

From: Deputy Leader, Brian Collins  
Interim Corporate Director Finance, John Betts

To: Cabinet, 25 September 2025

Subject: Revenue and Capital Budget Forecast Outturn Report – Quarter 1

Classification: Unrestricted

**Summary:**

The attached report sets out the revenue and capital budget forecast monitoring position as at the end of June 2025-26, including progress against savings targets within the revenue budget, revenue and capital cash limit changes made between that period and monitoring updates for reserves, treasury management and prudential indicators.

**Recommendation(s):**

Cabinet is asked to:

- a) NOTE the revenue and capital forecast outturn position for 2025-26 as detailed in the report, and accompanying appendices
- b) AGREE the revenue and capital budget adjustments detailed in the report
- c) DELEGATE authority to the Corporate Director of Finance to take required actions as necessary to implement all decisions arising from the report
- d) DELEGATE authority, in consultation with the Deputy Leader, for the management of the Extended Producer Responsibility Grant (held in reserves) to the Corporate Director of Finance in 2025-26 – subject to relevant government guidance or requirements

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## About this report

Updates on the monitoring of the in-year revenue and capital budget position are reported to Cabinet on a quarterly basis. This report presents the forecast position for the financial year 2025-26 as at June 2025.

From a revenue perspective, there are detailed sections covering the forecast revenue outturn position and variances against the working budget for each Directorate and a summary of the delivery of savings and additional income against targets set in the Budget. Delivery of savings is a crucial component of the Council's forecast outturn position. The Strategic Reset Programme (SRP) has monitored key savings, working alongside the Directorates, Finance Business Partners and performance and analytics. Also included within the revenue section is the outturn position for Schools' Delegated Budgets.

Similar information is provided for the capital forecast outturn position. Variances are shown either as a real or rephasing variance. A real variance affects the total cost of a capital project and a rephasing is because of a change in timescale for the delivery of a project, often due to slippage in the capital programme where spending or funding is delayed until future years and is reprofiled accordingly.

The report also contains more detailed information on the forecast reserves position at 31 March 2026, monitoring of prudential indicators and a treasury management update.

There are a series of recommendations for the Cabinet committee to consider, note or approve.

## The revenue position

The 2025-26 budget included significant core funded spending growth, much of which has once again focused on increased costs in adults and children's social care due to inflationary uplifts in provider contracts, rising demand and increased complexity of needs.

The current working budget for 2025-26 is £1,531.9m. The forecast outturn variance against this budget is an overspend of £27.9m, which represents 1.8% of the overall budget.

When the council overspends, it must fund that overspend from reserves.

Any overspend is a concern for the authority and presents a risk to the Council's future financial sustainability and it is essential that the need to drawdown from reserves is reduced as far as possible, as drawdowns from reserves weaken the Council's financial resilience and increase the requirement to replenish reserves in future years. Our aim is that the Council holds General Reserves of at least 5% of our net revenue budget.

Throughout the organisation, spending controls remain in place to reduce spend wherever possible. For example, levels of approval have been required for any recruitment activity. Any manager wanting to hire agency staff for more than three months, or to extend a current worker's assignment beyond three months have needed to submit a business case for review.

The most significant overspend is in Adult Social Care & Health (ASCH), totalling £31.0m (4.4% overspend). Of this variance, £12.1m relates to savings which are no longer anticipated to be achieved in this year, leaving £18.9m of other service related pressure. The overspend in the directorate is a continuation of the financial challenges facing the social care sector in general and faced by many other upper-tier local authorities.

Pressures include £11.4m in Older People – Residential Care Services, from pressures relating to increased service activity and costs, and £12.6m in Older People – Community Based Services, in the main due to Older Persons Homecare activity and costs being higher than budgeted for.

There is a small overspend forecast in Children, Young People & Education (CYPE), made up of an overspend in Looked After Children (with Disability), due to the high cost of packages within the service, particularly within residential care, largely offset by an underspend in Home to School & College Transport.

There are also small overspends in Growth, Environment & Transport (GET) and the Chief Executive's Department (CED), offset by underspends in the Deputy Chief Executive's Department (DCED), Non Attributable Costs (NAC) and Corporately Held Budgets (CHB).

A table by directorate is shown at the beginning of [Section 1](#).

Each directorate is broken down into Divisions and Key Services. Each directorate has its own set of sections within the report presenting the outturn position by Division and providing explanations of the significant variances. A Key Service statement is available in [Appendix 1](#). Information on what each Key Service is responsible for can be found in the [2025-26 Budget Book](#).

## Savings and additional income

The 2025-26 budget includes the requirement to deliver savings and additional income of £96.0m. A further £22.4m of undelivered savings from the previous year are included in the 2025-26 target, increasing the total requirement to £118.4m. The savings monitoring does not include increases to grant income of £35.0m or the removal of one-off or undelivered savings in previous years of £38.0m bringing the total monitored savings target for 2025-26 to £121.5m.

Key savings have greater scrutiny as part of the Strategic Reset Programme (SRP) and are BRAG (blue, red, amber, green) rated on a monthly basis, alongside increased monitoring of performance and analytical data.

As at June 2025, £102.6m is expected to be delivered in 2025-26, which represents 84% delivery against the target. £21.5m of savings are currently not expected to be delivered in 2025-26. Of this amount, £17.3m is planned to be delivered in future financial years, with the remaining £2.6m no longer deliverable. There is £4.9m of alternative savings identified to try and mitigate the current shortfall.

## Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £28.6m. This reflects the impact of high demand for additional special educational needs (SEN) support and greater demand for specialist provision. In 2022-23, the Council entered into the Department for Education's (DfE) Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery. This includes annual funding from the DfE totalling £140m by 2027-28 to pay off part of the deficit. Over the same period, the Council is also expected to contribute towards the residual deficit estimated to total over £80m.

In 2025-26, the Council will receive scheduled funding from DfE of £14.6m and the authority will contribute £14.2m.

Due to the in-year deficit on Schools' Delegated Budget, the Council's net DSG Deficit is forecast to increase from £97.5m to £125.6m.

## The capital position

The total approved General Fund capital programme including roll forwards for 2025-26 is £358.4m.

The capital programme spend for the year is £48.8m, which represents 13.6% of the approved budget.

There is a forecast £1.2m underspend against the budget, which is split between a +£31.9m real variance and -£33.1m rephasing variance. Of the real variance, £19.8m is due to additional funding that is not yet included in the budget, which will reduce the real variance at the point of cash limit adjustment. All of the rephasing is funded by grant or external funding.

The '[Capital by directorate](#)' table sets out the forecast position. The major in-year variances (real variances of over £0.1m and rephasing variances of over £1.0m) are also described by directorate within this section.

## Section 1 | Revenue by directorate

The table below shows the forecast outturn position split by directorate. The overspend totals £27.9m excluding Schools' Delegated Budgets.

Each of the directorates has a colour theme which is used consistently in Finance reporting in the monitoring report and budget book.

All figures in £m

Directorate	Working Budget	Forecast	Variance	Variance %
Adult Social Care & Health	709.2	740.2	31.0	4.4%
Children, Young People & Education	396.5	397.0	0.4	0.1%
Growth, Environment & Transport	205.1	206.0	0.9	0.4%
Chief Executive's Department	26.8	27.2	0.4	1.5%
Deputy Chief Executive's Department	82.8	82.7	0.0	0.0%
Non Attributable Costs	109.9	107.2	-2.6	-2.4%
Corporately Held Budgets	1.6	-0.5	-2.1	-131.3%
<b>Total revenue position</b>	<b>1531.9</b>	<b>1559.8</b>	<b>27.9</b>	<b>1.8%</b>
Schools' Delegated Budgets	0.0	28.6	28.6	

## 1a | Adult Social Care & Health including Public Health

The table below shows the Adult Social Care & Health position by each of the five divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Adult Social Care (short-term support)	53.5	58.3	4.8
Adult Social Care (long-term support)	619.3	643.6	24.3
Strategic Management & Directorate Budgets	9.1	9.0	-0.1
Strategic Commissioning (Integrated & Adults)	27.2	29.2	2.0
Public Health	0.0	0.0	0.0
<b>Total</b>	<b>709.2</b>	<b>740.2</b>	<b>31.0</b>

The Adult Social Care & Health directorate has a projected net overspend of +£31.0m. of which +£12.1m relates to net savings which are no longer anticipated to be achieved this year, leaving £18.9m of other service related pressures. The forecast assumes that £24.5m of savings and income changes have been delivered, and that a further £25.5m in savings will be delivered. The forecast includes £14.7m for further growth in demand and cost for the year.

The most significant variances are in the following Key Services:

- **Older People – Residential Care Services: +£17.2m**  
+£6.6m pressure on this service line relates to slippage in savings activity, and +£11.4m from pressures relating to increased service activity and costs, both on short term beds and the on-going effect of

long term increases seen in 2024-25 where activity and costs increased after 25/26 budget assumptions were agreed.

Provider closures have also resulted in higher costs of +£1.0m.

Pressures on this service line are offset by -£1.2m due to anticipated contributions to the provision for bad and doubtful debts being lower than budgeted for.

- **Adult Mental Health – Community Services: -1.2m**  
Anticipated underspends across Mental Health Community Based services due to levels of activity being lower than anticipated, predominantly due to underspends on Direct Payments. Underspends are offset by provider closures which result in higher costs when sourcing alternative placements of +£0.2m.
- **Older People – Community Based Services: +£14.1m**  
A net +£1.9m pressure on this service line relates to slippage in savings activity, with +£12.6m pressure across Community Based services in the main due to Older Persons Homecare activity and costs being higher than budgeted for. Pressures on this service line are offset by -£0.4m due to anticipated contributions to the provision for bad and doubtful debts being lower than budgeted for.
- **Adult Learning & Physical Disability Pathway – Community Based Services: -6.8m**  
Underspends across Community Services relating to younger adults which transferred into the Adult Social Care & Health directorate for 25/26, with these service lines seeing similar underspends in 24/25. The forecast on activity and costs for these services continued to reduce in the latter part of 24/25 after the 25/26 budget assumptions were agreed, which is the main reason for this variance.
- **Adult Learning Disability – Community Based Services & Support for Carers: +£5.1m**  
+£3.4m pressure on this service relates to slippage in savings activity, with +£1.8m relating to service activity.
- **Adult Case Management & Assessment Services (long-term support): -3.2m**

Staffing underspends across long-term support case management and assessment services are largely due to transfer of staffing resource into short-term support case management and assessment services.

- **Adult Learning Disability - Residential Care Services & Support for Carers: -3.0m**

Anticipated underspends across Learning Disability Residential services predominantly due to anticipated impact of alternative savings plans developed by the Commissioning service to mitigate anticipated shortfalls on other commissioning-led savings activity for the year.

- **Adult Case Management & Assessment Services (short-term support): +2.2m**

Staffing pressures across short-term support case management and assessment services is due to transfer of staffing resource from long-term support case management and assessment services.

- **Adult In House Enablement Services: +1.4m**

Pressure in the main due to increase in staffing resource across Kent Enablement At Home (KEaH) services to increase capacity.

- **Community Based Preventative Services: +1.3m**

+£1.6m pressure relates to savings in payments to voluntary organisations which are no longer expected to be realised in 25/26, with this pressure offset by -£0.3m in anticipated one-off efficiencies on other Community Preventative Service contracts for 25/26.

- **Older People & Physical Disability Carer Support - Commissioned: +1.2m**

Pressure across Carer Support services due to increase in Carer Direct Payments and use of short term beds to offer carers respite.

A breakdown by Key Service is available in [Appendix 1](#).

## 1b | Children, Young People & Education

The table below shows the Children, Young People & Education position by each of the four divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Education & Special Educational Needs	126.9	122.8	-4.1
Strategic Management & Directorate Budgets	5.0	4.7	-0.3
Children's Countywide Services	106.3	111.8	5.5
Operational Integrated Children's Services	158.3	157.7	-0.7
<b>Total</b>	<b>396.5</b>	<b>397.0</b>	<b>0.4</b>

The Children, Young People & Education directorate has a projected net overspend of +£0.4m this is formed from several significant variances. Children's Countywide Services is forecasting an initial net overspend of +£5.5m, mainly related the higher costs of packages for looked after children with a disability. Education & Special Educational Needs are forecasting a net underspend of -£4.1m mainly due to an underspend on Home to School Transport.

The most significant variances are in the following Key Services:

- **Home to School & College Transport: -4.7m**

The initial underspend reflects the expectation that savings achieved against last year's budget are ongoing and the contingency budget for higher price increases will not be required. Financial estimates have been made for the new academic year based on the previous year's trends for both changes in the number of pupils travelling and costs. This will become clearer in the Autumn term when new pupils are known and as such the forecast could fluctuate at this point.

- **Looked After Children (with Disability) - Care & Support (Placements): +6.4m**

This is due to the high cost of packages within the service, particularly within residential care. This month the forecast has increased by £3m of which £1.8m relates to one child. The number of disabled LAC increased during 2024-25 and is remaining steady at the moment. This forecast includes £2.8m of provisional costs for any potential increases in LAC (or costs) throughout the year.

A breakdown by Key Service is available in [Appendix 1](#).



## 1c | Growth, Environment & Transport

The table below shows the Growth, Environment & Transport position by each of the four divisions.

