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| From: | Deputy Leader, Brian Collins<br>Corporate Director Finance, Brendan Arnold |
| To: | Cabinet, 01 October 2026 |
| Subject: | Revenue and Capital Budget Forecast Outturn Report – Quarter 1 |
| Classification: | Unrestricted |

**Summary:**

The attached report sets out the revenue and capital budget forecast monitoring position as at Quarter 1 2026-27, including progress against savings targets within the revenue budget, revenue and capital cash limit changes made between that period and monitoring updates for reserves, treasury management and prudential indicators.

**Recommendation(s):**

Cabinet is asked to:

a) NOTE the revenue and capital forecast outturn position for 2026-27 detailed in the report, and accompanying appendices

b) AGREE the revenue cash limit adjustments in 2026-27 to update the base budget position (per Section 3)

c) AGREE the subsequent revenue and capital cash limit adjustments (per Appendix 2 and 3)

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# The Revenue Position

The 2026-27 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 2026-27 is £1,655.6m. The forecast outturn variance against this budget is an overspend of £21.4m, which represents 1.3% of the overall budget, as per the table below:

| | | | | | All figures in £m |
|---|---|---|---|---|---|
| **Directorate** | | **Working Budget** | **Forecast** | **Variance** | **Variance %** |
| Adult Social Care & Health | | 786.7 | 795.8 | 9.1 | 1.2% |
| Children, Young People & Education | | 426.5 | 439.5 | 13.0 | 3.0% |
| Growth, Environment & Transport | | 217.8 | 217.7 | -0.1 | -0.1% |
| Chief Executive's Department | | 57.6 | 58.1 | 0.5 | 0.8% |
| Deputy Chief Executive's Department | | 60.8 | 60.1 | -0.7 | -1.1% |
| Non Attributable Costs | | 106.1 | 105.8 | -0.3 | -0.3% |
| **Total revenue position** | | **1,655.6** | **1,677.1** | **21.4** | **1.3%** |
| | | | | | |
| Schools' Delegated Budgets | | 0.0 | 109.9 | 109.9 | |

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 at a minimum of 5% of our net revenue budget.

The most significant overspend is in Children, Young People & Education (CYPE) totalling £13.0m (3.0% overspend). This variance comprises +£19.8m relating to Looked After Children - Care & Support (Placements) offset by underspends of -£4.1m in Looked After Children (with Disability) - Care and Support (Placements) and -£2.8m in Home to School & College Transport. Please see Section 1b for further information.

There is an overspend in Adult Social Care & Health of £9.1m (1.2% overspend) relating to a combination of savings which are no longer anticipated to be delivered in-year, and other service pressures.

Each directorate is broken down into Divisions and Key Services. Each directorate has its own set of sections within the report presenting the forecast outturn position by Division and providing explanations of the significant variances. Information on what each Key Service is responsible for can be found in the 2026-27 Budget Book.

# Savings and Additional Income

The 2026-27 budget includes the requirement to deliver savings and additional income of £217.1m. A further £13.3m of undelivered savings from the previous year are included in the 2026-27 target, increasing the total requirement to £230.4m. The savings monitoring does not include increases to grant income of £182.5m or the removal of one-off or undelivered savings in previous years of £43.8m bringing the total monitored savings target for 2026-27 to £91.7m.

As at Quarter 1, £82.5m is expected to be delivered in 2026-27, which represents 90% delivery against the target. £9.2m of savings are currently not expected to be delivered in 2026-27. Of this amount, £5.1m is planned to be delivered in future financial years, with the remaining £4.1m no longer deliverable. There is £3.4m of alternative savings identified to mitigate the current shortfall to £5.8m.

## Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £109.9m. Due to the in-year deficit on Schools' Delegated Budget, the Council's net DSG Deficit is forecast to increase from £130.5m to £238.5m. This forecast position does not include the impact of the new High Needs Stability Grant, announced in February 2026, which depends on the Department for Education (DfE) approving a local Special Educational Needs & Disability (SEND) reform plan.

The statutory override for managing deficits runs until the end of the 2027-28 financial year. The Local Government Provisional Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. See Section 1h for further information.

# The Capital Position

The total approved General Fund capital programme including roll forwards for 2026-27 is £420.1m.

The capital programme spend for the year to the end of June is 35.3m, which represents 8% of the approved budget, with forecast spend to the end of the year of £388.1m.

