash limit change tables.
<i>Previously Reported Variances:</i>			
Highway Major Enhancement (Highways, Transportation & Waste)	0.1	-21.1	<p>Real variance is due to additional developer contributions and external funding. Rephasing variance (previously reported -£17.9m) is primarily due to:</p> <ul style="list-style-type: none"> - works on the Thanet Way cannot be undertaken until the start of 2022-23 due to COVID recovery of businesses and lack of road space during the period of recovery (-£3.4m). - works on structures/tunnels and lighting have been reprofiled to 2022-23 due to both internal and external resource shortages (-£11.9m). - street lighting works are to be carried forward into 2022-23 due to the inability to recruit to specialist roles within both KCC and the external contractor, plus COVID sickness levels (-£4.9m). This has resulted in backlogs of works both internal and external. These are grant funded projects. - the remainder the variance is asset management works that will be completed in the early part of 2022-23.
Government Transition Works (Highways, Transportation & Waste)	6.4		This project is fully grant 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. (Previously reported +£16.5m with cash limits changed accordingly so +£6.4m is on top).
Dover Inland Border Facility (Highways, Transportation & Waste)	7.9		The project is fully grant funded, initially from the Department of Transport, and now from Department for Environment, Food and Rural Affairs (Defra) for the remainder of the works. (Previously reported +£4.6m).
Dartford Town Centre (Highways, Transportation & Waste)		-4.1	This project is delayed due to COVID resulting in contracting and procurement delays. (Previously reported -£3.2m).

Faversham Swing Bridge (Highways, Transportation & Waste)	-1.2	The outline design on this project has been progressed but there are delays with the engagement of partners therefore the budget has been rephased to 2022-23. (Previously reported -£1.2m).
Kent Thameside Strategic Transport Programme (Highways, Transportation and Waste)	-5.1	There has been a delay to the Thames Way project due to a master planning delay caused by the designation of a Site of Special Scientific Interest (SSSI) of the Swanscombe peninsular and the Ebbsfleet Central area, therefore the budget has been rephased to future years. (Previously reported -£5.1m).
Maidstone Integrated Transport (Highways, Transportation and Waste)	-3.4	The whole programme for the MITP is currently under review but construction works have slipped considerably, with construction not commencing until the autumn of 2022. A full overhaul of the programme and spend profile is currently underway. The slippage is due to various planning issues and amendments to the programme. (Previously reported -£3.4m).
Market Square, Dover (Highways, Transportation and Waste)	-1.4	The delays on the project are due to more extensive archaeology surveys being required. Works are now progressing well on site and the bulk of the work should be complete in summer 2022, although there is a slight delay in the fabrication of the steel spirals and these may not be ready for installation until late summer 2022. (Previously reported -£1.1m rephasing).
Fastrack Full Network – Bean Road Tunnels (Highways, Transportation and Waste)	-10.0	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. (Previously reported -£10.0m).
Housing Infrastructure Fund – Swale (Highways, Transportation and Waste)	-5.2	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 National Highways coming forward. An extension to the funding agreement has been accepted by Homes England with funding extension granted until June 2024. This scheme is grant funded. (Previously reported -£5.0m).
Herne Relief Road (Highways, Transportation and Waste)	-1.9	The rephasing is due to planning delays and delays securing the land agreements which are now in place. (Previously reported -£1.9m).