All figures in £m

Division	Budget	Forecast	Variance
Environment & Circular Economy	92.4	92.3	-0.1
Growth & Communities	32.3	32.1	-0.3
Highways & Transportation	78.9	80.2	1.2
Strategic Management & Directorate Budgets	1.4	1.4	0.0
<b>Total</b>	<b>205.1</b>	<b>206.0</b>	<b>0.9</b>

The Growth, Environment & Transport directorate has a projected net overspend of +£0.9m, of which key pressure areas are detailed below. The +£0.9m pressure is primarily unbudgeted road collapses/sinkholes and staffing issues within Highways +£0.6m and a rise in the number of free care/discounted passes for the Kent Travel Saver (KTS) scheme (+£0.4m).

All services/budgets across the directorate will continue to review their staffing and spend levels to ensure only essential spend is incurred and income/activity levels will continue to be reviewed and reflected. The unavoidable pressures are proposed to be realigned in the MTFP.

The most significant variances are in the following Key Services:

- **Highway Assets Management: +0.7m**

Pressures continue to be reported in general maintenance across East/West Kent budgets with prices above budgeted inflation and increased demand for reactive works due to the condition of the network and necessary safety critical works (+£1.1m).

Additionally, increasing pressure already in relation to unfunded road collapses/sinkholes (+£0.2m), staffing pressures across various

teams (+£0.3m) and increased spend on specialist external consultants due to unsuccessful recruitment to vacant posts (+£0.1m). These overspends are partially offset by additional income (-£1.1m).

- **Kent Travel Saver (KTS): +0.4m**

Pressure resulting from growth in number of free/discounted passes over the past 2 years, which were offset by one-off grant income in the prior year but the increased pass numbers have continued into 25/26 which presents an adverse variance.

This pressure has been proposed to be realigned in the MTFP for 2026/27 as it is a change in the demand levels based on the current policy/offering.

- **Transportation: +0.2m**

The delayed roll-out of certain sites has meant projected income from the new Moving Traffic Enforcement project is slower than profiled, yet costs are still being incurred meaning a net pressure exists

- **Waste Facilities & Recycling Centres: +0.1m**

There are a number of compensating variances within this area.

Pressures largely relate to additional incentivisation payments to districts (+£0.5m) as a result of improved recycling relates which prevents tonnes from being incinerated (Waste to Energy plant), at a higher cost to the authority than other forms of disposal. The savings from increased recycling were included in the 25/26 budget but this increased payment was not realigned. There are also increased costs for Fixed Management across Transfer Stations and HWRC sites above budgeted levels (+£0.2m), delay with set-up of re-use income scheme (+£0.1m) and increased Tipping Away charges (+£0.1m) to districts.

In addition, there are emergency floor repair works at Ashford WTS which are anticipated to continue into the next financial year (+£0.4m) following new legislation.

These pressures are offset by favourable volume variance (-£0.6m), a one-off saving on HWRC/WTS mobilisation due to extension of current contract (-£0.5m) and favourable price inflation savings across various contracts (-£0.2m).

Included within forecast is one-off payments to three districts (+£0.6m) following a small proportion of EPR funding from Government incorrectly due to be paid to KCC rather than directly to districts. These payments are forecast to be funded from drawdown of the Unspent grant and external funds reserve, which is held centrally. This relates to recommendation D in the report.

A breakdown by Key Service is available in [Appendix 1](#).

## 1d | Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the five divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Commercial & Procurement	3.3	3.5	0.2
Finance	10.9	10.9	0.0
Governance, Law & Democracy	8.1	8.2	0.0
Strategic Management & Departmental Budgets	-1.3	-1.3	0.0
Strategy, Policy, Relationships & Corporate Assurance	5.7	5.9	0.2
<b>Total</b>	<b>26.8</b>	<b>27.2</b>	<b>0.4</b>

The Chief Executive's Department directorate has a projected net overspend of +0.4m of which +0.2m relates to Kent safeguarding boards and +0.2m relates to the Commercial & Procurement service. Increasing costs for both safeguarding boards hosted by KCC are not currently covered by existing partner contribution rates and will require future revision to resolve the current pressure. Within Commercial & Procurement there has been a delay in the achievement of the saving for the Kent Support & Assistant Service (KSAS) and shortfall of income from the new Supplier Incentive Programme (SIP).

The most significant variances are in the following Key Services:

- Children's and Adults Safeguarding Services: +0.2m**  
 The variance relates to both the Children and Adult Safeguarding Boards hosted by the council. Increased costs, particularly that of staff, are not met by the existing contribution rates from partners. A review of partner contributions for both boards is required.
- Commercial & Procurement: +0.2m**  
 The variance is mostly due to expenditure on the Kent Support & Assistant Service (KSAS) and shortfall of income from the new Supplier Incentive Programme (SIP). There is a delay in the delivery of the expected saving on KSAS, resulting in the variance seen. The Supplier Incentive Programme is still embedding itself and it is forecast that the income target will be achieved in future years. once the programme is established.
- Finance: +0.1m**  
 Overspend on the Financial Assessment and Income team is offset by underspends in a number of other finance teams who are holding vacancies. The overspend in the Financial Assessment and Income team is as a result of changes to their processes to implement recommendations from a Local Government and Social Care Ombudsman investigation. The recommendations have created additional demand on statutory services delivered by the team.

A breakdown by Key Service is available in [Appendix 1](#).

## 1e | Deputy Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the six divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Corporate Landlord	26.7	26.7	0.0
Human Resources & Organisational Development	5.8	5.9	0.1
Infrastructure	9.7	9.7	0.0
Marketing & Resident Experience	7.2	7.2	0.0
Strategic Management & Departmental Budgets	5.5	5.4	-0.1
Technology	27.9	27.9	0.0
<b>Total</b>	<b>82.8</b>	<b>82.7</b>	<b>0.03</b>

The Deputy Chief Executive's Department directorate has a projected net underspend of -0.03m of which -0.2m relates to vacancy management of key posts within the Strategic Management & Departmental Support division and -0.1m within Resident Experience, as a result of the closure of a Gateway. These underspends are offset by minimal overspends in Marketing & Digital and Human Resources & Organisational Development services.

The most significant variances are in the following Key Services:

- **Strategic Management & Departmental Support: -0.2m**  
Majority of underspend due to vacancy management of key posts.
- **Human Resources & Organisational Development: +0.1m**  
Additional one-off pension strain costs as a result of the service restructure, offset by an increased take up of salary sacrifice schemes leading to NI rebates. There is also additional income

expected with the Learning & Development team, which is forecast to improve the variance.

A breakdown by Key Service is available in [Appendix 1](#).

## 1f | Non Attributable Costs including Corporately Held Budgets

The table below shows the Non Attributable Costs position, including Corporately Held Budgets:

All figures in £m

Division	Working Budget	Forecast Outturn	Forecast Variance
Non Attributable Costs	109.9	107.2	-2.6
Corporately Held Budgets	1.6	-0.5	-2.1
<b>Total</b>	<b>111.5</b>	<b>106.7</b>	<b>-4.8</b>

Non Attributable Costs including Corporately Held Budgets' forecast is a net underspend of £4.8m.

The key variances are summarised below:

- **Non Attributable Costs: -2.6m**

The impact of slower than anticipated reductions in the Bank of England base rate meaning higher returns on our cash balances which is partly offset by higher interest payments to third parties. Cash balances are also higher than anticipated due to upfront receipt of the Highways Maintenance Grant from Government rather than the previous quarterly profile. The variance also reflects savings in borrowing costs due to the early repayment of a loan at the end of 2024-25, and contributions to debt costs from the Home Office Grant related to the Unaccompanied Asylum Seeker reception centres and from the CYPE directorate related to the development of in-house children's residential units.

It should be noted that the investment income forecast can be quite volatile due to the possibility of unforeseen fluctuations in our cash balances.

- **Corporately Held Budgets: -2.1m**

Release of residual unallocated pay and employer's National Insurance budget, which will be included as a saving in the proposed 2026-27 budget. The forecast assumes that the HR spans and layers saving from reviewing adherence to the Council's organisation design policy is delivered, but delivery plans are still to be confirmed before this can be allocated to directorates. Until delivery plans are finalised, there remains a risk that the full saving will not be delivered.

A breakdown by Key Service is available in [Appendix 1](#).

## 1h | Schools' Delegated Budgets

The Schools' Budget reserves are Forecast to end the financial year with a surplus of £57.9m on individual maintained school balances, and a deficit on the central schools' reserve of £125.5m. The total Dedicated Schools' Grant for 2025-26 is £1,975m and is forecast to overspend by £56.8m.

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

The Central Schools' Reserve holds the balance of any over or underspend relating to the Dedicated Schools Grant (DSG). This is a specific ring-fenced grant payable to local authorities to support the schools' budget. It is split into four main funding blocks: schools, early years, high needs and central, each with a different purpose and specific rules attached. The Council is required to hold the net under or overspend relating to the whole dedicated schools grant in a specific reserve and is expected to deal with any surplus or deficits through future years' spending plans. The tables below provide the overall position for the DSG in 2025-26 (table 1) and an overview of the movements on both the central schools' reserve and individual schools' reserves (table 2).

**Table 1 Dedicated Schools' Grant (DSG) 2025-26 Forecast Summary:**

All figures in £m			
DSG Block	2025-26 Budget*	2025-26 Forecast	2025-26 Variance
Schools' Block	1,367.6	1,368.0	+0.4
High Needs Block	368.5	426.6	+58.1
Early Years Block	226.1	224.4	-1.7
Central Services to Schools' Block	12.9	12.9	0.0
<b>Total DSG 2025-26</b>	<b>1,975.0</b>	<b>2,031.9</b>	<b>56.8</b>

\*Before recoupment and other DfE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £16.5m from the Schools' block to the High Needs Block as agreed by the Secretary of State.

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

All figures in £m		
	Individual Maintained School Reserves	Central Schools' (DSG) Reserve
Reserve Balance as at 1st April 2025*	58.5	-97.5
Contribution to/(from) reserves: Academy Conversions	-0.6	
Change in School Reserve Balances		
Overspend on DSG 2025-26		-56.8
Safety Valve: Local Authority Contribution		14.6
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31st March 2026*	57.9	-125.5

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

In accordance with the statutory override implemented by the Ministry of Housing, Communities & Local Government (MHCLG), and in line with the Department for Education (DfE) and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) surpluses continue to form part of the main council reserves, whilst any in-year deficit balances are held in a separate unusable reserve from the main council reserves (see appendix 3). DLUHC have confirmed this statutory override will be in place until March 2028 whilst Council's implement recovery plans.

In 2022-23, the Council entered the DfE's Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery; this includes annual funding from the DfE, totalling £140m

by 2027-28 (plus £2m of project costs), to pay off part of the deficit but only if the Council can demonstrate and deliver a credible plan. Over the same period the Council is also expected to contribute towards the residual deficit which at the time of agreement was estimated to total over £80m. This has avoided having to identify £220m of savings across the SEN system. The DSG deficit is the Council's single biggest financial risk; therefore, the successful implementation of the Council's deficit recovery plan is critical. It is recognised, the Government's proposals to reform the SEND and alternative provision (AP) system to support a more sustainable high needs funding will not impact immediately and local actions are required.

In 2025-26, the Council is expecting to receive a further £14.2m from the DfE, the fourth tranche of the £140m safety valve commitment, with the Council required to contribute a further £14.6m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £285m to £125.5m as at 31st March 2025.

Key Issues	Details
Individual Maintained Schools Reserves	As at 31st March 2025, there were 288 maintained schools with a surplus reserve balance and 3 schools with a deficit reserve balance. Maintained Schools are required to submit a six & nine-month monitoring return each financial year and these forecasts will be reported in future reports. The Council commissions The Education People to support Schools with their recovery plans. This forecast includes 3 schools converting to academy status during 2024-25. When a maintained school converts to an academy status, the council is no longer responsible for holding the schools' reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion.
Schools' Block: general overspend on	The Schools' Block funds primary and secondary core schools' budgets including funding for additional school places to meet basic need or to support schools with significant falling rolls which is forecast to overspend by a

growth funding	combined total of +£0.4m. There has been more funding commitments to support growing schools than originally anticipated when the budget was set.
Early Years Block: underspend on new entitlements	<p>The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, including the newly expanded offer for working parents for children from 9 months to 2 years, along with the funding of some council led services for early years.</p> <p>Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to under or overspend if activity is slightly lower or higher than expected. With the introduction of the new entitlements for working parents of 9 months to 2 years, there was increased uncertainty as to the take up of the new offer and an additional contingency was held. Overall these factors led to an underspend of just under -£2m relating to the expanded offer. There was a much smaller underspend against the existing offer for 2 year to 4 years (-£0.5m) resulting from one-off change in the way the grant was calculated, and lower take-up of the Disability Access Fund of -£0.7m.</p>
High Needs Block: Higher demand and higher cost for high needs placements.	<p>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.</p> <p>The in-year funding shortfall for High Needs placements and support in 2024-25 is £58.3m due to a combination of continual higher demand for additional SEN support and higher cost per child resulting from continual demand for more specialist provision. Whilst there is some indicators the level of growth in spending is starting to slowing (in comparison to recent years, see table 3 &amp; 4), resulting from actions to support future financial sustainability, this has not been sufficient to meet the original expectations</p>
Safety Valve Payment & Local Authority Contribution.	

of the safety valve agreement. The number of placements in independent schools remains high even though the numbers in mainstream, post 16 settings and special schools continue to increase. Higher placements costs, driven by inflation and greater demand by schools for additional funding, along with delays in DfE lead special school builds and larger numbers of other local authorities now refusing to fund the cost of their looked after children (where they had done so in the past), are all contributing to higher spend. The Council has confirmed to the DfE it no longer expects to reach an in-year breakeven position by 2027-28, and will have a residual accumulated overspend of around £125m by March 2028 (rather than £0m). The DfE have continued to pay their contributions at this time, and the Council is awaiting further actions following the expected national announcements on the future SEN system in the Autumn.