There is a forecast -£32.0m variance against the budget, which is split between a +£3.1m real variance and -£35.2m rephasing variance. It is usual to see a significant amount of rephasing in capital programmes. At Q1 in 2024-25 there was a -£33.1m rephasing variance.

The major in-year variances (real variances of over £0.1m and rephasing variances of over £1.0m) are also described in Section 5.

All figures in £m

| Directorate | | Working Budget | Total Variance | Real Variance | Rephasing Variance |
|---|---|---|---|---|---|
| Adult Social Care & Health | | 1.1 | 0.5 | 0.5 | 0.0 |
| Children, Young People & Education | | 6.6 | -2.8 | 0.0 | -2.9 |
| Growth, Environment & Transport | | 288.8 | -8.6 | 1.6 | -10.3 |
| Chief Executive's Department | | 123.6 | -21.0 | 1.0 | -22.0 |
| Deputy Chief Executive's Department | | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | | **420.1** | **-32.0** | **3.1** | **-35.2** |

# Section 1 | Revenue by Directorate

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

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

All figures in £m

| Division | Working Budget | Forecast | Variance |
|---|---|---|---|
| Adult Social Care (short-term support) | 62.8 | 62.7 | -0.1 |
| Adult Social Care (long-term support) | 696.6 | 705.4 | 8.9 |
| Strategic Management & Directorate Budgets | 8.1 | 8.5 | 0.4 |
| Strategic Commissioning (Integrated & Adults) | 19.3 | 19.2 | -0.1 |
| **Total** | **786.7** | **795.8** | **9.1** |

The Adult Social Care & Health directorate has a projected net overspend of +£9.1m of which +£4.4m relates to net savings which are no longer anticipated to be achieved this year, leaving +£4.7m of other service related pressures.

The most significant variances are in the following Key Services:

- **Older People – Residential Care Services: +6.4m**
Pressures on this service line relate to the average costs of placements being higher than budgeted for which has been impacted by undeliverable savings, alongside reduced levels of income which is due to a combination of factors including reductions in the number of service users who pay for the full cost of their care. The above pressures are offset by numbers of people being supported being lower than budgeted for.

- **Older People – Community Based Services: +2.1m**
Pressures on this service line are in the main due to forecast projections for Direct Payments being higher than budgeted for alongside income projections from client charges being lower than budgeted for.

- **Social Support for Carers: -1.0m**
Projected underspend due to new contractual arrangements introduced for the Community Navigation contract.

## 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 | 112.2 | 109.6 | -2.7 |
| Strategic Management & Directorate Budgets | 4.4 | 4.6 | 0.2 |
| Children's Countywide Services | 121.2 | 119.3 | -1.9 |
| Operational Integrated Children's Services | 188.6 | 206.0 | 17.4 |
| **Total** | **426.5** | **439.5** | **13.0** |

The Children, Young People & Education directorate has a projected net overspend of +£13m, this is mainly due to an overspend on looked after children placements and children in need support which is being partially offset by underspends on Home to School Transport and use of grants where appropriate.

The most significant variances are in the following Key Services:

- **Looked After Children - Care & Support (Placements): +19.8m**
Historically the number of Looked After Children (LAC) has remained relatively steady but the number has started to rise since the last quarter of 2025-26, with 70 more children than a year ago (5% increase). The full year effect of the increase in cost of looked after children placements above those already budgeted during 2026-27, accounts for £16.8m of the estimated overspend. This overspend is being driven by the higher costs of placing in care where there has been a reduction in capacity of our most cost effective placement: foster carers; and increasing reliance on the external market (at a higher cost) which is being exacerbated by significantly higher costs of residential care (with the cost of a residential placement increasing by 23% between March 2025 and 2026). A £2.5m contingency is also being forecast to reflect possible further reduction of carers & higher costs during the year although there are some signs the number of foster carers may be stabilising. Negotiations with Health for contributions towards eligible children placement costs is continuing and the forecast assumes budgeted additional income will be achieved. The budget assumed Government would implement some actions during the year to reduce impact of rising market conditions however, this is unlikely to happen in 2026-27 leading to a further pressures of £0.6m. Two of the four new in-house residential homes are due to open later than budgeted leading to reduced savings of nearly £1m in 2026-27. This forecast also assumes historic legal savings of £0.7m rolled forward from 2025-26 cannot be achieved in 2026-27 - this saving is reliant on the Courts achieving their ambitions in speeding up proceedings.