<i>Kent Strategic Congestion Management (Highways, Transportation and Waste)</i>	0.5	<i>The A2/A251 priority junction scheme was added to this project within the Local Growth Fund programme in 20/21 following approval by KMEP 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. The scheme is now largely complete. (Previously reported +£0.9m).</i>
<i>Bearsted Road (National Productivity Investment Fund – Kent Medical Campus) (Highways, Transportation and Waste)</i>	-5.5	<i>The dualling option for this scheme was recently approved. There are some pre-commencement planning conditions to be finalised with the main construction commencing in summer 2022, so some rephasing was required as a result of these delays and additional considerations. (Previously reported -£4.6m).</i>
<i>Sturry Link Road (Highways, Transportation & Waste)</i>	-6.5	<i>The project has been delayed by approximately 6 months due to waiting for planning permission, which has now been granted. (Previously reported -£6.0m).</i>
<i>Green Corridors (Highways, Transportation and Waste)</i>	-3.6	<i>The programme is just getting started and some stages will not begin until 2022-23. (Previously reported -£3.0m).</i>
<i>A2 Off Slip Wincheap, Canterbury (Highways, Transportation and Waste)</i>	-1.5	<i>All budgets rephased to future years as the Homes England bid was not successful but alternative funding is being sought. (Previously reported -£1.5).</i>
<i>Leigh Flood Storage Areas (Environment, Planning & Enforcement)</i>	-1.5	<i>The rephasing is due to the decision from the Secretary of State on this scheme following a public enquiry earlier in the year. (Previously reported -£1.5m). Alternative options for spending this funding, to achieve the same/similar outcomes, are being worked up should this not be granted.</i>
<i>Thanet Parkway (Environment, Planning & Enforcement)</i>	9.5	<i>Phasing of the scheme has been brought forward in line with the 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. Alternative funding is being sought and will be closely monitored. (Previously reported +£8.8m).</i>
<i>Kent Scientific Services Equipment & Vehicles (Environment, Planning & Enforcement)</i>	0.3	<i>Purchase of new equipment and a vehicle funded from revenue. (Previously reported +£0.4m).</i>
<i>Digital Autopsy (Environment, Planning & Enforcement)</i>	-2.1	<i>Delivery of this project has been pushed back due to delays in the procurement of the digital autopsy provider as the revenue and capital elements are inter-linked. (Previously reported -£2.2m).</i>

<i>Innovation Investment Fund (i3) (Economic Development)</i>		-2.6	<i>There was not another application round at the end of the financial year, this is likely to be spent in 2022-23. (Previously reported -£2.6m).</i>
<i>Kent & Medway Business Fund (Economic Development)</i>	2.2	-10.4	<i>Real variance is due to transfer the from Recovery Loan Fund and Capital Growth Fund, both of which have come to an end. (Previously reported +£2.2m) Rephasing variance is due to funds not being able to be defrayed in the current environment due to availability of other grant and loan schemes during the pandemic. (Previously reported -£9.4m).</i>
<i>Kent & Medway Business Fund – Recovery Loan Fund (Economic Development)</i>	-1.2		<i>Transferred back to the Kent & Medway Business Fund as this fund has come to an end. (Previously reported -£1.2m).</i>
<i>Kent & Medway Business Fund – Capital Growth Fund (Economic Development)</i>	-1.0		<i>Transferred back to the Kent & Medway Business Fund as this fund has come to an end. (Previously reported -£1.0m).</i>
<i>Kent Empty Property Initiative (Economic Development)</i>	0.9		<i>Additional external funding received. (Previously reported +£0.5m).</i>

Strategic & Corporate Services:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>New variances to report:</u>			
Corporate Property Strategic Capital	-0.6		The costs from the property team working predominantly on education projects have come in below budget. This is funded from education grant.
Disposal Costs	-0.2		This represents costs of working up properties for disposal (up to 4% per property) and is funded by capital receipts. The actual costs for the year have come in at less than budget.
Modernisation of Assets	0.4	-3.7	The real variance is due to additional funding from Salix and revenue contributions. The rephasing is due to delays due to covid.

Asset Utilisation	-1.1	Due to the ongoing KCC SRP programme we were unable to make decisions on individual asset projects as the Kent Communities programme is working with services about their future service delivery models, so we were not in a position to progress any projects and rephased £1.1m to 22/23.
Strategic Estate Programme	-3.2	Expenditure is being rephased as a business case is being prepared for the next phases of this project.
Strategic Reset Programme	-1.0	Most of the expenditure to date has been revenue. Capital expenditure is being rephased until it is known what works are required going forwards.
Former Royal School for the Deaf Site	9.5	The site was originally purchased under the CYPE basic need programme. There is no longer the need for secondary provision in the area and therefore the costs and site have been transferred to corporate landlord to be worked up for disposal. This is being forward funded by borrowing until the site is sold and will be replaced by capital receipt funding.
<i><u>Previously reported variances:</u></i>		
Dover Discovery Centre	-2.0	<i>Rephasing due to refining of planning and change in primary contractor. (Previously reported -£1.9m).</i>
Live Margate	-1.7	<i>Plots from the Royal School for the Deaf site were being considered to be brought into this scheme but that is no longer an option, hence the money is being rephased while other opportunities are explored. (Previously reported -£1.7m).</i>

