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

To: Cabinet, 19 November 2025

Subject: Revenue and Capital Budget Forecast Outturn Report – Quarter 2

Classification: Unrestricted

Summary:

The attached report sets out the revenue and capital budget forecast monitoring position as at the end of September 2025-26, including progress against savings targets within the revenue budget, capital cash limit changes made between that Q1 and Q2 and monitoring updates for reserves, treasury management and prudential indicators.

The forecast revenue overspend reported needs immediate attention and steps are being taken to mitigate the level of the overspend. The report details the activities that have are being implemented to improve the situation and Cabinet are asked to endorse and support this approach.

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) NOTE the implementation of actions to mitigate the revenue overspend, both within Adult Social Care & Health specifically and across the authority

c) AGREE the revenue and capital budget adjustments detailed in the report

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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 September 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) monitors key savings, working alongside the Directorates, Finance Business Partners and performance and analytics. Also included within the revenue section is the forecast 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 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 £46.5m, which represents 3.0% 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.

The increase in our overall position between Quarter 1 (£27.9m overspend) to Quarter 2 (£47.2m overspend) is a serious concern and heightens the risk to our future financial sustainability and financial resilience. Actions to address this overspend are detailed in the next section.

The most significant overspend is in Adult Social Care & Health (ASCH), totalling £50.9m (7.2% overspend). Of this variance, £20.9m relates to savings which are no longer anticipated to be achieved in this year, leaving £30.0m of other service related pressures. The overspend has increased significantly in the last quarter, and whilst this represents a continuation of the financial challenges facing the social care sector in general and by many other upper-tier local authorities, action does now need to be taken to curtail this increase. It is important to recognise that this forecast is based on the assumption that any further spending growth can be managed. If it cannot, the forecast overspend is likely to increase further.

The most significant pressures include £22.4m in Older People – Residential Care Services, from pressures relating to the numbers of people supported being higher than budgeted and savings targets not being fully achieved, and £16.3m in Older People – Community Based Services, in the main due to Older Persons Homecare activity and costs being higher than budgeted for.

There is an overspend in Children, Young People & Education of £2.2m (0.6% overspend). This is due to several different variances – a net overspend of £8.7m in Children's Countywide Services and Operational Integrated Children's Services mainly related to the higher costs of packages for looked after children, and an underspend of £6.3m in Education & Special Educational Needs mainly related to Home to School Transport.

There is also an overspend in Growth, Environment & Transport (GET) of £1.4m (0.7% overspend). This is primarily due to a significant rise in passenger journeys with the English National Concessionary Scheme (ENCTS).

There are also underspends in the Chief Executive's Department (CED), Deputy Chief Executive's Department (DCED), Non Attributable Costs (NAC) and Corporately Held Budgets (CHB) which help to offset the overall position by £7.9m in total.

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.

Urgent actions to mitigate the revenue overspend

The scale of the forecast overspend is unprecedented and represents a critical risk to the financial resilience of the authority. This situation demands immediate action. If not addressed in the current financial year, it will have a severe impact on our reserves and will impact our budget position for 2026/27.

Whilst the majority of the overspend relates to Adult Social Care & Health, everyone in the authority has a role to play in improving our overspend position. We must act now to reduce expenditure wherever possible.
To support this, the following actions are being implemented:

Focussed messaging to all staff
Ensuring a message of 'no non-essential spend' is delivered to all staff, together with supporting guidance. Any non-staffing expenditure deemed 'statutory' will need to be justified by specific reference back to the legislation requiring it.

Reminding budget managers of their responsibilities
A reminder message to all budget managers that they must at least stay within budget and make all efforts to underspend. Core funded spending for the remainder of the year needs to be reduced to the bare minimum necessary.

Holding budget managers to account
A panel will be set up to review any increase in forecasts from October to November to hold budget managers to account.

Reviewing spend against grant income
A review of all spend funded by grant to ensure we are maximising eligible spend (within grant conditions).

Recruitment review
In line with the need to focus only on essential spend, close monitoring of recruitment in line with this requirement.

Targeted actions in Adult Social Care & Health

Adult Social Care fully understands the challenging financial position of Kent County Council, whilst also delivering the most cost effective and lawful means of meeting assessed eligible needs. It also acknowledges that Council's available resources are not sufficient to sustain the current trajectory of spend in adult social care. The following high-level actions are being implemented:

A vacancy control panel to ensure recruitment is only authorised to deliver the core statutory duties of the Council. In addition, fixed term and interim arrangements are being reviewed to ensure roles that are not critical to the delivery of core duties are ended.

Action is being taken to reduce the financial consequences of new demand for Adult Social Care, by enhancing the most cost effective and lawful means of meeting assessed eligible needs through practice guidance. This will include updating guidance to ensure the workforce continues to meet Care Act (eligibility criteria) regulations, Also, social care is also working with NHS colleagues to ensure that we embed consistent approaches to supporting people to return home from hospital through the most cost effective and lawful method.

The Directorate is in the process of re-commissioning residential and nursing contracts, and home care contracts, which will reset the relationship with providers of care and support and costs associated with delivering this. The directorate is seeking to better understand the costs of providing care and support and moving to a more equitable means of setting fees across the sector, recognising the current approach is not financially sustainable. As part of the process, negotiations will be undertaken with individual providers, where they are a significant outlier on cost.

The directorate has also invested heavily in preventative measures, which includes how technology and equipment can complement physical support to deliver the most cost effective and lawful means of meeting assessed needs and outcomes. The focus of adult social care reviews is on ensuring that the current level of funded care and support remains proportionate to the level of assessed needs. This includes enhanced focused action in first reviews. As well as reducing the use of short-term beds at the point of discharge from hospital and the preferred use of framework providers.

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 September 2025, £98m is expected to be delivered in 2025-26, which represents 81% delivery against the target. £27.6m of savings are currently not expected to be delivered in 2025-26. Of this amount, £9.2m is planned to be delivered in future financial years, with the remaining £18.4m no longer deliverable. There is £2.9m of alternative savings identified to try and mitigate the current shortfall.

Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £37.2m. 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 £133.4m. The statutory override for managing deficits runs until the end of the 2027-28 year. At this point deficits would need to be funded from general reserves, so reducing this deficit is becoming a more time critical challenge for the authority.

The capital position

The total approved General Fund capital programme including roll forwards for 2025-26 is £365.6m.

The capital programme spend for the year to the end of September is £112.1m, which represents 30.7% of the approved budget.