- **Looked After Children (with Disability) - Care and Support (Placements): -4.1m**
A recent reduction in the number of Looked After Children with Disability than budgeted is leading to a potential forecast underspend against this service, although this forecast assumes a £5m contingency for increased numbers and costs before the end of the year. This underspend would have been greater but savings have been delayed from the revised timelines for the delivery of the new in-house residential homes (+£0.7m) and it is now unlikely Government will implement actions to help alleviate rising cost of residential care as budgeted (+£0.3m). National & local initiatives to improve the number of foster carer placements are also likely to delayed (+£0.4m).

- **Home to School & College Transport: -2.8m**
The forecast underspend reflects the expectation that the additional savings achieved against last year's budgets are still ongoing. This forecast does include £3.5m contingency for any increase to student numbers from September and any price increases from contracting of new routes. The forecast assumes full demography and prices will be required and savings will be delivered. This will be reviewed in the

Autumn when full impact of new academic year can be forecast more confidently. This includes appeals for exceptional circumstances.

- **Children in Need Dis - Care and Support (payments and commissioned services): +2.4m**

This overspend relates to the increase in cost and usage of day care/homecare services which is partly offset by an underspend in Direct Payments. This forecast assumes continual high use of daycare services to support disabled children and their families at home. This overspend is partly due to the expected non-delivery of savings from delays in the implementation of the Short Break Strategy and revised respite offer.

- **Family Hubs: -1.8m**

This underspend is due to the use of additional grant income to fund eligible existing services in line with grant conditions

## 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 | 97.5 | 97.5 | 0.0 |
| Growth & Communities | 33.0 | 32.8 | -0.3 |
| Highways & Transportation | 85.9 | 86.0 | 0.1 |
| Strategic Management & Directorate Budgets | 1.4 | 1.4 | 0.0 |
| **Total** | **217.8** | **217.7** | **-0.1** |

The Growth, Environment & Transport directorate has a projected net underspend of -£0.1m, of which key variance explanations are detailed below. This is primarily due to additional income above budgeted levels within Highways and the Libraries, Registration & Archives (LRA) service, with largely offsetting price and activity variances.

The most significant variances are in the following Key Services:

- **Libraries, Registration & Archives: -0.3m**

Underspend due to higher than budgeted levels of Registration and Citizenship income due to demand for service.

- **Highway Assets Management: -0.1m**

There are a number of compensating variances within this area. Pressures reported within general maintenance across District budgets with price and activity above budgeted levels. This is more than offset by income above budgeted levels.

## 1d | 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 |
|---|---|---|---|
| Finance | 11.9 | 11.7 | -0.1 |
| Law | 0.3 | 0.3 | 0.0 |
| Infrastructure | 41.3 | 41.8 | 0.5 |
| Public Health | 0.0 | 0.0 | 0.0 |
| Strategic Management and Directorate Budgets | -1.5 | -1.4 | 0.1 |
| Strategic Policy Relationships and Corporate Assurance | 5.6 | 5.6 | 0.0 |
| **Total** | **57.6** | **58.1** | **0.5** |

The Chief Executive's Department directorate has a projected net overspend of £0.5m. This is primarily due to a forecast overspend of £0.6m in Corporate Landlord, due to reduced income and non-delivery of savings.

The most significant variances are in the following Key Services:

- **Corporate Landlord: +0.6m**
  Budget pressure as a result of a rephasing service savings delivery plans in Growth, Environment & Transport (GET), together with reduced expected income from the Community Learning and Skills (CLS) service.

## 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 |
|---|---|---|---|
| Commercial and Procurement | 6.2 | 6.2 | 0.0 |
| People Operations | 8.6 | 8.3 | -0.3 |
| Governance & Democracy | 7.4 | 7.3 | -0.2 |
| Marketing & Resident Experience | 6.8 | 7.0 | 0.2 |
| Strategic Management & Directorate Budgets | 3.4 | 2.9 | -0.5 |
| Technology | 28.4 | 28.4 | 0.0 |
| **Total** | **60.8** | **60.1** | **-0.7** |

The Deputy Chief Executive's Department directorate has a projected net underspend of -£0.7m. This is primarily due to vacancy management across a number of areas including the Portfolio Management Office and Governance & Democracy service. There have also been savings achieved in the cost of appeals within the Governance & Democracy service together with an underspend in People Operations, where an increased take up of salary sacrifice schemes has led to rebates. This is offset by some additional costs required to deliver our Marketing and Digital Services.