Many other councils are also reporting deficits on their high needs block, despite extra monies from the Government in recent years, resulting from significant increases in their numbers of EHCPs and demand for SEN services. However, historically Kent has seen this demand rising at a significantly faster rate than other comparative councils resulting in the council now educating a greater proportion of children in both special and independent schools compared to other councils, and a smaller proportion of children with SEND in mainstream schools. The impact of this is highlighted in national benchmarking data on the placement of children with SEN in Kent and our spend on High Needs Block. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

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

		All figures in £m					
		20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School		106	123	137	151	164	177
Independent Schools		54	66	71	83	91	103
Mainstream Individual Support & SRP* **		46	54	61	65	75	77
Post 16 institutions***		15	17	19	22	25	29
Other SEN Support Services		46	43	46	49	46	41
<b>Total Spend</b>		<b>268</b>	<b>302</b>	<b>334</b>	<b>371</b>	<b>402</b>	<b>427</b>
Rate of increase in spend		-	13%	10%	11%	8%	6%

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

		£s per pupil					
		20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School		5,118	5,591	6,019	6,382	6,639	6,942
Independent Schools		1,185	1,418	1,543	1,685	1,762	1,877
Mainstream Individual Support & SRP*		4,510	5,258	5,772	6,496	7,057	7,445
Post 16 institutions***		1,222	1,383	1,511	1,600	1,751	2,041
<b>Total Number of Pupils</b>		<b>12,035</b>	<b>13,650</b>	<b>14,845</b>	<b>16,163</b>	<b>17,209</b>	<b>18,305</b>



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

	£ per pupil					
	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	£20,697	£22,067	£22,694	£23,623	£24,746	£25,462
Independent Schools	£45,494	£46,283	£46,246	£49,474	£51,723	£54,785
Mainstream Individual Support & SRP* **	£10,297	£10,241	£10,591	£10,079	£10,658	£10,367
Post 16 institutions***	£12,624	£12,314	£12,721	£13,617	£14,198	£13,992

\*Specialist Resource Provision. From 2025-26, the number of children funded in mainstream schools changed, with the introduction of the community of schools model and a greater focus on whole school SEN offer, and moving away from funding for individual children only. Therefore, the number of children supported is an estimate only. This will affect the both the number of children funded and the average cost.

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

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

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

## Section 2 | Savings and additional income by directorate

The 2025-26 budget includes the requirement to deliver savings and additional income of £96.0m. A further £22.4m of undelivered savings from the previous year are included in the 2025-26 target, increasing the total requirement to £118.4m. The savings monitoring does not include increases to grant income of £35.0m or the removal of one-off or undelivered savings in previous years of £38.0m bringing the total monitored savings target for 2025-26 to £121.5m.

The table below summarises the delivery of savings against the original target. The full breakdown by saving is available in [Appendix 2](#).

Figures in £m

Directorate	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	(63.2)	(46.2)	(3.9)	(1.0)	(51.2)	12.1	2.6	(16.7)
Children, Young People & Education	(22.2)	(21.6)	0.0	(0.4)	(22.0)	0.2	0.0	(0.6)
Growth, Environment & Transport	(17.2)	(17.2)	0.0	0.0	(17.2)	(0.0)	0.0	0.0
Chief Executive's Department	(4.4)	(4.2)	0.0	0.0	(4.2)	0.3	0.0	0.0
Deputy Chief Executive's Department	(10.2)	(10.2)	0.0	0.0	(10.2)	0.0	0.0	0.0
Non Attributable Costs	(2.8)	(2.8)	0.0	0.0	(2.8)	0.0	0.0	0.0
Corporately Held Budgets	(1.5)	(0.5)	(1.0)	0.0	(1.5)	0.0	0.0	0.0
<b>Total</b>	<b>(121.5)</b>	<b>(102.6)</b>	<b>(4.9)</b>	<b>(1.4)</b>	<b>(109.0)</b>	<b>12.5</b>	<b>2.6</b>	<b>(17.3)</b>

## Section 3 | Revenue Budget Changes

Roll forwards were agreed at Cabinet on 22 July 2025 as part of the Outturn report for 2024-25. The table below summarises these roll forwards, which have increased the net budget for 2025-26 by £0.6m. As the amounts are small, the table shows the requests round thousands (£000s) rather than millions.

Roll forward	Description of roll forward	Amount (£000s)
South East Sector Led Improvement Programme (SESLIP)	SESLIP is a programme which KCC host from 24-25. KCC's contribution into this programme needs rolled forward to 2025-26 for continuation of committed spend.	4.9
Regional Adoption Agency (RAA)	RAA is a joint venture between KCC, Medway County Council and the London Borough of Bexley, which KCC hosts. Unspent funds contributed by the partners will be used to pay for interagency fees in 2025-26.	222.1
Section 31 Leaving Care Allowance	Section 31 Leaving Care Allowance grant is not ring fenced and will be used to assist future care leavers.	161.3
<b>Total in Children, Young People &amp; Education</b>		<b>388.3</b>
Kent Resource Partnership	KCC's share of the Kent Resource Partnership underspend.	93.2
Kent & Medway Recover, Pivot and Scale-up Programme	Residual SELEP project funding contractually committed with the Kent Invicta Chamber of Commerce for the supply of Recover, Pivot and Scale services. Contract runs from June 2024 to December 2025. As SELEP no longer exists, transfer of accountable body status for continuation of these legacy schemes has passed to KCC.	82.7
<b>Total in Growth, Environment &amp; Transport</b>		<b>175.9</b>
Kent Safeguarding Children Board	KCC's element of underspend on Kent Safeguarding Children Board (KSCB) project	34.3
<b>Total in the Chief Executive's Department</b>		<b>34.3</b>
<b>Total</b>		<b>598.5</b>

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation between Key Services in light of the 2024-25 final spend and activity levels and the latest service plans. Budget changes which have been identified as virements are explained in the tables below and need to be approved by Cabinet. A breakdown of changes by Key Services, which also includes technical adjustments, which do not require approval, is available in Appendix 4. There are no virements in Children, Young People & Education, Growth, Environment & Transport, Deputy Chief Executive's Department or Non Attributable Costs

### 3a | Adult Social Care & Health Virements

Key Service	Gross	Income	Net	Description
Adult In House Enablement Services	196.6	0.0	196.6	Transfer to fund alternative models of care post closure (Shared Lives)
Older People - In House Provision	-196.6	0.0	-196.6	
Older People - Community Based Services	-428.5	0.0	-428.5	Bridging Costs removal to fund EK Home First
Adult In House Enablement Services	428.5	0.0	428.5	
Adult Learning Disability - Community Based Services & Support for Carers	-2,883.3	192.9	-2,690.4	Prevent, Reduce & Delay - Efficiencies through Enablement - Restated 2025-26 allocation
Adult Learning Disability - Residential Care Services & Support for Carers	-6.6	0.1	-6.5	
Adult Mental Health - Community Based Services	-734.0	28.6	-705.4	
Adult Mental Health - Residential Care Services	-11.4	0.4	-11.0	
Adult Physical Disability - Community Based Services	-3,168.4	332.0	-2,836.4	
Adult Physical Disability - Residential Care Services	1,668.7	-152.2	1,516.5	
Older People - Community Based Services	-8,118.6	3,569.8	-4,548.8	
Older People - Residential Care Services	14,632.8	-5,350.8	9,282.0	
Adult Case Management & Assessment Services (short-term support)	1,114.4	0.0	1,114.4	
Operational and transformation costs pending allocation	-1,540.3	0.0	-1,540.3	
Strategic Commissioning (Integrated and Adults)	425.9	0.0	425.9	Allocation to Adults Commissioning and Safeguarding Hubs
Public Health - Advice and Other Staffing	-1,008.4	1,008.4	0.0	
Public Health - Children's Programme	718.3	-718.3	0.0	
Public Health - Healthy Lifestyles	-6.9	6.9	0.0	
Public Health - Mental Health, Substance Misuse & Community Safety	-72.1	72.1	0.0	
Public Health - Sexual Health	176.7	-176.7	0.0	

3b | Chief Executive’s Department Virements

Key Service	Gross	Income	Net	Description
Local Member Grants	89.1	0	89.1	One off 25-26 transfer of 5% Member Allowances to Member Grants
Governance & Law	-89.1	0	-89.1	One off 25-26 transfer of 5% Member Allowances to Member Grants

## Section 4 | Reserves monitoring

The council holds general fund reserves as a consequence of income exceeding expenditure, budgeted contributions to reserves or where money has been earmarked for a specific purpose. Earmarked reserves are categorised across several headings.

Reserves balances are held as negative balances. All reserves are a negative balance except the DSG Adjustment Account, which is an unusable reserve held to manage the deficit on schools. The table below provides a summary of each of the reserve categories and highlights the main forecasted movements in 2025-26.

Figures in £m

Reserve	Opening Balance (01/04/25)	Forecast Movement in-year	Forecast Closing Balance (31/03/26)	Details
<b>General Reserves</b>				
General Fund	-78.6	-18.9	-59.7	Budgeted contributions include £11.1m to repay the drawdown required in 2022-23 to fund the overspend and £4.8m to rebuild financial resilience and provide for future risks. Budgeted drawdowns include £7.2m and it is currently forecasted to need to drawdown £27.9m to fund the in-year overspend in 2025-26.
<b>Earmarked Reserves</b>				
Vehicles, Plant & Equipment (VPE)	-23.1	+1.2	-21.9	
Smoothing	-111.8	+7.0	-104.9	Movement includes a drawdown of £3m relating to election costs, budgeted drawdowns and contributions relating to the Local Tax Equalisation Reserve, £1.2m drawdown for our transformation partners and agency staff working on budget recovery and £2m relating to ICT projects.
Major Projects	-34.5	+7.1	-27.4	The movement relates to major ICT projects including Oracle Cloud implementation (partly funded by the flexible use of capital receipts), and contributions to the ICT Asset Management Reserve (AMR), Emergency Events, Emergency Conditions and Capital Feasibility reserves.
Partnerships	-44.5	0.0	-44.5	

Reserve	Opening Balance (01/04/25)	Forecast Movement in-year	Forecast Closing Balance (31/03/26)	Details
				The majority of the movement relates to the income received from as part of the Extender Producer Responsibility (EPR) grant. This use of this grant is subject to relevant government guidance.
Grant & External Funds	-7.7	-10.5	-18.3	Included within forecast is one-off payments to three districts (£0.6m) following a small proportion of EPR funding from Government incorrectly due to be paid to KCC rather than directly to districts. These payments are forecast to be funded from drawdown of this reserve, which is held centrally. This relates to recommendation D in the report, delegating authority to the Section 151 Officer and Deputy Leader in 2025-26.
Departmental Over / Underspends	-0.6	+0.6	0.0	
Insurance	-12.2	+1.3	-10.9	The drawdown forecast reflects the latest position on the Insurance fund in 2025-26.
Public Health	-16.7	+2.8	-13.9	Use of unspent Public Health Grant in 2025-26.
Special Funds	-0.8	0.0	-0.8	
<b>Total Earmarked Reserves</b>	<b>-254.8</b>	<b>9.3</b>	<b>-242.7</b>	
<b>Total General Fund &amp; Earmarked Reserves</b>	<b>-330.6</b>	<b>28.1</b>	<b>-302.5</b>	
Schools Reserves	-58.5	+0.5	-57.9	
DSG Adjustment Account	133.7	+28.0	161.8	<p>The movement reflects the net deficit on DSG budgets in 2025-26, made up of a £56.8m overspend, reduced by required contributions to the DSG Safety Valve Agreement in 2025-26 of £14.2m from KCC and £14.6m from the Department for Education (DfE).</p> <p>This reserve should be considered in combination with the £36.2m which is held in Partnerships (Earmarked Reserves). The true DSG deficit is therefore £125.6m.</p>

## Section 5 | Capital by directorate

Figures in £m

Directorate	Working Budget	Total Variance	Real Variance	Rephasing Variance
Adult Social Care & Health	0.871	0.043	0.043	0.000
Children, Young People & Education	111.878	-12.829	3.973	-16.802
Growth, Environment & Transport	215.909	2.126	19.432	-17.306
Chief Executive's Department	0.000	0.000	0.000	0.000
Deputy Chief Executive's Department	29.722	9.434	8.417	1.017
<b>Total</b>	<b>358.38</b>	<b>-1.226</b>	<b>31.865</b>	<b>-33.091</b>

The total approved General Fund capital programme including roll forwards for 2025-26 is £358.38m. The capital programme spend for the year is £48.8m, which represents 13.6% of the approved budget. There is a forecast £1.226m underspend against the budget, which is split between a +£31.865m real variance and -£33.091m rephasing variance. Of the real variance, £19.8m is due to additional funding that is not yet included in the budget. All of the rephasing is funded by grant or external funding.