There is a forecast £35.4m underspend against the budget, which is split between a +£26.2m real variance and -£61.6m rephasing variance. Of the real variance, £20m is due to additional funding that is not yet included in the budget. Of the £61.6m rephasing, £10m is funded by borrowing and the rest is 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 £46.5m 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	760.1	50.9	7.2%
Children, Young People & Education	391.2	393.3	2.2	0.6%
Growth, Environment & Transport	205.1	206.5	1.4	0.7%
Chief Executive's Department	26.8	26.5	-0.3	-1.1%
Deputy Chief Executive's Department	88.1	87.2	-0.9	-1.0%
Non Attributable Costs	109.9	105.3	-4.6	-4.2%
Corporately Held Budgets	1.6	-0.5	-2.1	-130.5%
Total revenue position	**1,531.9**	**1,578.4**	**46.5**	**3.0%**
Schools' Delegated Budgets	0.0	37.2	37.2	

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)	53.6	59.3	5.6
Adult Social Care (long-term support	619.2	662.9	43.7
Strategic Management & Directorate Budgets	9.2	8.7	-0.6
Strategic Commissioning (Integrated & Adults)	27.1	29.2	2.1
Public Health	0.0	0.0	0.0
Total	**709.2**	**760.1**	**50.9**

The Adult Social Care & Health directorate has a projected net overspend of +£50.9m of which of which +£20.9m relates to net savings which are no longer anticipated to be achieved this year, leaving £30.0m of other service related pressures. The forecast assumes that £35.1m of savings and income changes have been delivered, and that a further £6.1m in savings will be delivered. The forecast includes £7.2m 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: +22.4m**
  +£5.8m pressure on this service line relates to in-year savings targets not being fully achieved, and +£16.5m from pressures relating to the numbers of people supported being higher than budgeted for which is partly offset by growth in cost pressures being lower than anticipated.
  Above service related pressure includes impact of provider closure resulting in higher costs when sourcing alternative placements of +£1.0m. There is a further pressure on this service line of +£0.2m due to anticipated contributions to the provision for bad and doubtful debts being higher than budgeted for.

- **Older People – Community Based Services: +16.3m**
  A net +£2.3m pressure on this service line relates to in-year savings targets not being fully achieved, with +£14.0m pressure across Community Based services in the main due to Older Persons Homecare activity and cost being higher than budgeted for.
  There is a further pressure on this service line of +£0.1m due to anticipated contributions to the provision for bad and doubtful debts being higher than budgeted for.

- **Adult Learning Disability – Community Based Services & Support for Carers: +7.7m**
  +£7.1m pressure on this service relates to in-year savings targets not being fully achieved, with +£0.5m relating to service activity.

- **Adult Learning & Physical Disability Pathway – Community Based Services: -5.4m**
  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 Case Management & Assessment Services (long-term support): -2.9m**
  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 Case Management & Assessment Services (short-term support): +2.7m**
  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 Physical Disability - Residential Care Services: +1.8m**
  Pressures due to combination of both activity and cost pressures above budgeted levels.

- **Adult Mental Health - Residential Care Services: +1.6m**
  Pressures due to activity pressures above budgeted levels.

- **Adult Physical Disability - Community Based Services: +1.6m**
  +£1.5m pressure on this service relates to service activity, with +£0.2m pressure relating to in-year savings targets not being fully achieved.

- **Adult In House Enablement Services: +1.3m**
  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: +1.0m**
  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	121.6	115.3	-6.3
Strategic Management & Directorate Budgets	5.0	4.7	-0.3
Children's Countywide Services	106.3	112.2	5.9
Operational Integrated Children's Services	158.3	161.1	2.8
Total	**391.2**	**393.3**	**2.2**

The Children, Young People & Education directorate has a projected net overspend of +£2.2m this is formed from several significant variances. Children's Countywide Services and Operational Integrated Children's Services is forecasting a net overspend of +£8.7m, mainly related the higher costs of packages for looked after children resulting from the high cost and volume of placements, specifically residential. Education & Special Educational Needs are forecasting a net underspend of -£6.3m 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: -7.5m**
  The forecast underspend reflects the expectation that savings achieved against last year's budget are ongoing and the contingency budget for higher price increases has not been required (£5m). A recent re-procurement of some SEN contracts has also resulted in higher savings that originally budgeted in the MTFP (estimated at £2.5m). This forecast is based on current demand.

- **Looked After Children - Care & Support (Placements): +6.9m**
  This overspend reflects the possible acceleration of the reduction in the number of in-house foster carer placements and increased reliance on the external market, including an increasing use of independent fostering agencies and where this is not possible, the use of residential care. Health Contributions towards placements is also forecast to reduce by £1.5m compared to the previous year. The average cost of residential care has increased by over 10% between March and September 2025. The forecast includes provisions of £2.1m for any potential increases in LAC or costs throughout the remainder of the year. There is also a forecast overspend on Legal services of £0.5m as a result of several months of higher than average costs.

- **Looked After Children (with Disability) - Care and Support (Placements): +6.5m**
  This is due to the high cost of packages within the service, particularly within residential care. £2.6m of this forecast relates to one child with specific needs. The forecast contributions from health & education has reduced £1.0m compared to 24-25. The number of disabled LAC increased during 2024-25 and is remaining steady at the moment. This forecast includes £2.6m of provisional costs for any potential increases in LAC (or more likely costs) throughout the remainder of the year - this is in line with the trend in increasing costs between the same period last year.

- **Early Help and Preventative Services: -2.7m**
  Use of Children & Families Prevention Grant to fund early help services in line with grant conditions leading to a £2m underspend. Further £0.7m underspend due to vacancies.

- **Community Learning and Skills (CLS): +1.1m**
  Late notification of Skills funding cuts for 2025-26 academic year of over £0.5m have left little time to enact necessary structural changes to compensate. At the same time, the service have also seen a growth in 16-19 learners with corresponding increase in expenditure

whilst the lagged funding system means specific grant funding is insufficient (c£0.4m shortfall). In addition, redundancy costs from the previous restructure has been higher than anticipated (+£0.2m) and the apprenticeship provision continues to make a loss (+£0.1m).

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	92.6	0.1
Growth & Communities	32.3	31.3	-1.0
Highways & Transportation	78.9	81.2	2.3
Strategic Management & Directorate Budgets	1.4	1.4	0.0
Total	**205.1**	**206.5**	**1.4**

The Growth, Environment & Transport directorate has a projected net overspend of +£1.4m, of which key pressure areas are detailed below. The +£1.4m pressure is primarily as a result of a significant rise in passenger journeys within the English National Concessionary Scheme (ENCTS) of £1.1m, unbudgeted road collapses / sinkholes within Highways of £0.6m and a rise in the number of free care/discounted passes for the Kent Travel Saver of £0.4m. This is offset by one-off release of reserves within Libraries, Registration & Archives of £0.7m.

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:

- **English National Concessionary Travel Scheme (ENCTS): +1.1m**
  Activity is significantly exceeding budgeted levels. Passenger journeys have increased by over 5% following confidence in the use of public transport following the pandemic. This pressure is proposed to be realigned for in the 2026/27 budget.

- **Libraries, Registration & Archives: -0.8m**
  Underspend from a combination of agreed drawdown from the RFID reserve plus a one-off contribution holiday for 2025/26 (-0.7m in total) and an overachievement of income.

- **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 (+£1.2m).
  Additionally, increasing pressure already in relation to unfunded road collapses/sinkholes (+£0.6m), staffing pressures across various teams (+£0.4m), costs associated with the closure of the Road of Remembrance in Folkestone (+0.1m) and increased spend on specialist external staff due to unsuccessful recruitment to vacant posts (+£0.1m). These overspends are partially offset by additional income (-£1.5m).

- **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.