2021-22 REVENUE BUDGET PROPOSED ROLL FORWARDS

			£'000
1	2021-22 provisional business as usual underspend		-7,620.1
2	Details of committed projects where we have a legal obligation or contractual commitment:		
a)	Adult Social Care & Health		
i)	Various external funded projects	This represents funds required to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	340.7
ii)	Public Health - Various external funded projects	This represents funds required to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	30.8
b)	Children, Young People & Education		
i)	Secure Accommodation	Underspend to be used to develop intensive supervision & surveillance resource as well as education/training/employment resources	305.8
ii)	Regional Adoption Agency	Committed for ongoing delivery of the RAA Project.	222.4
iii)	BHC21 - INTERREG VA 2 SEAS externally funded project	Committed match-funding for on-going project delivery.	43.5
c)	Growth, Environment & Transport Directorate		
i)	Various external funded projects	This represents funds required to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	821.5
ii)	Environmental and other works at Closed Landfill Sites (including at North Farm)	Spend/contract was due to go to Cabinet Committee for pre-scrutiny but GET cannot take the paper if the funding stream is not secure.	1,100.0
iii)	Barnfield GTS site	Outstanding costs relating to Phase 2 of the Barnfield works. Works are in progress and we are legally committed to make payment.	381.3
iv)	Structures & Tunnels	Statutory obligations relating to structures principally bridge inspections including confined spaces, network rail trackside, and underwater structures. Due to resource issues within KCC and the consultants these have not been fully delivered this year but are essential inspections that are required to be undertaken.	290.0
v)	Serious & Organised Crime	A two year project across 2021-22 and 2022-23. The start was delayed and only £1.5k of the £130k allocation spent in 2021-22.	128.5
vi)	Thanet Parkway station carpark	Capital project has been re-phased and the station will complete in May 2022, but will not open until 2023, when the upgrades to the level crossings are complete. There is a requirement to cover car park operating costs which have not been budgeted by the Corporate Landlord or Infrastructure teams.	100.0
vii)	Greater North Kent partnership	Commitment for partnership funding.	90.0
viii)	Highway Inspections	Statutory Obligation Inspectors safety critical works. The recent storm event has caused a delay on routine works with insufficient time remaining to deliver this year.	60.0
ix)	Kent Resource Partnership	KCC's element of underspend on the project.	42.3
d)	Strategic & Corporate Services		
i)	Kent Safeguarding Adults Board	KCC's element of underspend on project.	54.8
ii)	Kent Safeguarding Childrens Board	KCC's element of underspend on project.	42.7
Total of committed projects			4,054.3

3 Details of re-phasing required to continue/complete an initiative where we are not yet legally/contractually committed**£'000****a) Children, Young People & Education**

i) School Improvement Grant To be used to fund planned school improvement related activity in 2022-23. 1,055.4

ii) Secure Accommodation Underspend to be used to develop intensive supervision & surveillance resource as well as education/training/employment resources. 728.1

b) Growth, Environment & Transport

i) Highways Term Maintenance Contract Procurement costs of recommissioning the HTMC which has been deferred. 100.0

c) Strategic & Corporate Services

i) Additional Procurement Resource to support Implementation of Procurement Regulations and Additional Capacity in Commercial and Standards Team Recruitment delays & difficulties in 2021-22 led to underspend and bid to roll-forward funding of 12 month temp roles to support Adult Social Care providers for management of Indis, provider payments & system set up in line with recent audit reports 370.0

d) Non-Attributable Costs

i) Term Time Only Re-phasing of costs related to the settlement of back pay for Term Time only staff following a change to how term time only annual leave entitlement is calculated. 200.0

Total of re-phasing**2,453.5**

4 Bids for Roll Forward not already committed**£'000****a) Strategic & Corporate Services**

i) Members Grants Combined Member Grant of £10k per Member. This represents the value of grants funding that was unspent by 31 March 2022. 619.5