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

### 5a | Adult Social Care & Health

There are no major variances to report.

### 5b | Children, Young People & Education

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation Programme	1.316	-0.939	The real variance is due to:



Project	Real Variance	Rephasing Variance	Detail
			<p>-£0.27m Blean Primary, tender prices are lower than anticipated and the school are self-delivering the second mobile.</p> <p>+0.177m Blean Primary, modular replacement music room.</p> <p>+£0.250m Garlinge Primary School and Nursery, this is a new project added for mobile refurbishments.</p> <p>+£0.400m Greenfields Primary, this is a new project added to replace a mobile roof and install new canopies.</p> <p>+£0.128m Selsted Primary, tenders were higher than pre-tender estimates and additional works are required that were not foreseen.</p> <p>+£0.144m Willesborough Junior – internal reconfiguration works are also required.</p> <p>The remainder of the real variance is on 13 other projects, none of which are individually over £0.1m.</p> <p>The rephasing variance is due to 9 projects, none of which are individually over £1m.</p>
Basic Need Programme 2022-26		-1.000	Rephasing is due to Cornwallis Academy – the expansion project is pending agreement from the Trust.
Basic Need Programme 2023-27	-0.589	-5.000	<p>The real variance is due to prior year costs recoded for projects which have now transferred to “Markers – Future Projects.”</p> <p>The rephasing is due to Northfleet Technology College. Design and costs have come in higher than expected, Infrastructure are testing the Framework to check tender prices, and the project is now expected to start early 2026.</p>
Basic Need Programme 2024-28	1.140	-5.780	<p>The real variance is due to:</p> <p>+£0.275m Leigh Academy Minster. This is a school managed project to accommodate a bulge year.</p> <p>+£0.793 Water Meadows Primary. Part payment to the Department for Education (DfE) towards the School rebuild project. The DfE is delivering a 1FE with 2FE infrastructure, KCC is funding the additional 1FE to future proof for expansion in later years. £0.594m of the funding is coming from Developer Contributions.</p> <p>The rephasing is due to:</p> <p>-£4.460 Sir Geoffrey Leigh Academy. Design and costs have come in higher than expected. Infrastructure are testing the framework to check tender prices, with the project expecting to start early 2026.</p> <p>-£1.000m Ebbsfleet Green Primary, rephasing due to change in project scope and design.</p>

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Basic Need: Markers – Future Projects	0.589		The real variance relates to prior year costs recoded for projects which have transferred from the Basic Need Programme 2023-27.
High Needs Provision	1.190	-3.212	Real variance relates to: +£0.500m Broomhill Bank. This is a new school managed project added, for a modular expansion to provide additional places. +£0.500m Parkwood Hall Co-operative Academy. This is a new school managed project added to provide additional places. Rephasing is due to: -£1.428m Nexus School Phase 2 – due to delays in stakeholder decisions. -£1.385m New Special Free School, Swanley. The funding for this is dependent on DfE project delivery timescales.
Family Hubs and Start for Life Programme	0.266		Real variance: This reflects the DfE grant allocation for 2025-26, which was not in the original budget.

## 5c | Growth, Environment & Transport

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	7.238	-0.512	The real variance comprises overspends in the following areas: The real variance comprises overspends in the following areas: £5.816m on inspectors, £1.065m on structures, and £0.358m on Tunnels. Options to manage these overspends are being considered. The rephasing is on Trees which is externally funded.
Integrated Transport Schemes under £1m	1.432		The real variance is due to: £0.02m Transport Innovations, however funding is expected to be received in the next couple of months,

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
			£0.124m Hall Road and Hever Court Road Crossings – to be funded from a virement from Kent Active Travel Phase 5. £1.288m a number of small schemes which will be covered from additional external funding.
North Thanet Link	3.108		The forecast reflects the anticipated 25/26 costs to proceed with the development of this scheme following approval of the Outline Business Case by the DfT. The real variance will be funded by external grant which will be received from the DfT in September 2025.
Dover Bus Rapid Transit	1.763		There are ongoing disputes regarding the construction contract which makes the forecast spend difficult to predict. Further financial contributions are being explored for the project to help mitigate the overspend as well as considering additional funding streams with Dover District Council.
Diversion Routes for Unplanned Events (DRUE)	-0.100		This is grant funding from National Highways for signs and amendments to signs for unplanned diversion routes on the A20/M20 between Dover and Folkestone and is currently forecasting an underspend. The service is asking for approval to redirect this underspend to additional works along the DRUE route.
Green Corridors		-1.198	The programme for delivery of the three larger sites (6,8 and 11) has been pushed back to September 2025, this is due to delays with consultants and the procurement process. For the Site 4 ramp this is due to land agreements taking longer than anticipated. There are also ecological constraints that mean we need to construct between April – September hence the delay to April 2026 as we have missed this year's window. Due to this, some forecast spend in the current financial year has been reprofiled into the 2026-27 financial year. This has been accepted by Ebbsfleet Development Corporation (EDC) which is fully funding the Green Corridors programme.
Fastrack Full Network – Bean Road Tunnels		-1.984	The scheme is externally funded and therefore requires an update to the existing legal agreements to confirm the contributions which are needed are in place. KCC have progressed the tender process to provide confidence to the delivery programme and costings and is now in a position to select a preferred contractor to deliver the works which will take approximately 15 months with completion likely in early 2027. There is an additional £2m of funding that is required and can be funded from Ebbsfleet Development Corporation (EDC) or BSIP funds, therefore this has been rephased into 2026-27.
Government Transition Works		-1.000	Confirmation has been obtained to allocate the unspent grant to a new project – A20 Union Street in Dover, which is planned for 26-27.
Kent Active Travel Fund (KATF) Phase 2	-0.255		Change control requested from Active Travel England to transfer some unused budget to Sevenoaks Cycle Facility under KATF Phase 3. Once agreed, the cash limits will be updated.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Kent Active Travel Fund Phase (KATF) Phase 3	0.255		Change control requested from Active Travel England to transfer some unused budget from KATF Phase 2 for Sevenoaks Cycle Facility under KATF Phase 3. Once agreed, the cash limits will be updated.
Kent Active Travel Fund Phase (KATF) Phase 4	0.102		Change control received to utilise KATF Phase 5 funds for Otford Sevenoaks & Faversham East-West. Cash limits will be updated accordingly.
Kent Active Travel Fund Phase (KATF) Phase 5	-0.226		Change control received to utilise some of the KATF Phase 5 funding for Otford Sevenoaks & Faversham East-West in Kent Active Travel Phase 4 (£0.102m), and Hever Court Rd & Hall Rd crossings in Integrated Transport (£0.124m). Cash limits will be updated accordingly.
Thames Way (STIPS)		-3.381	The Thames Way Project has been paused given the current closure of Galley Hill and the implications that is having on the local road network and expected trips. This has resulted in forecast spend being reprofiled into later years pending a decision on Galley Hill.
Local Nutrient Mitigation		-5.800	Stour Environmental Credits have tendered for package treatment works contract to generate mitigation credits, the contract is expected to be around £4 million pounds of investment. Currently there is no other mitigation options coming forward for investment and therefore it is anticipated that the funding of £5.8million will be rolled forward to future years as mitigation options are developed by credit suppliers.
Growing Places Fund (GPF)	6.145		GPF was capital loan funding given to the South East Local Enterprise Partnership (SELEP) by the Government. Now that SELEP has closed, the GPF reinvestment process has been reconsidered by Kent and Medway Economic Partnership (KMEP), with new investment criteria agreed by KMEP autumn 2024. KCC and Medway Council are becoming the accountable bodies for the use of GPF in their respective areas. Therefore, the funds need to be included under capital expenditure and monitored accordingly. This sum is intended to be allocated after the November KMEP Board.

## 5d | Chief Executive's Department

There are no major variances to report.

## 5e | Deputy Chief Executive's Department

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation of Assets		-1.542	The rephasing is due to Highway work which cannot be completed during the winter months as it is their busy period. This work is due to commence in April 2026.
Asset Utilisation	0.600		This will be covered by a virement from the Strategic Re-Set budget.
Strategic Re-Set	-0.600	0.629	£0.629m has been brought forward from later years and -£0.600m is to be vired to the Asset Utilisation budget line.
Strategic Estate Programme		1.930	Rephasing brought forward from later years is due to the compliance programme of works having increased due to problems found in Block A of Session House.
Unaccompanied Asylum-Seeking Children (UASC) Additional Accommodation Requirements	8.364		The real variance is due to this project continually evolving and the full extent was not known and budgeted at the start of the year. The project is expected to be fully funded from Central Government.

## 5f | Capital Budget Changes

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

Project	Year	Amount (£m)	Reason
<b>Adult Social Care &amp; Health</b>			
Learning Disability Good Day Programme	25-26	+0.04	Additional developer contributions
<b>Children, Young People &amp; Education</b>			
Modernisation Programme	25-26	+0.021	Additional developer contributions
Basic Need Programme 24-28	25-26	+0.594	Additional developer contributions
Family Hubs and Start for Life Programme	25-26	+0.266	Additional grant from the Department for Education (DfE)
<b>Growth, Environment &amp; Transport</b>			
Kent Active Travel Fund (KATF) 5	25-26	-0.124	Virement to Integrated Transport Schemes
	25-26	-0.102	Virement to KATF 4
KATF 4	25-26	+0.102	Virement from KATF 5
Integrated Transport Schemes	25-26	+0.124	Virement from Kent Active Travel Fund (KATF) 5
Growing Places Fund (GPF)	25-26	+6.145	Grant that now needs to be cash limited as KCC is the accountable body
<b>Deputy Chief Executive's Department</b>			
Dover Discovery Centre	25-26	+0.031	Revenue contribution from Public Health
	25-26	+0.035	Revenue contribution from Libraries
	25-26	-0.013	Reduction in prudential borrowing
Strategic Re-set	25-26	-0.6	Virement to Asset Utilisation
Asset Utilisation	25-26	+0.6	Virement from Strategic Re-Set

## Section 6 | Treasury Management Monitoring

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

6.1	Total external debt outstanding in June was £716.04m down by £16.52m since 31 <sup>st</sup> March 2025	<p>KCC debt includes £412.02m of borrowing from the Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at a fixed rate of interest. The average length to maturity of PWLB debt is 14.89 years at an average interest rate of 4.25%.</p> <p>Outstanding loans from banks amount to £206.10m. This is also at fixed term rates with average length to maturity of 38.02 years at an average interest rate of 4.56%.</p> <p>The council has £90m of Lender Option Borrower Option (LOBO) loans. These loans can only be renegotiated should the lender propose an increase in interest rates. The average length to maturity of LOBO loans is 38.63 years at an average interest rate of 4.15%.</p> <p>The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.91m with an average of 15.24 years to maturity at an average rate of 2.88%.</p> <p>KCC's principal objective for borrowing is to achieve an appropriately low risk balance between securing low interest rates and certainty of financing costs. This is achieved by seeking to fund capital spending from internal resources and short-term borrowing, only considering external long-term borrowing at advantageous interest rates.</p>
6.2	Majority is long term debt with only 3.77% due to mature within 5 years	<p>Maturity 0 to 5 years £27.00m (3.77%)<sup>1</sup></p> <p>Maturity 5 to 10 years £108.14m (15.10%)</p> <p>Maturity 10 to 20 years £190.00m (26.53%)</p> <p>Maturity over 20 years £390.90m (54.59%)</p>
6.3	Total cash balance at end of June was £558.04m, up by £83.03m from the end of March 2025	<p>Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.</p>

<sup>1</sup> Split across the next five years is as follows: Year 1 £10.00m, Year 2 £17.00m, Year 3 £0.00m, Year 4 £0.00m, and Year 5 £0.00m

6.4		<p>Cash balances are invested in a range of short-term, medium term and long-term deposits</p> <p>Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal or exceeding prevailing inflation rates.</p> <p>Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in June were £138.09m (24.75% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning an average rate of return of 4.28%.</p> <p>Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of June, the Council had £113.35m in UK treasury bills and other deposits with the UK government. These deposits represent 20.31% of cash investments with an average rate of return of 4.20%.</p> <p>Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of June, the Council had £103.28m invested in covered bonds earning an average rate of return of 4.40%.</p> <p>The Council has outstanding loans of £21.73m through the No Use Empty Loans programme which achieves an average return of 3.66% that is available to fund general services. This total includes £2.14m of loans made (£2.39m received) since March 2025.</p> <p>Long term investments are made through Strategic Pooled Funds. These include a variety of UK and Global Equity Funds, Multi Asset Funds and Property Funds. In total the Council has £180.29m invested in pooled funds (32.31% of cash balances) as at 30 June 2025.</p>
6.5	Treasury Management Advice	<p>The Council secures external specialist treasury management advice from MUFG Corporate Markets. They advise on the overall strategy as well as borrowing options and investment opportunities. MUFG Corporate Markets provide regular performance monitoring reports.</p>
6.6	Quarterly and statutory reports	<p>The Governance and Audit Committee receives detailed statutory reports on a regular bi-annual basis (the Treasury Strategy Mid-Year Update, and the Annual Treasury Outturn report), which are subsequently reported to County Council. Quarterly reports are reviewed by the Treasury Management Group (TMG). The TMG also reviews the three annual statutory reports</p>