- **Waste Facilities & Recycling Centres: +0.4m**
  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), and backdated rent and rates costs due to renegotiation of re-use income scheme (+£0.1m), increased Tipping Away charges (+£0.1m) to districts and increased costs with disposal of Gas Bottle Cylinders and Plasterboard (+£0.1m).

The majority of these pressures are proposed to be realigned for in the MTFP for 2026/27.

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 (-£0.7m), a one-off saving on HWRC/WTS mobilisation due to extension of current contract (-£0.5m) and favourable price inflation savings across various contracts (-£0.1m).

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.

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	3.4	0.1
Finance	10.9	10.5	-0.4
Governance, Law & Democracy	8.1	8.0	-0.1
Strategic Management & Departmental Budgets	-1.3	-1.3	0.0
Strategy, Policy, Relationships & Corporate Assurance	5.8	5.9	0.1
Total	**26.8**	**26.5**	**-0.3**

The Chief Executive's Department directorate has a projected net underspend of -£0.3m of which -£0.3m relates underspends within Finance due to vacancy management. There are also savings on member travel, appeals costs and member allowances within Governance & Law and staffing savings within Strategic Policy Relationship and Corporate Assurance. These underspends are offset by overspends on the Kent Safeguarding boards of +£0.2m. Increasing costs for both safeguarding boards hosted by KCC are not currently covered by existing partner contribution rates and will required future revision to resolve the current pressure. Within Commercial & Procurement there has been a delay in the achievement of the MTFP saving for the Kent Support & Assistant Service (KSAS) and not achieving the expected level of income from the new Supplier Incentive Programme (SIP) resulting in additional pressures.

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 are required.

- **Commercial & Procurement: +0.1m**
  The variance is mostly due to expenditure on the Kent Support & Assistant Service (KSAS) and not achieving the expected level of income from the new Supplier Incentive Programme (SIP). There is a delay in the delivery of the expected MTFP saving on KSAS, resulting in the variance seen. The Supplier Incentive Programme is still embedding itself and it is hoped that the income target will be achieved in future years, once the programme is established.

- **Finance: -0.3m**
  Underspend mainly as a result of vacancy management across a number of the Finance teams.

- **Strategy, Policy, Relationships and Corporate Assurance: -0.1m**
  This variance is as a result of in year staff savings.

- **Governance and Law: -0.1m**
  Additional expenditure on legal staffing, subscriptions, software, legal and specialist fees are offset by savings in travel and reduced costs of appeals, which are due to the use of virtual hearings and existing internal resources. There is also an underspend in member allowances due to the extended time required to allocate new roles post election.

  In addition to the savings achieved from the County Council decision to reduce all Member Allowances and Special Responsibility Allowances by 5%, a further transfer of £113.4k from underspends within the Directorate is proposed to deliver the planned Combined Member Grant fund increase.

  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	5.7	-0.1
Infrastructure	15.1	15.0	0.0
Marketing & Resident Experience	7.2	7.2	0.0
Strategic Management & Departmental Budgets	5.5	4.6	-0.9
Technology	27.9	27.9	0.0
Total	**88.1**	**87.2**	**-0.9**

The Deputy Chief Executive's Department directorate has a projected net underspend of -£0.9m of which -£0.7m relates to a staffing underspend on the Strategic Reset Programme. There are also underspends of -£0.2m due 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. Human Resources & Organisational Development is also underspending due to increasing uptake of salary sacrifice schemes. These underspends are offset by a small minimal overspend in Marketing & Digital services where additional resourcing has been required to meet our statutory requirements.

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.

- **Marketing and Digital Services: +0.2m**
  Additional costs to deliver our creative services are partially offset by an additional recharge expected from Public Health.

- **Resident Experience - Contact Centre; Gateways; Customer care and Complaints: -0.1m**
  Majority of the underspend is due to a reduction in costs as a result of a Gateway closing. Additional expenditure on the Customer Service Delivery team is offset by a reduction in the Customer Feedback and associated teams.

- **Human Resources & Organisational Development: +0.1m**
  Increased staffing expenditure and one-off staff related costs as a result of the service restructure, is offset by an increased up take up of salary sacrifice schemes leading to NI rebates. There is also additional income expected with the Learning & Development team.

- **Strategic Reset Programme: -0.7m**
  Underspend due to staffing as result of vacancy management.

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	105.3	-4.6
Corporately Held Budgets	1.6	-0.5	-2.1
Total	**111.5**	**104.8**	**-6.7**

Non Attributable Costs including Corporately Held Budgets' forecast is a net underspend of £6.7m.

The key variances are summarised below:

- **Non Attributable Costs: -4.6m**
  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 have been impacted by the upfront receipt of £52m Highways Maintenance Grant from Government rather than the previous quarterly profile but recently reduced by the early redemption of £50m debt in September. The reduction in investment income as a result of lower cash balances following the early debt repayment is more than offset by the discount and interest saved from repaying the loan early. The reported underspend 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 £57.2m on individual maintained school balances, and a deficit on the central schools' reserve of £133.4m. The total Dedicated Schools' Grant for 2025-26 is £1,976.7m and is forecast to overspend by £64.7m.

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	1,368.4	+0.8
High Needs Block	369.0	434.9	+65.9
Early Years Block	227.2	225.3	-2.0
Central Services to Schools'¬ Block	12.9	12.9	0.0
Total DSG 2025-26	**1,976.7**	**2,041.4**	**+64.7**

*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	-1.3	
Change in School Reserve Balances		
Overspend on DSG 2025-26		-64.7
Safety Valve: Local Authority Contribution		14.6
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31st March 2026*	57.2	-133.4

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

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the Department for Education (DfE) and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) surpluses continue to form part of the main council reserves, whilst any in-year deficit balances are held in a separate unusable reserve from the main council reserves (see section 4). DLUHC have confirmed this statutory override will be in place until March 2026 whilst Council's implement recovery plans.

In 2022-23, the Council entered the DfE's Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery; this includes annual funding from the DfE, totalling £140m by 2027-28 (plus £2m of project costs), to pay off part of the deficit but only if the Council can demonstrate and deliver a credible plan. Over the same period the Council is also expected to contribute towards the residual deficit 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 £293m to £133m 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 4 schools converting to academy status during 2025-26. 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 growth funding	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 overspent by a combined total of +£0.8m. 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	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. Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to under or overspends if activity is slightly lower or higher than expected. This has resulted in a forecast underspend of £1.3m (mainly linked to 3- and 4-year old payments) and lower take-up of the Disability Access Fund of -£0.7m.
High Needs Block: Higher demand and higher cost for high needs placements. Safety Valve Payment & Local Authority Contribution.	The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision. The in-year funding shortfall for High Needs placements and support in 2025-26 is £65.9m 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. The total forecast has increased by nearly £7m, mainly due to an increase in the number of independent placements. Whilst there are some indicators the level of growth in spending is starting to slow slightly (in comparison to recent years, see table 3 & 4), resulting from actions to support future financial sustainability, this has not been sufficient to meet the original expectations of the safety valve agreement . The number of placements in independent schools remains high and is forecast to grow further, 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	108
Mainstream Individual Support & SRP* **	46	54	61	65	75	78
Post 16 institutions***	15	17	19	22	25	29
Other SEN Support Services	46	43	46	49	46	43
Total Spend	**268**	**302**	**334**	**371**	**402**	**434**
Rate of increase in spend	-	13%	10%	11%	8%	8%