Total of Bids**619.5**

5 Remaining uncommitted balance of underspending**-492.8**

APPENDIX 2 - CAPITAL RE-PHASING

	2021-22	2022-23	2023-24	Future years	Total
CYPE	£'000	£'000	£'000	£'000	£'000
Annual Planned Enhancement Prog	524	-524			0
School Roofs	-4,111	4,111			0
Basic Need KCP16	-515	515			0
Basic Need KCP17	-16,192	10,903	5,289		0
Basic Need KCP18	-12,616	7,376	5,240		0
Basic Need KCP19	-15,054	4,966	10,088		0
Basic Need KCP21-25	-5,386	2,442	-556	3,500	0
High Needs Provision	-1,935	1,935			0
Barton Court Free School	604	-604			0
DfE Fully Funded Projects	-178	178			0
John Wallis Academy	-341	341			0
Priority School Build Programme					0
Nest 2	-1,550	1,550			0
Management & Modernisation of Assets - Youth	-72	72			0
Modernisation Prog	-44	44			0
Special School Review Phase2	-39	39			0
					0
TOTAL CYPE REPHASING	-56,905	33,344	20,061	3,500	0
Rephasing already actioned through Budget Build	-53,423	51,873	1,550		0
Remaining rephasing to action from outturn	-3,482	-18,529	18,511	3,500	0

	2021-22	2022-23	2023-24	Future years	Total
ASCH	£'000	£'000	£'000	£'000	£'000
					0
Learning Disability Good Day Programme	-1,847	-253	2,101		0
Hedgerows	-665	-270		935	0
Community Sexual Health Services	-505	505			0
Policy & Quality Assurance - software purchase	-10	10			0
TOTAL ASCH REPHASING	-3,027	-8	2,101	935	0
Rephasing already actioned through Budget Build	-2,541	-1,135	3,676		0
Remaining rephasing to action from outturn	-486	1,127	-1,575	935	0

	2021-22	2022-23	2023-24	Future years	Total
GET - Highways, Transportation & Waste	£'000	£'000	£'000	£'000	£'000
Major Schemes Prelim Design Fees	-21	21			0
Highway Major Enhancement	-21,092	21,092			0
Integrated Transport	-1,818	1,818			0
Old Schemes Residual	-134	120		14	0
Energy & Water Efficiency Investment Fund (External)	-78	95	-279	262	0
Energy Reduction & Water Efficiency Investment	-95	96	-153	152	0
Kent Medical Campus (NPIF)/Bearsted Road	-5,484	4,609	855	20	0
Street Lighting Concrete Column Replacment	-9	9			0
LED	-527	-223	750		0
Live Labs	-67	67			0
Thanet Parkway Railway Station	9,546	-8,391	-1,155		0
Electric Vans	-411	411			0
Windmill Weatherproofing	-86	86			0
Leigh Flood Stoarge Areas	-1,500	1,500			0

	2021-22	2022-23	2023-24	Future	Total
GET - Highways, Transportation & Waste	£'000	£'000	£'000	years	£'000
				£'000	£'000
Kent Thameside Strategic Transport (STIPS)	-5,079	-996	-386	6,461	0
Urban Traffic Mangement Control	-854	854			0
Rathmore Road Link	-194	101	63	30	0
A226 St Clements Way	-76	64	-12	24	0
A28 Chart Road	-320	1,036	1,011	-1,727	0
Maidstone Integrated Transport	-3,431	-366	3,672	125	0
M20 J4 Eastern Overbridge	-85	85	0		0
Sturry Link Road, Canterbury	-6,484	-7,620	-847	14,951	0
West Kent LSTF	-10	10			0
Kent Strategic Congestion Management	-90	90			0
Kent Thameside LSTF - Integrated Door to Door Journeys	-1,515	1,515			0
Kent Sustainable Interventions	0	0			0
Dartford Town Centre	-4,070	4,070			0
A2500 Lower Road Improvements	-62	51	11		0
A2 Off Slip Wincheap	-1,500	-2,199	-701	4,400	0
Herne Relief Road	-1,821	1,746	1,315	-1,240	0
A252 Safer Rds Fund	-127	127			0
A290 Safer Rds Fund	-27	27			0
M2 Junction 5	0				0
Housing Infrastructure Fund - Swale Infrastructure Projects	-5,182	-7,535	3,809	8,908	0
Dover Bus Rapid Transit	-2,112	1,655	363	94	0
Fastrack Full Network - Bean Road Tunnels	-10,023	7,264	2,759		0
A28 Birchington	35	1,145	-47,000	45,820	0
New Transfer Station - Folkestone & Hythe		-4,788	4,788		0
Green Corridors	-3,574	689	2,885		0
Bath Street Gravesend	-946	-1,512	2,458		0
Faversham Swing Bridge	-1,204	1,204			0
Kent Active Travel Fund Ph2	-2,708	767	1,941		0
Maidstone Heat Network	-76	76			0
Market Square Dover	-1,438	1,433	5		0
A228 and B2160 Junction Imps	-304	500	-196		0
Waste Compactor Replacement	-357	357			0
Thanet Way			-50,000	50,000	0
					0
TOTAL HIGHWAYS, TRANSPORTATION & WASTE REPHASING	-75,410	21,160	-74,044	128,293	0
Rephasing already actioned through Budget Build	-37,101	-9,340	-63,050	109,491	0
Remaining rephasing to action from outturn	-38,309	30,500	-10,994	18,802	0