## Treasury Management Indicators

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

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

Credit risk indicator	Actual 30/06/2025	Minimum
Portfolio average credit rating	AA	AA-

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

Liquidity risk indicator	Actual 30/06/2025	Minimum
Total cash available within 3 months	£231.84m	£100m

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

Interest rate risk indicator	Actual 30/06/2025	Upper Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	£3.55m	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£3.55m	-£10m

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

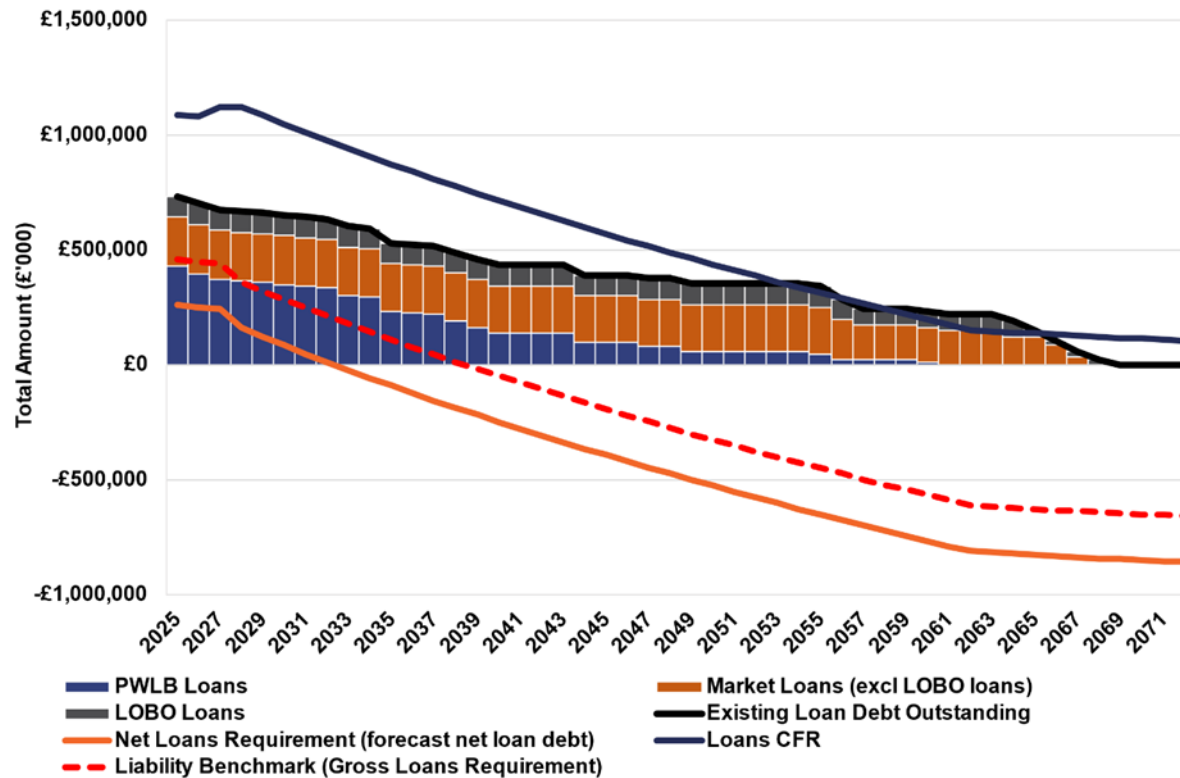
	<b>Actual 30/06/2025</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	1.40%	100%	0%
12 months and within 5 years	2.37%	50%	0%
5 years and within 10 years	15.10%	50%	0%
10 years and within 20 years	26.53%	50%	0%
20 years and within 40 years	33.57%	50%	0%
40 years and longer	21.02%	50%	0%

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

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

<b>Price risk indicator</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>No Fixed Date</b>
Limit on principal invested beyond year end	£150m	£100m	£50m	£250m
Actual as at 30 June 2025	£73.97m	£13.28m	£10.28m	£203.32m

### 6.13 Prudential Indicator: Liability Benchmark



The liability benchmark chart shows the Council should be able to accommodate the movement in Loans CFR through additional internal borrowing given the resources on the balance sheet if it wants to maintain treasury investments at the £200m liquidity allowance. However, this is based on the current assumption with regards to movement in reserves and that the working capital position remains at the 31/03/2025 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £180.29m of external investments currently invested with fund managers over a long-term investment time horizon.

# Appendix 1 | Key Service Statement

## Adult Social Care & Health

Figures in £m

	Budget	Forecast	Variance
<b>Adult Social Care &amp; Health</b>	<b>709.2</b>	<b>740.2</b>	<b>+31.0</b>
<b>Adult Social Care &amp; Health (long-term support)</b>	<b>619.3</b>	<b>643.6</b>	<b>+24.3</b>
Adult Case Management & Assessment Services (long-term support)	36.1	32.9	-3.2
Adult Case Management & Assessment Services (short-term support)	0.2	0.2	0.0
Adult In House Carer Services	2.7	2.9	+0.2
Adult In House Community Services	6.2	6.1	0.0
Adult Learning & Physical Disability Pathway - Community Based Services	47.5	40.7	-6.8
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	7.4	7.7	+0.3
Adult Learning Disability - Community Based Services & Support for Carers	134.3	139.4	+5.1
Adult Learning Disability - Residential Care Services & Support for Carers	82.0	78.9	-3.0
Adult Mental Health - Community Based Services	36.1	34.9	-1.2
Adult Mental Health - Residential Care Services	24.0	24.6	+0.6
Adult Physical Disability - Community Based Services	37.9	37.8	0.0
Adult Physical Disability - Residential Care Services	29.3	29.3	0.0
Adult Social Care - Divisional Management & Support	0.2	0.3	+0.1
Older People - Community Based Services	30.3	44.4	+14.1
Older People - Residential Care Services	142.3	159.5	+17.2
Older People & Physical Disability Carer Support - Commissioned	2.3	3.5	+1.2
Strategic Safeguarding	0.6	0.5	-0.1

Figures in £m

	Budget	Forecast	Variance
<b>Adult Social Care (short-term support)</b>	<b>53.5</b>	<b>58.3</b>	<b>+4.8</b>
Adaptive & Assistive Technology	1.3	2.3	+0.9
Adult Case Management & Assessment Services (short-term support)	13.7	16.0	+2.3
Adult In House Enablement Services	7.7	9.2	+1.4
Adult Social Care - Divisional Business Support	8.1	8.2	+0.1
Adult Social Care - Divisional Management & Support	0.2	-0.1	-0.2
Contest and Serious Organised Crime (SOC)	0.3	0.3	0.0
Independent Living Support	0.9	0.9	0.0
Older People - In House Provision	17.6	17.8	+0.2
Sensory Services	1.7	1.6	-0.1
Statutory and Policy Support	1.9	2.1	+0.2
<b>Public Health</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Public Health - Advice and Other Staffing	0.0	0.0	0.0
Public Health - Children's Programme	0.0	0.0	0.0
Public Health - Healthy Lifestyles	0.0	0.0	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	0.0
Public Health - Sexual Health	0.0	0.0	0.0
<b>Strategic Commissioning (Integrated and Adults)</b>	<b>27.2</b>	<b>29.2</b>	<b>+2.0</b>
Community Based Preventative Services	9.1	10.4	+1.3
Housing Related Support	4.4	4.7	+0.3
Partnership Support Services	0.0	0.0	0.0
Social Support for Carers	2.4	2.8	+0.4

Figures in £m	Budget	Forecast	Variance
Strategic Commissioning (Integrated and Adults)	3.3	3.0	-0.3
Transformation Delivery and support	8.0	8.3	+0.3
<b>Strategic Management &amp; Directorate Budgets (ASCH)</b>	<b>9.1</b>	<b>9.0</b>	<b>-0.1</b>
Innovation and Partnership	4.0	3.7	-0.2
Operational and transformation costs pending allocation	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	5.2	5.3	+0.1

## Children, Young People & Education

Figures in £m	Budget	Forecast	Variance
<b>Children, Young People &amp; Education</b>	<b>396.5</b>	<b>397.0</b>	<b>+0.4</b>
<b>Children's Countywide Services</b>	<b>106.3</b>	<b>111.8</b>	<b>+5.5</b>
Adoption & Special Guardianship Arrangements & Service	18.2	18.3	0.0
Asylum - Kent Permanent Care Leavers and New Arrival Service for Unaccompanied Asylum Seeking Children	0.1	0.0	0.0
Care Leavers Service	5.9	5.4	-0.6
Children in Need (Disability) - Care & Support (payments & commissioned services)	11.8	11.0	-0.7
Children's Countywide Services Management & Directorate Support	0.1	0.1	0.0
Children's social care - in house provision	4.1	4.6	+0.5
Children's Social Work Services - Assessment & Safeguarding Service (County Teams)	11.6	11.6	-0.1
Countywide Children's and Education support services	12.0	11.8	-0.2
Disabled Children & Young People Service (0-17) - Assessment Service	6.7	6.6	-0.1
Looked After Children - Care & Support (Staffing)	8.7	8.9	+0.2
Looked After Children (with Disability) - Care & Support (Placements)	27.1	33.5	+6.4

Figures in £m

	Budget	Forecast	Variance
<b>Education &amp; Special Educational Needs</b>	<b>126.9</b>	<b>122.8</b>	<b>-4.1</b>
Community Learning & Skills (CLS)	0.2	0.7	+0.5
Early Years Education	0.0	-0.0	0.0
Education Management & Division Support	1.5	1.4	-0.1
Education Services provided by The Education People	2.5	2.5	-0.1
Fair Access & Planning Services	0.6	0.6	0.0
Home to School & College Transport	97.7	93.0	-4.7
Other School Services	6.5	6.7	+0.2
Pupil Referral Units & Inclusion	0.0	0.0	0.0
Special Educational Needs & Psychology Services	17.9	18.0	+0.1
<b>Operational Integrated Children's Services</b>	<b>158.3</b>	<b>157.7</b>	<b>-0.7</b>
Asylum - Kent Permanent Looked After Children (under 18)	0.0	0.0	0.0
Children in Need - Care & Support (payments & commissioned services)	2.2	1.9	-0.3
Children's Social Work Services - Assessment & Safeguarding Service (Operational Teams)	42.0	41.6	-0.4
Early Help & Preventative Services	8.8	8.6	-0.2
Family Hubs	4.7	4.7	0.0
Looked After Children - Care & Support (Placements)	99.9	100.2	+0.3
Operational Integrated Children's Services Management & Directorate Support	0.6	0.6	0.0
<b>Strategic Management &amp; Directorate Budgets (CYPE)</b>	<b>5.0</b>	<b>4.7</b>	<b>-0.3</b>
Strategic Management & Directorate Budgets (CYPE)	5.0	4.7	-0.3

## Growth, Environment & Transport

Figures in £m

	Budget	Forecast	Variance
<b>Growth, Environment &amp; Transport</b>	<b>205.1</b>	<b>206.0</b>	<b>+0.9</b>
<b>Environment &amp; Circular Economy</b>	<b>92.4</b>	<b>92.3</b>	<b>-0.1</b>
Environment	3.3	3.3	0.0
Environment and Circular Economy Divisional management costs	2.3	2.3	0.0
Residual Waste	48.5	48.4	-0.1
Waste Facilities & Recycling Centres	38.3	38.4	+0.1
<b>Growth &amp; Communities</b>	<b>32.3</b>	<b>32.1</b>	<b>-0.3</b>
Community (Assets & Services)	2.4	2.3	-0.1
Community Protection	12.5	12.4	-0.1
Growth - Economy	1.6	1.6	0.0
Growth - Place	3.8	3.9	0.0
Growth and Communities Divisional management costs	0.5	0.4	-0.1
Libraries, Registration & Archives	11.5	11.5	0.0
<b>Highways &amp; Transportation</b>	<b>78.9</b>	<b>80.2</b>	<b>+1.2</b>
English National Concessionary Travel Scheme (ENCTS)	16.6	16.6	0.0
Highway Assets Management	40.4	41.1	+0.7
Highways & Transportation divisional management costs	4.3	4.2	-0.1
Kent Karrier	0.0	0.0	0.0
Kent Travel Saver (KTS)	4.7	5.1	+0.4
Supported Bus Services	6.2	6.2	0.0
Transportation	6.7	6.9	+0.2



Figures in £m

	Budget	Forecast	Variance
<b>Strategic Management &amp; Directorate Budgets (GET)</b>	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>
Strategic Management & Directorate Budgets (GET)	1.4	1.4	0.0

## Chief Executives' Department

Figures in £m

	Budget	Forecast	Variance
<b>Chief Executive's Department</b>	<b>26.8</b>	<b>27.2</b>	<b>+0.4</b>
<b>Commercial &amp; Procurement</b>	<b>3.3</b>	<b>3.5</b>	<b>+0.2</b>
Commercial & Procurement	3.3	3.5	+0.2
<b>Finance</b>	<b>10.9</b>	<b>10.9</b>	<b>0.0</b>
Finance	10.3	10.4	+0.1
Subsidies to Kent District Councils to maximise Council Tax collection	0.6	0.5	-0.1
<b>Governance, Law &amp; Democracy</b>	<b>8.1</b>	<b>8.2</b>	<b>0.0</b>
Governance & Law	7.8	7.9	0.0
Local Member Grants	0.3	0.3	0.0
<b>Strategic Management &amp; Departmental Budgets (CED)</b>	<b>-1.3</b>	<b>-1.3</b>	<b>0.0</b>
Strategic Management & Departmental Budgets	-1.3	-1.3	0.0
<b>Strategy, Policy, Relationships &amp; Corporate Assurance</b>	<b>5.7</b>	<b>5.9</b>	<b>+0.2</b>
Childrens and Adults Safeguarding Services	0.4	0.5	+0.2
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.2	0.2	0.0
Strategy, Policy, Relationships & Corporate Assurance	5.2	5.2	0.0