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	1,935
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	2,045
Total Number of Pupils	12,035	13,650	14,845	16,163	17,209	18,367

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	£55,727
Mainstream Individual Support & SRP* **	£10,297	£10,241	£10,591	£10,079	£10,658	£10,489
Post 16 institutions***	£12,624	£12,314	£12,721	£13,617	£14,198	£13,991

*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)	(41.1)	(0.2)	(1.1)	(42.4)	20.8	17.5	(8.5)
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)	(17.3)	0.1	0.0	(17.2)	(0.0)	(0.1)	0.0
Chief Executive's Department	(4.4)	(4.3)	0.0	0.0	(4.3)	0.1	0.0	(0.1)
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	1.0	0.0
Total	(121.5)	(97.7)	(1.1)	(1.5)	(100.4)	21.1	18.4	(9.2)

Section 3 | 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
General Reserves				
General Fund	-78.5	37.5	-41.0	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 £46.5m to fund the in-year overspend in 2025-26.
Earmarked Reserves				
Vehicles, Plant & Equipment (VPE)	-23.1	2.4	-20.7	
Smoothing	-111.8	3.0	-108.9	Movement includes a drawdown of £1.4m relating to election costs, budgeted drawdowns and contributions relating to the Local Tax Equalisation Reserve, £1.3m drawdown for our transformation partners and agency staff working on budget recovery and £2m relating to ICT projects.
Major Projects	-34.5	6.8	-27.7	The movement relates to major ICT projects including Oracle Cloud implementation (partly funded by the flexible use of capital receipts)
Partnerships	-44.5	0.0	-44.5	
Grant & External Funds	-7.7	-10.3	-18.0	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.

Figures in £m

Reserve	Opening Balance (01/04/25)	Forecast Movement in-year	Forecast Closing Balance (31/03/26)	Details
Departmental Over / Underspends	-0.6	+0.6	0.0	
Insurance	-12.2	+2.9	-9.3	The drawdown forecast reflects the latest position on the Insurance fund in 2025-26.
Public Health	-16.7	+2.0	-14.7	Use of unspent Public Health Grant in 2025-26.
Special Funds	-0.8	-0.2	-1.0	
Total Earmarked Reserves	**-252.0**	**+7.2**	**-244.8**	
Total General Fund & Earmarked Reserves	**-330.5**	**+44.7**	**-258.8**	
Schools Reserves	-58.5	-1.3	-57.2	
DSG Adjustment Account	133.7	+35.9	169.6	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). This reserve should be considered in combination with the £36.2m which is held in Partnerships (Earmarked Reserves). The true DSG deficit is therefore £133.4m.

Section 4 | Capital by directorate

Figures in £m

Directorate	Working Budget	Total Variance	Real Variance	Rephasing Variance
Adult Social Care & Health	0.9	0.0	0.0	0.0
Children, Young People & Education	112.8	-16.8	1.0	-17.8
Growth, Environment & Transport	222.1	-25.5	16.3	-41.8
Chief Executive’s Department	0.0	0.0	0.0	0.0
Deputy Chief Executive’s Department	29.8	6.9	8.9	-2.0
Total	**365.6**	**-35.4**	**26.2**	**-61.6**

The total approved General Fund capital programme including roll forwards for 2025-26 is £365.6m. The capital programme spend for the year to the end of September is £112.1m, which represents 30.7% of the approved budget. There is a forecast £35.4m underspend against the budget, which is split between a +£26.2m real variance and -£61.6m rephasing variance. Of the real variance, £20m is due to additional funding that is not yet included in the budget. Of the rephasing, £10m is funded by borrowing and the rest is grant or external funding.

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

4a | Adult Social Care & Health

There are no major variances to report.

4b | Children, Young People & Education

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation Programme	1.8	-1.6	The real variance is due to: -£0.4m Blean Primary - tender prices are lower than anticipated, the school are self-delivering the second mobile which has also reduced the costs. -£0.2m of forecast related to the modular replacement Music room now shown as a separate project. +£0.4m Greenfields Primary - new project added to replace mobile roof and install new canopies. +£0.3m Bromstone Primary - mobile upgrade has been brought forward due to the very poor condition of the mobiles on site. +£0.3m St Paul's Primary, Swanley - new project - sewage treatment plant. +£0.2m Garlinge Primary School and Nursery - new project added for mobile refurbishments. +£0.2m Blean Primary - modular replacement Music room. +£0.2m Dunton Green Primary - upgrade conservatory roof - new project. +£0.2m Dover Grammar School for Girls - lift replacement. +£0.1m Oakley School - kitchen refurbishment - new project. 16 further projects have a real variance totalling +£0.5m, none individually over/under £0.1m. The rephasing variance is due to 9 projects, none of which are individually over £1m.
Basic Need Programme KCP 2019		-1.2	The rephasing relates to: -£0.8m Highsted Grammar School. This is a school managed project, and the timing of which is dependent on school delivery. -£0.5m Chilmington Green Secondary.
Basic Need Programme 2022-26	-1.5		The real variance is due to Cornwallis Academy – the expansion project is no longer proceeding. Places will be provided as part of the wider Maidstone Non Selective expansion in future years.
Basic Need Programme 2024-28	0.2	-5.9	The real variance is due to: +£0.75m Sir Geoffrey Leigh Academy. This is a new project for alterations to the existing building and to expand the dining facilities to support the school’s growth from 8 to 10 form entry (FE). +£0.275m Leigh Academy Minster. This is a school managed project to accommodate a bulge year.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
			-£0.6m The Sittingbourne School – this project has been moved to Markers – Future Projects budget line. -£0.3m Ebbsfleet Green Primary – tenders received were lower than anticipated. The rephasing is due to: -£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. -£0.6m Ebbsfleet Green Primary, rephasing due to change in project scope and design. -£0.5m Dartford Grammar -£0.4m Oakwood Park
Basic Need: Markers – Future Projects	3.1		The real variance relates to: +£1.5m Maidstone Non Selective Secondary – additional places needed from 2027. +£0.8m Water Meadows – Payment to be made to the DfE towards the School Rebuild Programme Works. +£0.5m Swale permanent expansion required for 2027. +£0.3m bulge provision required in Swale for 2026. +£0.7m prior year costs recoded for projects which have transferred from the Basic Need Programme 2023-27. The real variance is expected to be funded from basic need grant allocations and developer contributions.
High Needs Provision	-0.5	-3.0	The real variance is due to: -£1.7m The Beacon, Folkestone. Overall cost reduction - The success of the project can be attributed to value engineering throughout the programme and the excellent collaboration between the Quantity Surveyor, Contractor, and Project Manager. Pre-contract surveys were conducted at the project's outset to identify and address any anomalies that might have arisen during construction, which could have resulted in costly variations for KCC. A contingency was held within the project budget, but this proved unnecessary due to the high level of project management demonstrated by all parties involved. -£1.0m Nore Academy - DfE funded project, budget held for Highway costs, no longer required. -£0.5m previously unallocated budget now allocated to projects. +£0.75m Five Acre Wood - additional space required, adaptation of a KCC building being looked into.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
			+£0.5m Broomhill Bank - new school managed project added, modular expansion to provide additional places. +£0.5m Parkwood Hall Co-operative Academy - new school managed project added to provide additional places. +£0.3m St Mary's CEPS, Swanley SRP - installation of a modular classroom plus provision of an outdoor area. +£0.2m The Downs CEPS, Deal - new project to add a Specialist Resource Provision. 7 further projects have a real variance totalling £0.35m, none individually over/under £0.1m. The rephasing variance is due to: -1.4m Nexus School Phase 2 due to delays in stakeholder decisions. -£1.4m New Special Free School, Swanley – funding is dependent on DfE project delivery timescales.
Childcare Expansion (Early Years)	-0.8	-1.3	The real variance is due to grant transferred to fund revenue expenditure in line with grant conditions. The rephasing is due to the timing of allocation of grant funding to providers. This process is managed by The Education People. Expressions of interest from providers continue to be reviewed in line with place numbers and funding allocated for self-managed projects.
Previously reported variances:			
Basic Need Programme 2023-27	*-1.3*	*-5.0*	*Previously reported real variance was -£0.589m. The real variance is due to prior year costs recoded for projects which have now transferred to “Markers – Future Projects.” 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.*