	2021-22 £'000	2022-23 £'000	2023-24 £'000	Future years £'000	Total £'000
GET - Environment, Planning & Enforcement					
Country Parks	-51	23	28		0
Public Rights of Way	-318	318			0
Tunbridge Wells Cultural Hub	-199	199			0
Herne Bay Gateway - Library Plus	-398	398			0
Essella Road Foot Bridge	-236	236			0
Digital Autopsy	-2,096	2,096			0
Public Sports Facilities Grants	-26	26			0
Southborough Hub	-42	42			0
Sandgate Library	-48	48			
TOTAL ENVIRONMENT, PLANNING & ENFORCEMENT REPHASING	-3,413	3,385	28	0	0
Rephasing already actioned through Budget Build	-2,683	2,683			0
Remaining rephasing to action from outturn	-730	702	28	0	0

	2021-22 £'000	2022-23 £'000	2023-24 £'000	Future years £'000	Total £'000
GET - Economic Development					
Innovation Investment Initiative (I3)	-2,557	1,432	1,125		0
Broadband Contract 2 Superfast Extension Prog					0
Javelin Way Development	-595	595			0
Kent & Medway Business Fund	-10,434	-4,791	8,122	7,103	0
Kent Empty Property Initiative	-305	305	7,080	-7,080	0
Kent Broadband Voucher Scheme	-404	-596	1,000		0
Marsh Million	-336	259	39	38	0
Turner	60	-60			0
Kings Hill Solar Farm	-3,021	3,021			0
Workspace Kent	-175	175			0
Village Halls	-73		73		0
					0
TOTAL ECONOMIC DEVELOPMENT REPHASING	-17,840	340	17,439	61	0
Rephasing already actioned through Budget Build	-5,617	-8,755	8,625	5,747	0
Remaining rephasing to action from outturn	-12,223	9,095	8,814	-5,686	0

	2021-22	2022-23	2023-24	Future	Total
S&CS	£'000	£'000	£'000	years	£'000
				£'000	£'000
Modernisation of Assets	-3652	-2,079	5731		0
Asset Utilisation	-1,110	1,110			0
Oakwood House Transformation	-566	566			0
Dover Discovery Centre	-2,012	-618	2,630		0
Live Margate	-1,653	1,653			0
Strategic Estate Prog	-3,241	3,241			0
Feasibility Fund	524	-524			0
Property Investment & Acquisition Fund (PIF)	-170	170			0
Strategic Re-set Programme	-1,000	1,000			0
Maximising value from the disposal of Council Assets	-32	32			
TOTAL S&CS REPHASING	-12,912	4,551	8,361	0	0
Rephasing already actioned through Budget Build	-5,846	2,795	3,051		0
Remaining rephasing to action from outturn	-7,066	1,756	5,310	0	0

GRAND TOTAL

TOTAL REPHASING	-169,507	62,771	-26,054	132,789	0
Total Rephasing already actioned through Budget Build	-107,211	38,121	-46,148	115,238	0
Total Remaining rephasing to action from outturn	-62,296	24,650	20,094	17,551	0