## Deputy Chief Executive's Department

Figures in £m

	Budget	Forecast	Variance
<b>Deputy Chief Executive's Department</b>	<b>82.8</b>	<b>82.7</b>	<b>0.0</b>
<b>Corporate Landlord</b>	<b>26.7</b>	<b>26.7</b>	<b>0.0</b>
Corporate Landlord	26.7	26.7	0.0
<b>Human Resources &amp; Organisational Development</b>	<b>5.8</b>	<b>5.9</b>	<b>+0.1</b>
Human Resources & Organisational Development	5.8	5.9	+0.1
<b>Infrastructure</b>	<b>9.7</b>	<b>9.7</b>	<b>0.0</b>
Emergency Planning	0.0	0.0	0.0
Kent Resilience	0.8	0.8	0.0
Property related services	9.0	9.0	0.0
<b>Marketing &amp; Resident Experience</b>	<b>7.2</b>	<b>7.2</b>	<b>+0.0</b>
Marketing & Digital Services	2.2	2.4	+0.1
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	5.0	4.9	-0.1
<b>Strategic Management &amp; Departmental Budgets (DCED)</b>	<b>5.5</b>	<b>5.4</b>	<b>-0.1</b>
Business & Client Relationships	2.7	2.8	0.0
Health & Safety	0.5	0.5	0.0
Strategic Management & Departmental Support	0.5	0.4	-0.2
Strategic Reset Programme	1.7	1.7	0.0
<b>Technology</b>	<b>27.9</b>	<b>27.9</b>	<b>0.0</b>
Technology	27.9	27.9	0.0

Non Attributable Costs including Corporately Held Budgets

Figures in £m		Budget	Forecast	Variance
Non Attributable Costs including Corporately Held Budgets		111.5	106.7	-4.8
Non Attributable Costs		109.9	107.2	-2.6
Corporately Held Budgets		1.6	-0.5	-2.1

## Appendix 2 | Savings Statement

### Adult Social Care & Health

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Adult Social Care &amp; Health</b>	<b>-63,138.0</b>	<b>-46,105.1</b>	<b>-3,923.0</b>	<b>-1,049.9</b>	<b>-51,078.0</b>	<b>12,060.0</b>	<b>2,601.5</b>	<b>-16,719.6</b>
Efficiency Savings in relation to the purchasing of residential and nursing care for older people	-6,790.1	-2,707.2	0.0	0.0	-2,707.2	4,082.9	0.0	<b>-4,082.9</b>
Efficiency Savings in relation to the purchasing of care and support in the home	-3,967.3	-1,145.4	0.0	0.0	-1,145.4	2,821.9	0.0	<b>-2,821.9</b>
Efficiency savings in relation to the purchasing of equipment contract	-590.0	0.0	0.0	0.0	0.0	590.0	0.0	<b>-590.0</b>
Efficiency savings in relation to the purchasing and monitoring of delivery of supported living	-7,546.0	-3,450.0	-3,923.0	0.0	-7,373.0	173.0	0.0	<b>-4,096.0</b>
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - short term support	-0.7	-0.7	0.0	0.0	-0.7	0.0	0.0	<b>0.0</b>
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - long term support	-649.3	-649.3	0.0	0.0	-649.3	0.0	0.0	<b>0.0</b>
18-25 Community Based Services saving (transport)	-250.0	-250.0	0.0	0.0	-250.0	0.0	0.0	<b>0.0</b>

Figures in £000s

<b>Saving</b>	<b>2025-26 Savings Target</b>	<b>Forecast delivery against original saving</b>	<b>Forecast delivery against alt. saving (ongoing)</b>	<b>Forecast delivery against alt. saving (one-off)</b>	<b>Total Forecast Delivery</b>	<b>Variance</b>	<b>Un- deliver- able</b>	<b>To be achieved in future years</b>
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - long term support	-3,897.6	-3,897.6	0.0	0.0	-3,897.6	0.0	0.0	<b>0.0</b>
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - short term support	-2.4	-2.4	0.0	0.0	-2.4	0.0	0.0	<b>0.0</b>
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams for clients aged up to 25	-40.0	-40.0	0.0	0.0	-40.0	0.0	0.0	<b>0.0</b>
Estimated annual increase in Better Care Fund - short term support	-382.3	-382.3	0.0	0.0	-382.3	0.0	0.0	<b>0.0</b>
Estimated annual increase in Better Care Fund - long term support	-1,924.8	-1,924.8	0.0	0.0	-1,924.8	0.0	0.0	<b>0.0</b>
Explore alternative sources of funding for the Kent Support & Assistance Service	-567.2	-487.2	0.0	-80.0	-567.2	0.0	80.0	<b>0.0</b>
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - long term support	-128.9	-128.9	0.0	0.0	-128.9	0.0	0.0	<b>0.0</b>

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - long term support	-1,573.2	-1,573.2	0.0	0.0	-1,573.2	0.0	0.0	0.0
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - short term support	-21.7	-21.7	0.0	0.0	-21.7	0.0	0.0	0.0
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - short term support	-0.2	-0.2	0.0	0.0	-0.2	0.0	0.0	0.0
Review of preventive services to prevent, reduce and delay care and support. Working with the NHS and wider partners to commission collaboratively to deliver efficiencies	-2,588.6	0.0	0.0	-969.9	-969.9	1,618.7	0.0	-2,588.6
Savings from moving individuals previously supported in community-based services into grant funded safe accommodation	-225.0	-225.0	0.0	0.0	-225.0	0.0	0.0	0.0
Cease our contribution to the Home Improvement agency	-294.0	0.0	0.0	0.0	0.0	294.0	0.0	0.0
Efficiencies in Enablement	-7,581.2	-8,848.3	0.0	0.0	-8,848.3	-1,267.1	0.0	0.0
Initial Contact	-1,667.4	-1,667.4	0.0	0.0	-1,667.4	0.0	0.0	0.0
Maximisation of in-house short term beds	-2,151.9	-1,834.2	0.0	0.0	-1,834.2	317.7	0.0	-317.7
Reduction in Residential and Nursing Placements	-772.5	-328.0	0.0	0.0	-328.0	444.5	0.0	-444.5
Occupational Therapists	-1,840.0	-782.0	0.0	0.0	-782.0	1,058.0	0.0	-1,058.0

Figures in £000s

<b>Saving</b>	<b>2025-26 Savings Target</b>	<b>Forecast delivery against original saving</b>	<b>Forecast delivery against alt. saving (ongoing)</b>	<b>Forecast delivery against alt. saving (one-off)</b>	<b>Total Forecast Delivery</b>	<b>Variance</b>	<b>Un-deliverable</b>	<b>To be achieved in future years</b>
Partnership working - continuing health care	-1,046.2	-1,046.2	0.0	0.0	-1,046.2	-0.0	0.0	<b>0.0</b>
Ongoing Reviews	-2,295.6	-2,295.6	0.0	0.0	-2,295.6	0.0	0.0	<b>0.0</b>
First Reviews	-3,111.3	-3,111.3	0.0	0.0	-3,111.3	0.0	0.0	<b>0.0</b>
Supported Living	-3,533.8	-2,813.8	0.0	0.0	-2,813.8	720.1	0.0	<b>-720.0</b>
Technology Enabled Lives	-1,748.7	-3,063.9	0.0	0.0	-3,063.9	-1,315.2	0.0	<b>0.0</b>
Additional plans are being considered and further 2025-26 savings are being modelled on other areas which could support the plans already in place.	-2,521.5	0.0	0.0	0.0	0.0	2,521.5	2,521.5	<b>0.0</b>
Over delivery of £3,373.3k of savings in 2024-25 against some of the streams within the £30,154.8k 2024-25 savings target from the review and reshape of ASCH as set out in the sustainability plan to deliver new models of social care - long term support	-3,373.3	-3,373.3	0.0	0.0	-3,373.3	0.0	0.0	<b>0.0</b>
Review of embedded teams in ASCH Directorate, to establish opportunities for consolidation and/or centralisation of practice	-55.2	-55.2	0.0	0.0	-55.2	0.0	0.0	<b>0.0</b>

## Public Health

Figures in £000s

Saving		2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Public Health</b>		<b>-74.2</b>	<b>-74.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-74.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Children's Health Programme savings on premises due to more efficient use of available premises		-25.0	-25.0	0.0	0.0	-25.0	0.0	0.0	<b>0.0</b>
Reduction in demand for Buprenorphine		-40.0	-40.0	0.0	0.0	-40.0	0.0	0.0	<b>0.0</b>
Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant		-9.2	-9.2	0.0	0.0	-9.2	0.0	0.0	<b>0.0</b>



## Children, Young People & Education

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
<b>Children, Young People &amp; Education</b>	<b>-22,204.9</b>	<b>-21,604.9</b>	<b>0.0</b>	<b>-400.0</b>	<b>-22,004.9</b>	<b>200.0</b>	<b>0.0</b>	<b>-600.0</b>
Efficiency: Children's Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers	-232.0	-232.0	0.0	0.0	-232.0	0.0	0.0	<b>0.0</b>
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-400.0	0.0	0.0	-400.0	-400.0	0.0	0.0	<b>-400.0</b>
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - CCS	-19.3	-19.3	0.0	0.0	-19.3	0.0	0.0	<b>0.0</b>
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - ICS Operations	-830.7	-830.7	0.0	0.0	-830.7	0.0	0.0	<b>0.0</b>
Implementation of new statutory guidance for Home to School Transport (published June 23) including making use of a new system for transport planning to explore route optimisation and use of standard pick up points, where appropriate.	-300.0	-300.0	0.0	0.0	-300.0	0.0	0.0	<b>0.0</b>
Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-120.4	-120.4	0.0	0.0	-120.4	0.0	0.0	<b>0.0</b>

Figures in £000s

<b>Saving</b>		<b>2025-26 Savings Target</b>	<b>Forecast delivery against original saving</b>	<b>Forecast delivery against alt. saving (ongoing)</b>	<b>Forecast delivery against alt. saving (one-off)</b>	<b>Total Forecast Delivery</b>	<b>Variance</b>	<b>Un- deliver- able</b>	<b>To be achieved in future years</b>
Adoption Service		-89.5	-89.5	0.0	0.0	-89.5	0.0	0.0	<b>0.0</b>
Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases		-108.4	-108.4	0.0	0.0	-108.4	0.0	0.0	<b>0.0</b>
Introduction of charging for post 16 SEN transport and reductions to the Post 19 transport offer		-541.0	-541.0	0.0	0.0	-541.0	0.0	0.0	<b>0.0</b>
Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		-250.0	-250.0	0.0	0.0	-250.0	0.0	0.0	<b>0.0</b>
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		-707.4	-707.4	0.0	0.0	-707.4	0.0	0.0	<b>0.0</b>
Review contract with Health for fast tracking mental health assessments for Looked After Children		-1,117.0	-1,117.0	0.0	0.0	-1,117.0	0.0	0.0	<b>0.0</b>
Review of open access services in light of implementing the Family Hub model - ICS Operations		-1,533.8	-1,533.8	0.0	0.0	-1,533.8	0.0	0.0	<b>0.0</b>
Review of open access services in light of implementing the Family Hub model - CCS		-66.2	-66.2	0.0	0.0	-66.2	0.0	0.0	<b>0.0</b>
Review of Kent 16+ Travel Saver - above inflation increase to cover full cost of the pass		-385.0	-385.0	0.0	0.0	-385.0	0.0	0.0	<b>0.0</b>

Figures in £000s

<b>Saving</b>	<b>2025-26 Savings Target</b>	<b>Forecast delivery against original saving</b>	<b>Forecast delivery against alt. saving (ongoing)</b>	<b>Forecast delivery against alt. saving (one-off)</b>	<b>Total Forecast Delivery</b>	<b>Variance</b>	<b>Un-deliver-able</b>	<b>To be achieved in future years</b>
Review of services for schools including contribution to TEP, facilities management costs, staff care services and any other services for schools	-1,322.8	-1,322.8	0.0	0.0	-1,322.8	0.0	0.0	<b>0.0</b>
Review of Respite Offer	-200.0	0.0	0.0	0.0	0.0	200.0	0.0	<b>-200.0</b>
Use of external grant to part fund respite offer	-550.0	-550.0	0.0	0.0	-550.0	0.0	0.0	<b>0.0</b>
Estimated reduction to the impact of rising pupil population on SEN Home to School and College Transport	-10,600.0	-10,600.0	0.0	0.0	-10,600.0	0.0	0.0	<b>0.0</b>
Initiatives to increase use of Personal Transport Budgets to reduce demand for Hired Transport	-400.0	-400.0	0.0	0.0	-400.0	0.0	0.0	<b>0.0</b>
Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health	-756.3	-756.3	0.0	0.0	-756.3	0.0	0.0	<b>0.0</b>
Implementation of strategies to reduce placement costs for looked after children including the impact of kinship service to reduce the number of children remaining in care, along with increased health contributions.	-1,500.0	-1,500.0	0.0	0.0	-1,500.0	0.0	0.0	<b>0.0</b>
Review of embedded teams in CYPE Directorate, to establish opportunities for consolidation and/or centralisation of practice	-175.1	-175.1	0.0	0.0	-175.1	0.0	0.0	<b>0.0</b>