4c | Growth, Environment & Transport

Project (Figures in £m)	Real Variance	Rephasing Variance	Detail
Highways & Transportation			
A2 Off Slip Wincheap, Canterbury		-1.5	Ongoing discussions between the developer and the National Highways regarding the design of the A2 Off Slip are ongoing. Several issues are still to be resolved that has delayed the commencement of the works until 26/27.
A228 and B2160 Junction Improvements with B2017 Badsell Road		-4.1	A number of factors have caused delays, these include the approvals process via Environment Agency, this has pushed the programme out. The HTMC contract ends within scheme window so a single procurement option is the chosen method, this will start in November with site start date estimated as June 2026. There have also been design package issues which are being worked through and as we enter the worse weather it wouldn't be viable to undertake the scheme as its a flood risk zone.
Fastrack Full Network – Bean Road Tunnels		-9.9	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. The Invitation to Submit Final Tender (ISFT) has been returned and subject to clarity on certain matters the contract is expected to be awarded In the near future. The works are expected to 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.
Faversham Swing Bridge		-1.8	The rephasing is due to ongoing complex legal discussions with Peel Ports.
Housing Infrastructure Fund, Swale	3.7		The overspend has been reported to Sponsoring Group and will be funded by the Recovery Fund (S106 developer contributions).
Sturry Link Road	1.0		This is currently presented as an unfunded overspend but in reality the updated cost plan estimate has been provided and presented to Homes England who have endorsed the scheme under the Brown Infrastructure Land (BIL) Fund which through further approvals will provide additional external funding to enable the scheme to come forward.
Folkestone – A Brighter Future		-5.1	Rephasing into 26/27 & 27/28 due to delayed award of contract and shift in length of construction programme necessitates more works being delivered in 26/27 financial year. Current Programme completion date for Civils is August 26. Risk/inflation has also be profiled in 26/27 financial year for end of construction works.

Figures in £m

Project		Real Variance	Rephasing Variance	Detail
EDC Landscaping			-1.1	Construction of sites 8,9 and 10 have been pushed back to next financial year hence the rephasing.
Previously reported variances:				
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works		*6.0*	*-0.5*	*The real variance (previously reported £7.238m) includes overspends in the following areas:* *£5.816m on inspectors, and* *£0.202m on structures.* *Options to manage these overspends are being considered.* *The rephasing is on Trees which is externally funded.*
Integrated Transport Schemes under £1m		*1.5*		*The real variance (previously reported £1.432m) is due to:* *£0.02m Transport Innovations, however funding is expected to be received in the next couple of months,* *£1.45m a number of small schemes which will be covered from additional external funding.*
North Thanet Link		*2.5*		*(Previously reported £3.108m). 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 is expected to be received imminently.*
Dover Bus Rapid Transit		*1.8*		*(Previously reported £1.763m). 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)		*-0.1*		*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			*-1.4*	*(Previously reported -£1.198m). 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.*

Figures in £m

Project		Real Variance	Rephasing Variance	Detail
Government Transition Works			*-1.0*	*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		*-0.2*		*(Previously reported -£0.255m). 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.*
Kent Active Travel Fund (KATF) Phase 3		*0.2*		*(Previously reported £0.255m). 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.*
Thames Way (STIPS)			*-3.4*	*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.*
Environment & Circular Economy				
Folkestone & Hythe Waste Transfer Station			-4.8	The project has been pushed back due to waiting for planning permission which took 13 months. The 25-26 spend will be approximately £0.47m to take the project to RIBA stage 3 and 4. The rest has been rephased.
Local Nutrient Mitigation			-1.8	(Previously reported -£5.8m). At the beginning of the year the only known investment was funding to support the establishment of Stour Environmental Credits Ltd (SEC Ltd) to a value of £0.45m. SEC Ltd and another mitigation provider have both indicated they will submit applications for further funding up to £4m within this financial year, which will result in £1.8m being rephased.
Growth & Communities				
Innovation Investment Initiative i3			-1.2	Innovation Investment Initiative (i3), will relaunch in 2026-27, with a bespoke offer, with terms and eligibility that is distinct from Kent & Medway Business Fund (KMBF), hence the rephasing.

4d | Chief Executive’s Department

There are no major variances to report.

4e | Deputy Chief Executive's Department

Figures in £m Project	Real Variance	Rephasing Variance	Detail
Strategic Estate Programme		-1.3	The spend has been re-profiled due to awaiting key decision on the way forward.
Previously reported variances:			
Unaccompanied Asylum-Seeking Children (UASC) Additional Accommodation Requirements	*9.0*		*(Previously reported £8.364m) 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.*

*The budgetary control for the following projects has been transferred to DCED directorate, however continue to be reported within CYPE for the remainder of this financial year: Schools Annual Planned Enhancement, Schools Modernisation Programme, School Roofs, Basic Need, High Needs, Special School Review.

4f | Capital Budget Changes

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

Project	Year	Amount (£m)	Reason
Children, Young People & Education			
Basic Need Programme KCP 2019	25-26	+0.473	Increase in School Rebuild Programme Grant
Basic Need Programme 2021-2025	26-27 27-28	-0.616 -0.028	To reduce developer contributions in the budget as the schemes have been pushed back
Basic Need Programme 2022-2026	25-26 26-27	-1.244 -3.860	To reduce developer contributions in the budget as the schemes have been pushed back
Basic Need Programme 2024-2028	25-26	-0.305	To reduce developer contributions in the budget as the schemes have been pushed back
Growth, Environment & Transport			
Consolidated Active Travel Fund	26-27 27-28	1.000 3.454	Additional grant received from Active Travel England
North Thanet Link	25-26 26-27	2.456 0.814	Additional grant received
National Bus Strategy (BSIP)	25-26	11.926	Additional grant received
Fastrack Bean Tunnels	26-27	2.054	Additional external funding
Trees Outside Woodlands	25-26	-0.003	Returning unspent grant to DEFRA

Section 5 | 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.