The most significant variances are in the following Key Services:

- **Portfolio Management Office: -0.5m**
  Underspend due to vacancy management as this new service is established.

- **Marketing and Digital Services: +0.3m**

The overspend is attributable to additional staffing costs incurred to support the delivery of the council's Creative Services function, together with increased non-staffing expenditure relating to additional ICT software costs and pension strain charges.

- **People Operations: -0.2m**

Increased staffing and non staffing expenditure relating to the administration of the salary sacrifice schemes is more than offset by rebates received due to increased take up of these schemes.

- **Governance & Democracy: -0.2m**

Underspend due to vacancy management both in the democratic and member services teams, as well as reduced costs of appeals, which are due to the use of virtual hearings and existing internal resources.

## 1f | Non Attributable Costs

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 | 106.1 | 105.8 | -0.3 |
| **Total** | **106.1** | **105.8** | **-0.3** |

Non Attributable Costs is forecasting a net underspend of £0.3m.

The key variances are summarised below:

**+£1.0m** - lower investment income due to further early debt redemption in March and April, after the budget was set, resulting in lower cash balances and the requirement for short term borrowing to aid cashflow, savings on debt servicing costs following the early debt redemption and higher than budgeted third party interest apportionment based on 2025-26 outturn balances.

It should be noted that the investment income forecast can be quite volatile due to the possibility of unforeseen fluctuations in our cash balances. There is a plan to reduce the overall long term pooled investment portfolio in this financial year which may have a net negative impact on the total return as we move funds to more liquid investments at lower yield for availability for cashflow. Funds may be used to further reduce borrowing but this is dependent on liquidity requirements being met and market conditions being favourable.

**+£0.4m** - reconciling adjustment for prior years renewable energy based on provisional 2025-26 NNDR3 return from Tunbridge Wells Borough Council (TWBC). This figure is provisional and could change during the audit of the TWBC Accounts.

**-£1.7m -** anticipated increase in the retained business rates levy for 2025-26 compared to the debtor raised based on latest information from the pool lead, Maidstone Borough Council, but this is provisional and could change during the audits of the Kent District Council accounts.

A forecast overspend of £1.5m against the Insurance Fund mainly due the increase in premiums in recent years, combined with increasing claim costs. Any overspend will be offset by a drawdown from the Insurance Reserve.

**Corporately Held Budgets**

The Tiers and Layers saving of £2.0m (£1.5m included in the 2026-27 budget and £0.5m brought forward) has now been transferred to directorates. As this budget has been fully allocated and reduced to zero, it is no longer included in the budget monitoring report.

## 1g | Schools' Delegated Budgets

The Schools' Budget reserves are Forecast to end the financial year with a surplus of £55.2m on individual maintained school balances, and a deficit on the central schools' reserve of £238.5m. The total Dedicated Schools' Grant for 2026-27 is £2,104.4m and is forecast to overspend by £108.1m. This forecast does not include the impact of the High Needs Stability Grant which is yet to be agreed.

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 2026-27 (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) 2026-27 Forecast Summary:**

| | | | All figures in £m |
|---|---|---|---|
| **DSG Block** | **2026-27 Budget*** | **2026-27 Forecast** | **2026-27 Variance** |
| Schools' Block | 1,430.1 | 1,430.1 | 0.0 |
| High Needs Block | 397.0 | 506.2 | +109.2 |
| Early Years Block | 264.1 | 263.0 | -1.1 |
| Central Services to Schools' Block | 13.2 | 13.2 | 0.0 |
| **Total DSG 2026-27** | **2,104.4** | **2,212.4** | **+108.1** |

*Before recoupment and other DFE adjustments. Budgets include the impact of moving £17.3m 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 2026* | 57.0 | -130.5 |
| Contribution to/(from) reserves: Academy Conversions | -1.8 | |
| Overspend on DSG 2026-27 | | -108.1 |
| **Reserve Balance as at 31st March 2027*** | **55.2** | **-238.5** |
| *Estimated High Needs Stability Grant to offset historic deficit*** | | *+162.5* |
| *Reimbursement of Council contributions & transfer to separate SEND reserve* | | *-32.0* |
| *Revised Reserves Balance as at 31st March 2027** | *55.2* | *-108.0* |

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

**Total High Needs Stability Grant expected to be received is £162.5m of which £130.5m will be held to offset the DSG historic debt and £32m will be used to reimburse KCC for previous years contributions to the DSG deficit (this will be held in a separate earmarked reserve as a possible contingency for future year Council contributions).