## Growth, Environment & Transport

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Growth, Environment &amp; Transport</b>	<b>-17,180.3</b>	<b>-17,180.4</b>	<b>0.0</b>	<b>0.0</b>	<b>-17,180.4</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>
Reduced cost of food waste disposal following Government legislation regarding consistent collections, and work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates.	-76.0	-76.0	0.0	0.0	-76.0	0.0	0.0	0.0
Review service delivery model for Visitor Economy and Inward Investment services to bring about efficiency savings within the operating model	-150.0	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0
Undeliverable prior year saving from increased waste material segregation, that was intended to generate income or reduce cost. This has not been possible due to a change in Government legislation whereby certain items can no longer be recycled.	-390.0	-390.0	0.0	0.0	-390.0	0.0	0.0	0.0
Revenue savings from a spend to save initiative by paying off an interest bearing loan early related to the development of Dunbrik Waste Transfer Station	-395.0	-395.0	0.0	0.0	-395.0	0.0	0.0	0.0
Increased Libraries, Registration and Archives income due to increased uptake of services	-400.0	-400.0	0.0	0.0	-400.0	0.0	0.0	0.0
Changes to the contribution from Medway Council under SLA relating to	-109.0	-109.0	0.0	0.0	-109.0	0.0	0.0	0.0

Figures in £000s

Saving		2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
increasing/decreasing costs for provision of Coroner service in Medway									
Annual inflationary uplift to Library, Registration and Archives income levels and fees and charges in relation to existing service income streams		-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0
Inflationary increase in income levels and pricing policy for Kent Scientific Services		-86.1	-86.2	0.0	0.0	-86.2	-0.1	0.0	0.0
Continuation of a one-off (2025-26) increase in the annual financial distribution to partners from East Kent Opportunities LLP. The remaining land parcels are currently anticipated to be disposed of by the end of 2025-26, at which point East Kent Opportunities LLP will be dissolved and the budget will need to be realigned in 2026-27.		-50.0	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0
Kent Travel Saver price realignment to offset bus operator inflationary fare increases		-479.7	-479.7	0.0	0.0	-479.7	0.0	0.0	0.0
Trading Standards inflationary fee increases		-2.0	-2.0	0.0	0.0	-2.0	0.0	0.0	0.0
Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation		-65.0	-65.0	0.0	0.0	-65.0	0.0	0.0	0.0
Highways & Transportation - review of future activity levels with a view to increasing income targets to ensure compliance with fees and charges policy		-1,032.0	-1,032.0	0.0	0.0	-1,032.0	0.0	0.0	0.0

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un-deliver-able	To be achieved in future years
Increased income within Kent Scientific Services for toxicology analysis for the Coroners Service	-13.0	-13.0	0.0	0.0	-13.0	0.0	0.0	0.0
Surplus from traffic management penalties including contravening traffic restrictions, box junctions and bus lanes under new Moving Traffic Enforcement powers, to offset operational costs and overheads - compliance with fees and charges policy	-200.0	-200.0	0.0	0.0	-200.0	0.0	0.0	0.0
Income to offset part of the cost of disposal of packaging waste under Extended Producer Responsibility (EPR) legislation	-13,288.0	-13,288.0	0.0	0.0	-13,288.0	0.0	0.0	0.0
Review of Community Warden Service to deliver a £1m saving which has resulted in an overall reduction in wardens This is the residual budget once pension liabilities expire	-67.0	-67.0	0.0	0.0	-67.0	0.0	0.0	0.0
Increase income from Country Parks	-120.0	-120.0	0.0	0.0	-120.0	0.0	0.0	0.0
A reduction in the KCC contribution to the operational costs of the Cyclopark sports and community facility in Gravesend. The park is owned by KCC and operated on KCC's behalf by the Cyclopark charitable trust.	-12.5	-12.5	0.0	0.0	-12.5	0.0	0.0	0.0
Reduction of KCC funding to support the operational costs of Produced in Kent, the county's food & drink sector business membership organisation and promotional agency.	-58.0	-58.0	0.0	0.0	-58.0	0.0	0.0	0.0

Figures in £000s

Saving		2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
Reduction in the budget for the Straits Committee whilst continuing to meet the committees commitments		-15.0	-15.0	0.0	0.0	-15.0	0.0	0.0	0.0
Work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates		-80.0	-80.0	0.0	0.0	-80.0	0.0	0.0	0.0
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Environment & Circular Economy Division		-21.0	-21.0	0.0	0.0	-21.0	0.0	0.0	0.0
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Highways & Transportation Division		-21.0	-21.0	0.0	0.0	-21.0	0.0	0.0	0.0

## Chief Executive's Department

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Chief Executive's Department</b>	<b>-4,433.0</b>	<b>-4,171.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-4,171.0</b>	<b>262.0</b>	<b>0.0</b>	<b>0.0</b>
Reduction in the number of Historic Pension arrangements within CED Directorate	-105.5	-105.5	0.0	0.0	-105.5	0.0	0.0	0.0
Support Service targeted reductions - review of discretionary spend	-100.0	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0
Support Service targeted reductions - reduced contribution to pension fund in respect of change to requirements	-107.0	-107.0	0.0	0.0	-107.0	0.0	0.0	0.0
Increase in the recharge to the Pension Fund to better represent the cost of hosting of the Fund within KCC, including overhead elements. Further work to establish full cost recovery will continue over the next few months and may result in a further increase in 2026-27.	-230.9	-230.9	0.0	0.0	-230.9	0.0	0.0	0.0
Explore alternative sources of funding for the administration of the Kent Support & Assistance Service	-262.0	0.0	0.0	0.0	0.0	262.0	0.0	0.0
Review of Committee support arrangements	-20.0	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0
Cease Early Intervention Payments to District Councils	-82.5	-82.5	0.0	0.0	-82.5	0.0	0.0	0.0
Terminate current arrangements to provide annual incentive to collection authorities to reduce/remove empty property council tax	-1,450.0	-1,450.0	0.0	0.0	-1,450.0	0.0	0.0	0.0



<b>Saving</b>	<b>2025-26 Savings Target</b>	<b>Forecast delivery against original saving</b>	<b>Forecast delivery against alt. saving (ongoing)</b>	<b>Forecast delivery against alt. saving (one-off)</b>	<b>Total Forecast Delivery</b>	<b>Variance</b>	<b>Un- deliver- able</b>	<b>To be achieved in future years</b>
discounts and charge premiums on long-term empty properties								
<p>Terminate the current £1.5m annual support provided to collection authorities towards the administration of local CTRS. The current arrangements provide each district with a fixed sum of £70k plus share of £660k based on number of eligible low income pensioner and working age households. The payments are funded by all major precepting authorities pro rata to share of council tax.</p> <p>There is a separate share of £0.5m funded solely by KCC allocated according weighted number of working age eligible households as incentive to align local CTR schemes with other welfare conditions.</p>	-1,746.7	-1,746.7	0.0	0.0	-1,746.7	0.0	0.0	0.0
Reducing the subsidy to the Civil Society	-200.0	-200.0	0.0	0.0	-200.0	0.0	0.0	0.0
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice	-128.4	-128.4	0.0	0.0	-128.4	0.0	0.0	0.0

## Deputy Chief Executive's Department

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Deputy Chief Executive's Department</b>	<b>-10,151.0</b>	<b>-10,151.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-10,151.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Property savings from a Corporate Landlord review of specialist assets	-309.4	-309.4	0.0	0.0	-309.4	0.0	0.0	0.0
Support Service targeted reductions - reduced contribution to pension fund in respect of staff who transferred to Agilisys	-169.6	-169.6	0.0	0.0	-169.6	0.0	0.0	0.0
Support Service targeted reductions - staffing efficiencies within Business Management & Client Relationships	-19.0	-19.0	0.0	0.0	-19.0	0.0	0.0	0.0
Support Service targeted reductions - staffing efficiencies within Strategic Reset Programme	-82.2	-82.2	0.0	0.0	-82.2	0.0	0.0	0.0
Support Service targeted reductions - staffing efficiencies within Infrastructure	-201.1	-201.1	0.0	0.0	-201.1	0.0	0.0	0.0
One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. We are applying this flexibility to eligible Oracle Cloud costs in 2025-26. This flexible use of capital receipts is partially compensating for the share of the £19,835.2k policy savings required to replace the one-off solutions in the 2024-25 budget that are planned	-8,021.0	-8,021.0	0.0	0.0	-8,021.0	0.0	0.0	0.0

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
to be delivered in 2026-27. £11,705.8k of the £19,835.2k policy savings is planned for 2026-27, which will be temporarily met in 2025-26 from this £8,021k flexible use of capital receipts, £1,926.7k from our allocation of New Homes Bonus and £1,758.1k use of reserves, until the base budget savings are delivered in 2026-27.								
Income: Resilience and Emergency Planning - Additional income from reservoir work	-60.0	-60.0	0.0	0.0	-60.0	0.0	0.0	0.0
Corporate Landlord review of Community Delivery including Assets	-1,095.0	-1,095.0	0.0	0.0	-1,095.0	0.0	0.0	0.0
Review of Office Assets.	-178.4	-178.4	0.0	0.0	-178.4	0.0	0.0	0.0
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SMDB Division	-1.8	-1.8	0.0	0.0	-1.8	0.0	0.0	0.0
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Technology	-2.4	-2.4	0.0	0.0	-2.4	0.0	0.0	0.0
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Infrastructure	-8.5	-8.5	0.0	0.0	-8.5	0.0	0.0	0.0
Review of embedded teams in DCED Directorate, to establish opportunities for	-2.6	-2.6	0.0	0.0	-2.6	0.0	0.0	0.0

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
consolidation and/or centralisation of practice - Marketing & Resident Experience Division								

## Non Attributable Costs including Corporately Held Budgets

Figures in £000s

Saving	2025-26 Savings Target	Forecast delivery against original saving	Forecast delivery against alt. saving (ongoing)	Forecast delivery against alt. saving (one-off)	Total Forecast Delivery	Variance	Un- deliver- able	To be achieved in future years
<b>Non Attributable Costs</b>	<b>-2,798.1</b>	<b>-2,798.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-2,798.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	0.0
Reduce the annual budget for Modernisation of the Council/ Workforce Reduction based on recent years' activity and fund any in-year excess costs from the reserve	-500.0	-500.0	0.0	0.0	-500.0	0.0	0.0	0.0
Increase in the dividend from Commercial Services Group following an increase in the commissioning budgets for ICT & HR services	-1,298.1	-1,298.1	0.0	0.0	-1,298.1	0.0	0.0	0.0
<b>Corporately Held Budgets</b>	<b>-1,500.0</b>	<b>-500.0</b>	<b>-1,000.0</b>	<b>0.0</b>	<b>-1,500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Reduction in the volume and duration of agency staff	-750.0	0.0	-750.0	0.0	-750.0	0.0	0.0	0.0
Reduction in the volume and duration of agency staff	-250.0	0.0	-250.0	0.0	-250.0	0.0	0.0	0.0
Review of structures across the Council to ensure adherence to the Council's organisation design policy	-500.0	-500.0	0.0	0.0	-500.0	0.0	0.0	0.0

## Appendix 3 | Prudential Indicators

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)

	<b>24-25 Actuals</b>	<b>25-26 Budget</b>	<b>25-26 Forecast</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>	<b>28-29 Estimate</b>
Total	269.6	358.4	357.2	295.4	201.1	187.6

### Prudential Indicator 2: Estimate of Capital Finance 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.

	<b>24-25 Actuals</b>	<b>25-26 Budget</b>	<b>25-26 Forecast</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>	<b>28-29 Estimate</b>
Total CFR	1,295.9	1,234.1	1,292.7	1,301.0	1,280.9	1,256.1

### 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.

	<b>24-25 Actuals</b>	<b>25-26 Budget</b>	<b>25-26 Forecast</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>	<b>28-29 Estimate</b>
Other long-term liabilities	230.3	159.1	230.3	230.3	230.3	230.3
External borrowing	732.6	684.7	674.7	650.6	643.3	636.2
<b>Total Debt</b>	<b>962.9</b>	<b>843.8</b>	<b>905.0</b>	<b>880.9</b>	<b>873.6</b>	<b>866.5</b>
Capital Financing Requirement	1,295.9	1,234.1	1,292.7	1,301.0	1,280.9	1,256.1
Internal borrowing	333.0	390.3	387.7	420.1	407.3	389.6