5.1	Total external debt outstanding in September was £664.5m down by £68.1m since 31st March 2025	KCC debt includes £410.7m 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 14.7 years at an average interest rate of 4.3%. Outstanding loans from banks amount to £156.1m. This is also at fixed term rates with average length to maturity of 36.6 years at an average interest rate of 4.5%. 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 38.4 years at an average interest rate of 4.1%. The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.7m with an average of 15 years to maturity at an average rate of 2.9%. 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.
5.2	Majority is long term debt with only 4.1% due to mature within 5 years	Maturity 0 to 5 years £27.0m (4.1%)[1] Maturity 5 to 10 years £106.8m (16.1%) Maturity 10 to 20 years £189.7m (28.6%) Maturity over 20 years £340.90m (51.3%)
5.3	Total cash balance at end of June was £483.2m, up by £8.2m from the end of March 2025	Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.

[1] 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

5.4	Cash balances are invested in a range of short-term, medium term and long-term deposits	Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal or exceeding prevailing inflation rates. Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in September were £136.9m (28.3% 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%. 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 September, the Council had £36.1m in UK treasury bills and other deposits with the UK government. These deposits represent 7.5% of cash investments with an average rate of return of 4.1%. 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 September, the Council had £103.3m invested in covered bonds earning an average rate of return of 4.4%. The Council has outstanding loans of £21.5m through the No Use Empty Loans programme which achieves an average return of 3.7% that is available to fund general services. This total includes £5.3m of loans made (£5.8m received) since March 2025. 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 £184.1m invested in pooled funds (38.1% of cash balances) as at 30 September 2025.
5.5	Treasury Management Advice	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.
5.6	Quarterly and statutory reports	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.

Treasury Management Indicators

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

5.8 **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 30/09/2025**	**Minimum**
Portfolio average credit rating	AA+	AA-

5.9 **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 30/09/2025**	**Minimum**
Total cash available within 3 months	£193.1m	£100m

5.10 **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 30/09/2025**	**Upper Limit**
One-year revenue impact of a 1% rise in interest rates	£2.8m	£10m
One-year revenue impact of a 1% fall in interest rates	-£2.8m	-£10m

5.11 **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:

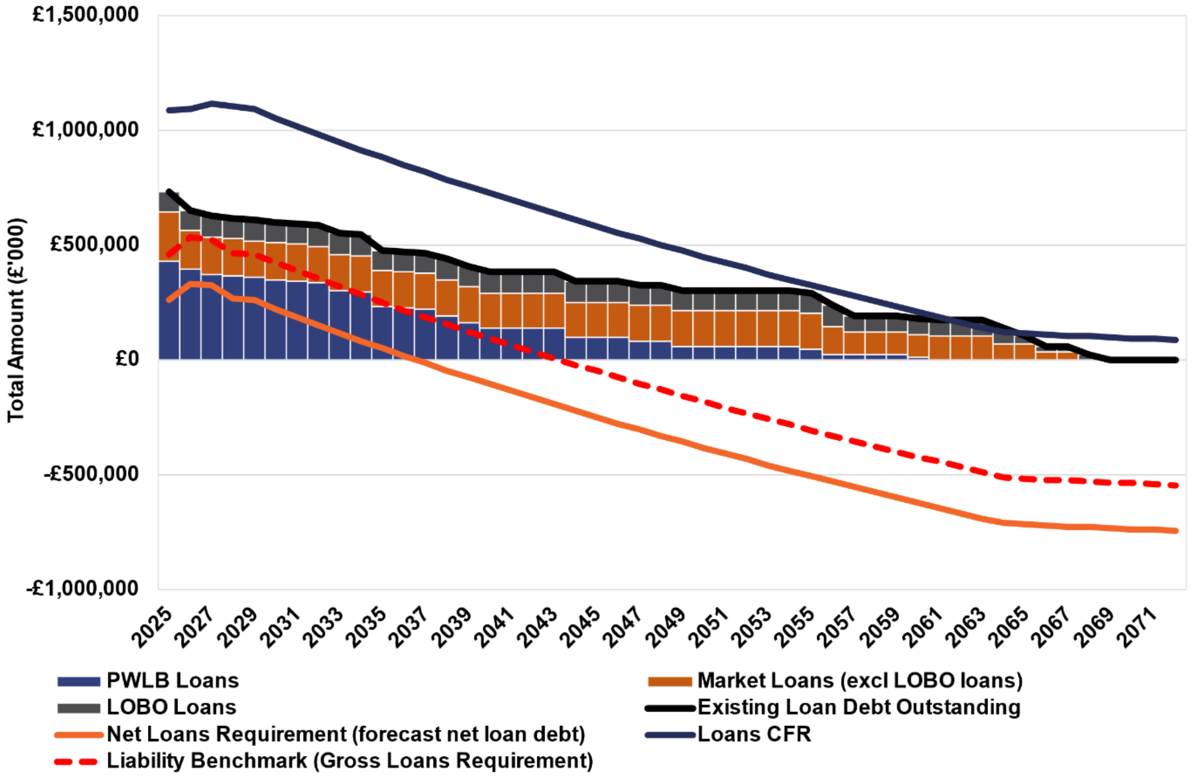
	Actual 30/09/2025	Upper limit	Lower limit
Under 12 months	1.5%	100%	0%
12 months and within 5 years	2.6%	50%	0%
5 years and within 10 years	16.1%	50%	0%
10 years and within 20 years	28.6%	50%	0%
20 years and within 40 years	36.2%	50%	0%
40 years and longer	15.1%	50%	0%

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.

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

Price risk indicator	2025/26	2026/27	2027/28	No Fixed Date
Limit on principal invested beyond year end	£150m	£100m	£50m	£250m
Actual as at 30 September 2025	£74.0m	£17.3m	£10.3m	£206.9m

5.13 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 £184.1m 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
Adult Social Care & Health	**709.2**	**760.1**	**50.9**
Adult Social Care & Health (long-term support)	**619.2**	**662.9**	**43.7**
Adult Case Management and Assessment Services (long-term support)	36.1	33.2	-2.9
Adult In House Carer Services	2.7	2.9	0.2
Adult In House Community Services	6.2	6.0	-0.2
Adult Learning and Physical Dis pathway - Resid Care Serv and Support for Carers	7.4	7.6	0.2
Adult Learning and Physical Disability Pathway - Community Based Services	47.5	42.2	-5.4
Adult Learning Disability - Community Based Services and Support for Carers	134.3	142.0	7.7
Adult Learning Disability - Residential Care Services and Support for Carers	82.0	82.0	0.1
Adult Mental Health - Community Based Services	36.1	35.3	-0.9
Adult Mental Health - Residential Care Services	24.0	25.7	1.6
Adult Physical Disability - Community Based Services	37.9	39.5	1.6
Adult Physical Disability - Residential Care Services	29.3	31.1	1.8
Adult Social Care - Divisional Management and Support	0.2	0.3	0.1
Older People - Community Based Services	30.3	46.6	16.3
Older People - Residential Care Services	142.3	164.7	22.4
Older People and Physical Disability Carer Support - Commissioned	2.3	3.3	1.0
Strategic Safeguarding	36.1	33.2	-2.9