APPENDIX 3 - CAPITAL CASH LIMIT CHANGES

To reflect revised funding/phasing since budget

	2021-22	2022-23	2023-24	Future Yrs	Total
CYPE	£'000	£'000	£'000	£'000	£'000
Management & Modernisation of Assets - Youth	0	0	0	0	0
Basic Need KCP16	-120	1,967	0	0	1,847
Basic Need KCP17	-22,341	8,974	-5,062	0	-18,429
Basic Need KCP18	6,679	-6,362	4,164	0	4,482
Basic Need KCP19	440	-3,983	-9,745	2,000	-11,288
Basic Need KCP21-25	3,287	1,222	-6,104	0	-1,595
Basic Need KCP22-26	15	6,456	5,300	6,000	17,771
DfE Fully Funded Projects	-95	191	0	0	96
High Needs Provision	79	0	0	0	79
High Needs Provision 22-24	0	2,025	0	0	2,025
Barton Court Free School	0	-376	0	0	-376
Priority School Build Programme	184	10	0	0	194
Academy Unit Costs	7	0	0	0	7
Annual Planned Enhancement	286	6,100	0	0	6,386

Total Other Cash Limit Changes	-11,579	16,224	-11,447	8,000	1,199
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	2021-22	2022-23	2023-24	Future Yrs	Total
ASCH	£'000	£'000	£'000	£'000	£'000
Home Support Fund	-37	0	0	0	-37
Developer Funded Community Schemes	-45	0	0	0	-45
Total Other Cash Limit Changes	-82	0	0	0	-82

GET - Highways, Transportation & Waste	2021-22	2022-23	2023-24	Future Yrs	Total
	£'000	£'000	£'000	£'000	£'000
Major Schemes Preliminary Design Fees	-451	-150	0	0	-601
Highway Major Enhancement	127	0	0	0	127
Integrated Transport Schemes	239	0	0	0	239
Old Schemes Residual	-103	0	0	0	-103
Government Transition Works Ashford	6,433	2,911	0	0	9,344
Dover Inland Border Facility	7,909	11,807	0	0	19,716
Street Lighting Concrete Column Replacment	10	0	0	0	10
Live Labs	59	0	0	0	59
Thanet Parkway	79	0	0	0	79
Energy & Water Efficiency Investment Fund (External)	0	0	0	131	131
Energy Reduction & Water Efficiency Investment	-2	0	0	0	-2
Herne Relief Road	-1	0	0	101	100
West Kent LST	14	0	0	0	14
Kent Medical Campus (Bearsted Rd) (NPIF)	0	2,667	0	0	2,667
Windmill Weatherproofing	6	-130	-125	0	-249
Kent Strategic Congestion Management across growth areas	-462	0	0	0	-462
Kent Sustainable Interventions Programme for Growth	6	0	0	0	6
A2500 Lower Road Improvements	0	-42	-9	0	-51
Dover Bus Rapid Transit	86	589	637	-94	1,218
Fastrack Bean Tunnels	132	0	0	0	132
A229 Bluebell Hill	0	0	0	0	0
Trees Outside Woodlands	-85	115	0	0	30
Zebra Funding - Electric Buses and Infrastructure		8,453	1,072	0	9,525
Total Other Cash Limit Changes	13,999	26,219	1,575	137	41,930

GET - Environment, Planning & Enforcement	2021-22	2022-23	2023-24	Future Yrs	Total
	£'000	£'000	£'000	£'000	£'000
Country Parks	0	57	59	0	116
PROW	-363	327	0	0	-37
Digital Autopsy	0	0	0	0	0
Herne Bay Gateway - Library Plus	0	445	0	0	445
KSS Equipment & Vehicles	-17	0	0	0	-17
Sustainable accss to Education & Employment	-29	0	0	0	-29
Southborough Hub	-48	0	0	0	-48
Total Other Cash Limit Changes	-458	828	59	0	429

	2021-22	2022-23	2023-24	Future Yrs	Total
GET - Economic Development	£'000	£'000	£'000	£'000	£'000
Javelin Way Development	99	770	-8	-8	853
Kent & Medway Business Fund	2,180	0	25	32	2,237
Kent & Medway Business Fund - Recovery Loans	-13	0	0	0	-13
Kent & Medway Business Fund - Capital Growth	1	0	0	0	1
Kent Empty Property Initiative	20	-200	0	0	-180
Marsh Million	342	87	0	6	435
Broadband Contract 2	3,200	-1,851	0	0	1,349
Kings Hill Solar Farm	-274	411	0	0	137
West End Solar Farm	-315	0	0	0	-315
Turner	-58	60	0	0	2
Workspace Kent	0	0	0	-235	-235
Total Other Cash Limit Changes	5,182	-723	17	-205	4,271