**Prudential Indicator 4: Authorised Limit and Operational 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.

	<b>24-25 Actuals</b>	<b>25-26 Budget</b>	<b>25-26 Forecast</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>	<b>28-29 Estimate</b>
Authorised limit – borrowing	946	1,201	1,201	1,233	1,225	1,225
Authorised limit – other long-term liabilities	230	240	230	230	230	230
<b>Authorised limit – total external debt</b>	<b>1,176</b>	<b>1,441</b>	<b>1,431</b>	<b>1,463</b>	<b>1,455</b>	<b>1,455</b>
Operational boundary – borrowing	822	1,101	1,101	1,133	1,125	1,125
Operational boundary – other long-term liabilities	230	215	230	230	230	230
<b>Operational boundary – total external debt</b>	<b>1,052</b>	<b>1,316</b>	<b>1,331</b>	<b>1,363</b>	<b>1,355</b>	<b>1,355</b>

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

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

	<b>24-25 Actuals</b>	<b>25-26 Budget</b>	<b>25-26 Forecast</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>	<b>28-29 Estimate</b>
Proportion of net revenue stream	7.38%	6.76%	6.79%	6.83%	6.68%	6.68%

**Prudential Indicator 6: Estimates of net income from commercial and service investments to net revenue stream**

	<b>24-25 Actuals</b>	<b>25-26 Estimate</b>	<b>26-27 Estimate</b>	<b>27-28 Estimate</b>
Net income from commercial and service investments to net revenue stream (%)	0.34	0.34	0.29	0.28

## Appendix 4 | Revenue Budget Changes

### Adult Social Care & Health

Figures in £m

	Original Budget	Current Budget	Move-ment
<b>Adult Social Care &amp; Health</b>	<b>708.7</b>	<b>709.2</b>	<b>+0.4</b>
<b>Adult Social Care &amp; Health (long-term support)</b>	<b>622.0</b>	<b>619.3</b>	<b>-2.6</b>
Adult Case Management & Assessment Services (long-term support)	36.2	36.1	-0.1
Adult Case Management & Assessment Services (short-term support)	0.0	0.2	+0.2
Adult In House Carer Services	2.9	2.7	-0.2
Adult In House Community Services	6.5	6.2	-0.3
Adult Learning & Physical Disability Pathway - Community Based Services	47.5	47.5	0.0
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	7.4	7.4	0.0
Adult Learning Disability - Community Based Services & Support for Carers	137.0	134.3	-2.7
Adult Learning Disability - Residential Care Services & Support for Carers	82.0	82.0	0.0
Adult Mental Health - Community Based Services	36.8	36.1	-0.7
Adult Mental Health - Residential Care Services	24.1	24.0	-0.0
Adult Physical Disability - Community Based Services	40.7	37.9	-2.8
Adult Physical Disability - Residential Care Services	31.6	29.3	-2.3
Adult Social Care - Divisional Management & Support	0.0	0.2	+0.2
Older People - Community Based Services	35.3	30.3	-5.0
Older People - Residential Care Services	129.3	142.3	+13.0
Older People & Physical Disability Carer Support - Commissioned	2.3	2.3	0.0
Statutory and Policy Support	1.9	0.0	-1.9



Figures in £m

	Original Budget	Current Budget	Move-ment
Strategic Safeguarding	0.5	0.6	+0.1
<b>Adult Social Care (short-term support)</b>	<b>49.1</b>	<b>53.5</b>	<b>+4.4</b>
Adaptive & Assistive Technology	1.3	1.3	0.0
Adult Case Management & Assessment Services (short-term support)	12.3	13.7	+1.5
Adult In House Enablement Services	7.6	7.7	+0.2
Adult Social Care - Divisional Business Support	6.6	8.1	+1.5
Adult Social Care - Divisional Management & Support	0.0	0.2	+0.2
Contest and Serious Organised Crime (SOC)	0.3	0.3	0.0
Independent Living Support	1.1	0.9	-0.2
Older People - In House Provision	18.2	17.6	-0.6
Sensory Services	1.7	1.7	0.0
Statutory and Policy Support	0.0	1.9	+1.9
<b>Public Health</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Public Health - Advice and Other Staffing	0.0	0.0	0.0
Public Health - Children's Programme	0.0	0.0	0.0
Public Health - Healthy Lifestyles	0.0	0.0	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	0.0
Public Health - Sexual Health	0.0	0.0	0.0
<b>Strategic Commissioning (Integrated and Adults)</b>	<b>26.8</b>	<b>27.2</b>	<b>+0.4</b>
Community Based Preventative Services	9.1	9.1	0.0
Housing Related Support	4.4	4.4	0.0
Partnership Support Services	0.0	0.0	0.0

Figures in £m		Original Budget	Current Budget	Move-ment
Social Support for Carers		2.4	2.4	0.0
Strategic Commissioning (Integrated and Adults)		2.9	3.3	+0.4
Transformation Delivery and support		8.0	8.0	0.0
<b>Strategic Management &amp; Directorate Budgets (ASCH)</b>		<b>10.9</b>	9.1	-1.8
Innovation and Partnership		4.0	+0.1	+0.1
Operational and transformation costs pending allocation		0.0	-1.5	-1.5
Strategic Management & Directorate Support (ASCH)		5.2	-0.3	-0.3

## Children, Young People & Education

Figures in £m		Original Budget	Current Budget	Move-ment
<b>Children, Young People &amp; Education</b>		<b>396.7</b>	<b>396.5</b>	<b>-0.1</b>
<b>Children's Countywide Services</b>		<b>106.2</b>	<b>106.3</b>	<b>+0.1</b>
Adoption & Special Guardianship Arrangements & Service		18.1	18.2	+0.1
Asylum - Kent Permanent Care Leavers and New Arrival Service for Unaccompanied Asylum Seeking Children		0.0	0.1	+0.1
Care Leavers Service		5.8	5.9	+0.1
Children in Need (Disability) - Care & Support (payments & commissioned services)		10.3	11.8	+1.4
Children's Disability 0-17 Commissioning		1.4	0.0	-1.4
Children's Countywide Services Management & Directorate Support		0.7	0.1	-0.7
Children's social care - in house provision		0.0	4.1	+4.1
Looked After Children (with Disability) - In House Provision		4.1	0.0	-4.1
Children's Social Work Services - Assessment & Safeguarding Service (County Teams)		11.2	11.6	+0.5

Figures in £m

	Original Budget	Current Budget	Move-ment
Countywide Children's and Education support services	11.6	12.0	+0.4
Disabled Children & Young People Service (0-17) - Assessment Service	7.1	6.7	-0.4
Looked After Children - Care & Support (Staffing)	8.7	8.7	0.0
Looked After Children (with Disability) - Care & Support (Placements)	27.1	27.1	0.0
<b>Education &amp; Special Educational Needs</b>	<b>127.4</b>	<b>126.9</b>	<b>-0.5</b>
Community Learning & Skills (CLS)	0.2	0.2	0.0
Early Years Education	0.0	0.0	0.0
Education Management & Division Support	1.5	1.5	0.0
Education Services provided by The Education People	2.4	2.5	+0.1
Fair Access & Planning Services	0.6	0.6	0.0
Home to School & College Transport	97.7	97.7	0.0
Other School Services	6.6	6.5	-0.1
Pupil Referral Units & Inclusion	0.0	0.0	0.0
Special Educational Needs & Psychology Services	18.4	17.9	-0.5
<b>Operational Integrated Children's Services</b>	<b>158.5</b>	<b>158.3</b>	<b>-0.2</b>
Asylum - Kent Permanent Looked After Children (under 18)	0.0	0.0	0.0
Children in Need - Care & Support (payments & commissioned services)	2.8	2.2	-0.6
Children's Social Work Services - Assessment & Safeguarding Service (Operational Teams)	40.9	42.0	+1.1
Early Help & Preventative Services	8.4	8.8	+0.5
Family Hubs	4.7	4.7	0.0
Looked After Children - Care & Support (Placements)	99.9	99.9	0.0
Operational Integrated Children's Services Management & Directorate Support	1.7	0.6	-1.1

Figures in £m

		Original Budget	Current Budget	Move-ment
<b>Strategic Management &amp; Directorate Budgets (CYPE)</b>		<b>4.5</b>	<b>5.0</b>	<b>+0.5</b>
Strategic Management & Directorate Budgets (CYPE)		4.5	5.0	+0.5

## Growth, Environment & Transport

Figures in £m

		Original Budget	Current Budget	Move-ment
<b>Growth, Environment &amp; Transport</b>		<b>204.9</b>	<b>205.1</b>	<b>+0.2</b>
<b>Environment &amp; Circular Economy</b>		<b>92.3</b>	<b>92.4</b>	<b>+0.1</b>
Environment		3.3	3.3	0.0
Environment and Circular Economy Divisional management costs		2.3	2.3	0.0
Residual Waste		48.8	48.5	-0.3
Waste Facilities & Recycling Centres		38.0	38.3	+0.4
<b>Growth &amp; Communities</b>		<b>32.3</b>	<b>32.3</b>	<b>+0.1</b>
Community (Assets & Services)		2.4	2.4	0.0
Community Protection		12.5	12.5	0.0
Growth - Economy		1.5	1.6	+0.1
Growth - Place		3.8	3.8	0.0
Growth and Communities Divisional management costs		0.5	0.5	0.0
Libraries, Registration & Archives		11.5	11.5	0.0
<b>Highways &amp; Transportation</b>		<b>78.9</b>	<b>78.9</b>	<b>0.0</b>
English National Concessionary Travel Scheme (ENCTS)		16.6	16.6	0.0
Highway Assets Management		40.4	40.4	0.0

Figures in £m

		<b>Original Budget</b>	<b>Current Budget</b>	<b>Move- ment</b>
Highways & Transportation divisional management costs		4.3	4.3	0.0
Kent Karrier		0.0	0.0	0.0
Kent Travel Saver (KTS)		4.7	4.7	0.0
Supported Bus Services		6.2	6.2	0.0
Transportation		6.7	6.7	0.0
<b>Strategic Management &amp; Directorate Budgets (GET)</b>		<b>1.4</b>	<b>1.4</b>	<b>0.0</b>
Strategic Management & Directorate Budgets (GET)		1.4	1.4	0.0

## Chief Executives' Department

Figures in £m

		<b>Original Budget</b>	<b>Current Budget</b>	<b>Move- ment</b>
<b>Chief Executive's Department</b>		<b>26.8</b>	<b>26.8</b>	<b>0.0</b>
<b>Commercial &amp; Procurement</b>		<b>3.3</b>	<b>3.3</b>	<b>0.0</b>
Commercial & Procurement		3.3	3.3	0.0
<b>Finance</b>		<b>11.0</b>	<b>10.9</b>	<b>-0.1</b>
Finance		10.4	10.3	-0.1
Subsidies to Kent District Councils to maximise Council Tax collection		0.6	0.6	0.0
<b>Governance, Law &amp; Democracy</b>		<b>8.1</b>	<b>8.1</b>	<b>0.0</b>
Governance & Law		7.8	7.8	0.0
Local Member Grants		0.3	0.3	0.0
<b>Strategic Management &amp; Departmental Budgets (CED)</b>		<b>-1.3</b>	<b>-1.3</b>	<b>0.0</b>
Strategic Management & Departmental Budgets		-1.3	-1.3	0.0

Figures in £m

	Original Budget	Current Budget	Move-ment
<b>Strategy, Policy, Relationships &amp; Corporate Assurance</b>	<b>5.7</b>	<b>5.7</b>	<b>0.0</b>
Childrens and Adults Safeguarding Services	0.3	0.4	0.0
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.2	0.2	0.0
Strategy, Policy, Relationships & Corporate Assurance	5.2	5.2	0.0

## Deputy Chief Executive's Department

Figures in £m

	Budget	Forecast	Variance
<b>Deputy Chief Executive's Department</b>	<b>82.6</b>	<b>82.8</b>	<b>+0.1</b>
<b>Corporate Landlord</b>	<b>26.6</b>	<b>26.7</b>	<b>+0.1</b>
Corporate Landlord	26.6	26.7	+0.1
<b>Human Resources &amp; Organisational Development</b>	<b>5.6</b>	<b>5.8</b>	<b>+0.2</b>
Human Resources & Organisational Development	5.6	5.8	+0.2
<b>Infrastructure</b>	<b>9.5</b>	<b>9.7</b>	<b>+0.2</b>
Emergency Planning	0.0	0.0	0.0
Kent Resilience	0.8	0.8	0.0
Property related services	8.8	9.0	+0.2
<b>Marketing &amp; Resident Experience</b>	<b>7.0</b>	<b>7.2</b>	<b>+0.1</b>
Marketing & Digital Services	2.1	2.2	+0.1
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	5.0	5.0	0.0
<b>Strategic Management &amp; Departmental Budgets (DCED)</b>	<b>6.1</b>	<b>5.5</b>	<b>-0.7</b>
Business & Client Relationships	2.7	2.7	+0.1

Figures in £m		Budget	Forecast	Variance
Health & Safety		0.4	0.5	+0.1
Strategic Management & Departmental Support		1.5	0.5	-0.9
Strategic Reset Programme		1.6	1.7	+0.1
<b>Technology</b>		<b>27.7</b>	<b>27.9</b>	<b>+0.2</b>
Technology		27.7	27.9	+0.2

## Non Attributable Costs including Corporately Held Budgets

Figures in £m		Budget	Forecast	Variance
<b>Non Attributable Costs including Corporately Held Budgets</b>		<b>111.5</b>	<b>111.5</b>	<b>0.0</b>
Non Attributable Costs		109.9	109.9	0.0
Corporately Held Budgets		1.6	1.6	0.0