Figures in £m	Budget	Forecast	Variance
Adult Social Care (short-term support)	**53.6**	**59.3**	**5.6**
Adaptive and Assistive Technology	1.3	2.3	0.9
Adult Case Management and Assessment Services (short-term support)	13.9	16.6	2.7
Adult In House Enablement Services	7.7	9.0	1.3
Adult Social Care - Divisional Business Support	8.1	8.2	0.1
Adult Social Care - Divisional Management and Support	0.2	-0.2	-0.4
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	18.1	0.4
Sensory Services	1.7	2.0	0.3
Statutory and Policy Support	1.9	2.2	0.3
Public Health	**0.0**	**0.0**	**0.0**
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
Strategic Commissioning (Integrated and Adults)	**27.1**	**29.2**	**+2.1**
Community Based Preventative Services	9.1	10.3	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	2.7	0.3

Figures in £m	Budget	Forecast	Variance
Strategic Commissioning (Integrated and Adults)	3.2	3.1	-0.1
Transformation Delivery and support	8.0	8.3	0.2
Strategic Management & Directorate Budgets (ASCH)	**9.2**	**8.7**	**-0.6**
Innovation and Partnership	4.1	3.7	-0.3
Operational and transformation costs pending allocation	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	5.2	5.3	-0.2

Children, Young People & Education

Figures in £m	Budget	Forecast	Variance
Children, Young People & Education	**391.2**	**430.5**	**2.2**
Children's Countywide Services	**106.3**	**112.2**	**+5.9**
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	-0.5
Children in Need (Disability) - Care & Support (payments & commissioned services)	11.8	11.1	-0.7
Children's Countywide Services Management & Directorate Support	0.1	0.2	0.1
Children's social care - in house provision	4.1	4.7	0.6
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	6.7	0.0
Looked After Children - Care & Support (Staffing)	8.7	8.8	0.1
Looked After Children (with Disability) - Care & Support (Placements)	27.1	33.6	6.5

Figures in £m	Budget	Forecast	Variance
Education & Special Educational Needs	**121.6**	**115.3**	**-6.3**
Community Learning & Skills (CLS)	0.2	1.2	1.1
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	2.4	-0.1
Fair Access & Planning Services	0.6	0.6	0.0
Home to School & College Transport	97.7	90.2	-7.5
Other School Services	1.2	1.3	0.1
Pupil Referral Units & Inclusion	0.0	0.0	0.0
Special Educational Needs & Psychology Services	17.9	18.1	0.2
Operational Integrated Children's Services	**158.3**	**161.1**	**2.8**
Asylum - Kent Permanent Looked After Children (under 18)	0.0	0.0	0.0
Children in Need - Care & Support (payments & commissioned services)	2.2	1.5	-0.8
Children's Social Work Services - Assessment & Safeguarding Service (Operational Teams)	42.0	41.5	-0.5
Early Help & Preventative Services	8.8	6.2	-2.7
Family Hubs	4.7	4.6	-0.1
Looked After Children - Care & Support (Placements)	99.9	106.8	6.9
Operational Integrated Children's Services Management & Directorate Support	0.6	0.6	0.0
Strategic Management & Directorate Budgets (CYPE)	**5.0**	**4.7**	**-0.3**
Strategic Management & Directorate Budgets (CYPE)	5.0	4.7	-0.3

Growth, Environment & Transport

Figures in £m	Budget	Forecast	Variance
Growth, Environment & Transport	**205.1**	**206.5**	**1.4**
Environment & Circular Economy	**92.4**	**92.6**	**0.1**
Environment	3.3	3.3	0.0
Environment and Circular Economy Divisional management costs	2.3	2.4	0.0
Residual Waste	48.5	48.2	-0.2
Waste Facilities & Recycling Centres	38.3	38.7	0.4
Growth & Communities	**32.3**	**31.3**	**-1.0**
Community (Assets & Services)	2.4	2.3	-0.1
Community Protection	12.5	12.3	-0.2
Growth - Economy	1.6	1.5	-0.1
Growth - Place	3.8	4.1	0.2
Growth and Communities Divisional management costs	0.5	0.5	0.0
Libraries, Registration & Archives	11.5	10.7	-0.8
Highways & Transportation	**78.9**	**81.2**	**2.3**
English National Concessionary Travel Scheme (ENCTS)	16.6	17.8	1.1
Highway Assets Management	40.4	41.1	0.7
Highways & Transportation divisional management costs	4.3	4.2	-0.2
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
Strategic Management & Directorate Budgets (GET)	**1.4**	**1.4**	**0.0**
Strategic Management & Directorate Budgets (GET)	1.4	1.4	0.0

Chief Executives’ Department

Figures in £m	Budget	Forecast	Variance
Chief Executive's Department	**26.8**	**26.5**	**-0.3**
Commercial & Procurement	**3.3**	**3.4**	**0.1**
Commercial & Procurement	3.3	3.5	+0.2
Finance	**10.9**	**10.5**	**-0.4**
Finance	10.3	10.0	-0.3
Subsidies to Kent District Councils to maximise Council Tax collection	0.6	0.5	-0.1
Governance, Law & Democracy	**8.1**	**8.0**	**-0.1**
Governance & Law	7.8	7.6	-0.1
Local Member Grants	0.4	0.4	0.0
Strategic Management & Departmental Budgets (CED)	**-1.3**	**-1.3**	**0.0**
Strategic Management & Departmental Budgets	-1.3	-1.3	0.0
Strategy, Policy, Relationships & Corporate Assurance	**5.8**	**5.9**	**0.1**
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	5.1	-0.1