	2021-22	2022-23	2023-24	Future Yrs	Total
SCS	£'000	£'000	£'000	£'000	£'000
Modernisation of Assets	312	-194	0	0	118
Oakwood House Transformation	-223	0	0	0	-223
Corporate Property Strategic Capital	-584	0	0	0	-584
Disposal costs	-238	0	0	0	-238
Dover Discovery Centre	169	0	0	0	169
MOA Plus	-33	0	0	0	-33
The Royal School of Deaf	9,479	0	0	0	9,479
Total Other Cash Limit Changes	8,882	-194	0	0	8,688

	2021-22	2022-23	2023-24	Future Yrs	Total
	£'000	£'000	£'000	£'000	£'000
Total Other Cash Limit Changes	15,944	42,354	-9,796	7,932	56,435

Appendix 4 – 2021-22 Reserves Provisional Outturn Position

	Balance as at 1 April 2021 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2022 £m
General Fund (GF) Balance	42.5	(0.3)	42.2
Budgeted contribution to/(from) in MTFP		14.0	14.0
	42.5	13.7	56.2
Earmarked reserves:			
Vehicle, Plant & Equipment (VPE)	17.6	1.1	18.7
Smoothing	121.8	2.9	124.7
Major Projects	53.3	9.0	62.3
Partnerships	26.9	(0.6)	26.3
Grant/External Funds	90.8	(11.7)	79.1
Departmental Under/Overspends	13.7	(5.3)	8.4
Insurance	13.8	0.0	13.8
Public Health	11.1	5.7	16.8
Trading	0.7	0.5	1.2
Special Funds	0.6	0.0	0.6
Total Earmarked Reserves	350.3	1.6	351.9
Total GF and Earmarked Reserves	392.8	15.3	408.1

	Balance as at 1 April 2021 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2022 £m
Schools Reserves			
School delegated revenue budget reserve - committed	21.9	0.0	21.9
School delegated revenue budget reserve - uncommitted	33.9	5.31	39.2
Community Focussed Extended Schools Reserves	0.1	0.1	0.2
Total School Reserves	55.9	5.4	61.3

DSG Adjustment Account - Unusable Reserve

	Balance as at 1 April 2021 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2022 £m
Unallocated Schools Budget	(51.0)	(46.6)	(97.6)

The General fund Reserve has been increased as agreed by County Council in the 2021-22 MTFP.

The DSG Adjustment Account is an unusable reserve specifically to hold the DSG deficit. The statutory override is in place until April 2023. The Council is taking part in the Safety Valve programme to develop a sustainable plan for recovery. The deficit held in the reserve has increased due to pressures in Schools Funding. More details can be found in Section 10.

Appendix 5 - Monitoring of Prudential Indicators as at 31 March 2022

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)

	20-21 Actuals	21-22 Budget	22-23 Actuals
Total	340.63	424.2	335.30

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.

	20-21 Actuals	21-22 Budget	21-22 Actuals
Total CFR	1,269.16	1,402.50	1,294.10

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.

	20-21 Actuals	21-22 Budget	21-22 Actuals
Other Long-term Liabilities	235.80	245.20	245.20
External Borrowing	853.73	826.00	825.97
Total Debt	1,089.53	1,071.20	1,071.17
Capital Financing Requirement	1,269.16	1,402.50	1,294.10
Internal Borrowing	179.63	331.30	222.93

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.

	20-21 Actuals	21-22 Limit	21-22 Actuals
Authorised Limit - borrowing	854	1,016	826
Authorised Limit - PFI and leases	246	245	245
Authorised Limit - total external debt	1,100	1,261	1,071
Operational Boundary - borrowing	854	991	826
Operational Boundary - PFI and leases	246	245	245
Operation Boundary - total external debt	1,100	1,236	1,071

Prudential Indicator 5: Proportion 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 Authority to the net revenue stream.

	20-21 Actual	21-22 Budget	21-22 Actuals
Proportion of net revenue stream	9.57%	9.59%	9.18%