Deputy Chief Executive’s Department

Figures in £m	Budget	Forecast	Variance
Deputy Chief Executive's Department	**88.1**	**87.2**	**-0.9**
Corporate Landlord	**26.7**	**26.7**	**0.0**
Corporate Landlord	26.7	26.7	0.0
Human Resources & Organisational Development	**5.8**	**5.7**	**-0.1**
Human Resources & Organisational Development	5.8	5.7	-0.1
Infrastructure	**15.1**	**15.0**	**0.0**
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
School Property Budgets	5.3	5.3	0.0
Marketing & Resident Experience	**7.2**	**7.2**	**0.0**
Marketing & Digital Services	2.2	2.4	0.2
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	5.0	4.9	-0.1
Strategic Management & Departmental Budgets (DCED)	**5.5**	**4.6**	**-0.9**
Business & Client Relationships	2.7	2.7	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	1.0	-0.7
Technology	**27.9**	**27.9**	**0.0**
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**	**104.8**	**-6.7**
Non Attributable Costs	109.9	105.3	-4.6
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
Adult Social Care & Health		-63,138.0	-41,035.4	-178.1	-1,128.9	-42,342.4	20,795.5	17,490.0	-8,516.6
Efficiency Savings in relation to the purchasing of residential and nursing care for older people		-6,790.1	-4,292.1	0.0	0.0	-4,292.1	2,498.0	0.0	-2,498.0
Efficiency Savings in relation to the purchasing of care and support in the home		-3,967.3	-161.3	0.0	0.0	-161.3	3,806.0	3,805.9	0.0
Efficiency savings in relation to the purchasing of equipment contract		-590.0	0.0	0.0	0.0	0.0	590.0	590.0	0.0
Efficiency savings in relation to the purchasing and monitoring of delivery of supported living		-7,546.0	-750.0	-178.1	0.0	-928.1	6,617.9	6,046.0	-750.0
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - short term support		-0.7	-0.7	0.0	0.0	-0.7	0.0	0.0	0.0
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - long term support		-649.3	-649.3	0.0	0.0	-649.3	0.0	0.0	0.0
18-25 Community Based Services saving (transport)		-250.0	-250.0	0.0	0.0	-250.0	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
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	0.0
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	0.0
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	0.0
Estimated annual increase in Better Care Fund - short term support	-382.3	-382.3	0.0	0.0	-382.3	0.0	0.0	0.0
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	0.0
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	0.0
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	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
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	-1,048.9	-1,048.9	1,539.7	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	-294.0
Efficiencies in Enablement		-7,581.2	-9,855.3	0.0	0.0	-9,855.3	-2,274.2	0.0	0.0
Initial Contact		-1,667.4	-231.5	0.0	0.0	-231.5	1,435.9	1,435.9	0.0
Maximisation of in-house short term beds		-2,151.9	-1,516.8	0.0	0.0	-1,516.8	635.2	173.7	-461.5
Reduction in Residential and Nursing Placements		-772.5	-500.4	0.0	0.0	-500.4	272.1	70.9	-201.2
Occupational Therapists		-1,840.0	-1,966.6	0.0	0.0	-1,966.6	-126.6	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
Partnership working - continuing health care		-1,046.2	-1,046.2	0.0	0.0	-1,046.2	-0.0	0.0	0.0
Ongoing Reviews		-2,295.6	0.1	0.0	0.0	0.1	2,295.7	1,905.3	-390.4
First Reviews		-3,111.3	-1,147.4	0.0	0.0	-1,147.4	1,963.9	860.8	-1,103.1
Supported Living		-3,533.8	-3,304.1	0.0	0.0	-3,304.1	229.8	0.0	-229.8
Technology Enabled Lives		-1,748.7	-3,252.1	0.0	0.0	-3,252.1	-1,503.4	0.0	0.0
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	0.0
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	0.0
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	0.0

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
Public Health		**-74.2**	**-74.2**	**0.0**	**0.0**	**-74.2**	**0.0**	**0.0**	**0.0**
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	**0.0**
Reduction in demand for Buprenorphine		-40.0	-40.0	0.0	0.0	-40.0	0.0	0.0	**0.0**
Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant		-9.2	-9.2	0.0	0.0	-9.2	0.0	0.0	**0.0**

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-deliver-able	To be achieved in future years
Children, Young People & Education		**-22,204.9**	**-21,604.9**	**0.0**	**-400.0**	**-22,004.9**	**200.0**	**0.0**	**-600.0**
Efficiency: Children’s Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers		-232.0	-232.0	0.0	0.0	-232.0	0.0	0.0	0.0
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		-400.0	0.0	0.0	-400.0	-400.0	0.0	0.0	-400.0
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	0.0
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	0.0
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	0.0
Reduction in the number of Historic Pension Arrangements - CYPE Directorate		-120.4	-120.4	0.0	0.0	-120.4	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
Adoption Service		-89.5	-89.5	0.0	0.0	-89.5	0.0	0.0	0.0
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	0.0
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	0.0
Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		-250.0	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs		-707.4	-707.4	0.0	0.0	-707.4	0.0	0.0	0.0
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	0.0
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	0.0
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	0.0
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	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
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	0.0
Review of Respite Offer		-200.0	0.0	0.0	0.0	0.0	200.0	0.0	-200.0
Use of external grant to part fund respite offer		-550.0	-550.0	0.0	0.0	-550.0	0.0	0.0	0.0
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	0.0
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	0.0
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	0.0
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	0.0
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	0.0

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
Growth, Environment & Transport		-17,180.3	-17,505.5	0.0	-200.0	-17,705.5	-525.2	0.0	0.0
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	-525.0	0.0	0.0	-525.0	-125.0	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	-86.3	0.0	0.0	-86.3	-0.2	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	-1,232.0	0.0	0.0	-1,232.0	-200.0	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	-200.0	-400.0	-200.0	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
Chief Executive's Department		-4,433.0	-4,313.0	0.0	0.0	-4,313.0	120.0	0.0	-120.0
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	-142.0	0.0	0.0	-142.0	120.0	0.0	-120.0
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

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
discounts and charge premiums on long-term empty properties									
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. 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.		-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
Deputy Chief Executive’s Department		**-10,151.0**	**-10,151.0**	**0.0**	**0.0**	**-10,151.0**	**0.0**	**0.0**	**0.0**
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-deliver-able	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
Non Attributable Costs	**-2,798.1**	**-2,798.1**	**0.0**	**0.0**	**-2,798.1**	**0.0**	**0.0**	**0.0**
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1,000.0	-1,000.0	0.0	0.0	-1,000.0	0.0	0.0	0.0
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
Corporately Held Budgets	**-1,500.0**	**-500.0**	**-1,000.0**	**0.0**	**-1,500.0**	**0.0**	**1,000.0**	**0.0**
Reduction in the volume and duration of agency staff	-750.0	0.0	-750.0	0.0	-750.0	0.0	750.0	0.0
Reduction in the volume and duration of agency staff	-250.0	0.0	-250.0	0.0	-250.0	0.0	250.0	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)

	24-25 Actuals	25-26 Budget	25-26 Forecast	26-27 Estimate	27-28 Estimate	28-29 Estimate
Total	269.6	358.4	330.1	312.5	197.3	177.0

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.

	24-25 Actuals	25-26 Budget	25-26 Forecast	26-27 Estimate	27-28 Estimate	28-29 Estimate
Total CFR	1,295.9	1,234.1	1,271.8	1,286.3	1,265.5	1,233.9

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.

	24-25 Actuals	25-26 Budget	25-26 Forecast	26-27 Estimate	27-28 Estimate	28-29 Estimate
Other long-term liabilities	230.3	159.1	230.3	230.3	230.3	230.3
External borrowing	732.6	684.7	624.8	600.6	593.3	586.0
Total Debt	**962.9**	**843.8**	**855.1**	**830.9**	**823.6**	**816.3**
Capital Financing Requirement	1,295.9	1,234.1	1,271.8	1,286.3	1,265.5	1,233.9
Internal borrowing	333.0	390.3	416.7	455.4	441.9	417.6

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.

	24-25 Actuals	25-26 Budget	25-26 Forecast	26-27 Estimate	27-28 Estimate	28-29 Estimate
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
Authorised limit – total external debt	**1,176**	**1,441**	**1,431**	**1,463**	**1,455**	**1,455**
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
Operational boundary – total external debt	**1,052**	**1,316**	**1,331**	**1,363**	**1,355**	**1,355**

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.

	24-25 Actuals	25-26 Budget	25-26 Forecast	26-27 Estimate	27-28 Estimate	28-29 Estimate
Proportion of net revenue stream	7.38%	6.76%	6.67%	6.58%	6.46%	6.15%

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

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