In accordance with the statutory override implemented by the Ministry of Housing, Communities and Local Government (MHCLG), and in line with the Department for Education (DfE) that local authorities cannot repay deficits on the DSG from the General Fund: in-year deficit balances are held in a separate unusable reserve from the main council reserves (see Section 4). MHCLG have confirmed this statutory override will be in place until March 2028 and the 2026 Local Government Provisional Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. In February 2026, the DfE announced the first phase of these funding reforms with a commitment to write off 90% of the accumulated debt as at March 2026 (known as the High Needs Stability Grant), subject to the Council submitting an agreed SEND reform plan. The plan was submitted in June 2026 and the Council is currently waiting on the outcome (at the time of writing). If agreed, this grant is expected to be received in Autumn 2026. We are still awaiting confirmation on how future deficits will be covered and local authority responsibilities. In the meantime, councils are still expected to continue to keep the deficit as low as possible as resources to support recovery are not unlimited.

This new SEND reform funding has technically replaced the DfE's original deficit recovery programme known as the Safety Valve Programme which ended on 31st March 2026. Additional funding received from the DfE in respect of the programme (totalling £99.4m to date) will be retained by the Council and used towards the accumulated deficit of £291m, alongside the High Needs Stability Grant (estimated to be £162.5m), whilst Council contributions totalling £61.1m to date will be used to fund the remaining 10% residual deficit of £29.1m, with the balance to be held in a separate council reserve towards possible future DSG liabilities.

Whilst the Government has begun to set out its plan to eradicating the DSG deficits, it is still considered to be one of the Council's biggest financial risks due to the lack of clarity from government as to how future deficits in 2026-27 onwards will be funded and confirmation that our SEND reform plan will be accepted in order to receive the High Needs Stability Grant; therefore, the successful implementation of the Council's SEND reform plan is critical. Recent announcements have reinforced the expectation that whilst Government is planning to set out its proposals to reform the SEND and alternative provision (AP) system and achieve financial sustainability in high needs funding. Kent will still need to continue to implement local actions. These activities are also regularly reported to the DfE and published on kent.gov.uk.

| Key Issues | Details |
|---|---|
| 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.<br><br>Historic lower take-up of the Disability Access Fund is assumed to continue in 2026-27 with an early forecast of -£0.5m. The Schools Funding Forum have requested further suggestions as to how to use this DAF underspend to improve inclusion and support. A similar underspend on the SEN Inclusion Fund is also forecast at this early stage based on spending from the previous year. |
| High Needs Block: Higher demand and higher cost for high needs placements.<br><br>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.<br><br>The in-year funding shortfall for High Needs placements and support in 2025-26 is £109.2m 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 increase in the in-year overspend in comparison to last year is partly attributed to the freezing of the High Needs Block at 2025-26 levels with no additional grant to support inflation costs or continue demand pressures. Total spend is forecast to increase by around 17% in 2026-27. Around 7% of this increase can be attributed to the inclusion of a number of historic grants into the High Needs Block that had previously been received separately (with a total value of just over £27m), the remaining 10% increase reflects continual growth in SEN demand across all placement types including in the most costly special and independent places. |

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

| All figures in £m | | | | | | |
|---|---|---|---|---|---|---|
| | **21-22** | **22-23** | **23-24** | **24-25** | **25-26** | **26-27** |
| Maintained Special School | 123.4 | 136.6 | 150.8 | 164.3 | 175.9 | 205.0 * |
| Independent Schools | 65.6 | 71.4 | 83.4 | 91.1 | 108.3 | 128.0 |
| Mainstream Individual Support & SRP* | 53.9 | 61.1 | 65.5 | 75.2 | 76.2 | 85.2 |
| Post 16 institutions | 17.0 | 19.2 | 21.8 | 24.9 | 28.8 | 33.7 |
| Other SEN Support Services | 42.5 | 45.6 | 49.3 | 46.4 | 44.3 | 53.9 |
| **Total Spend** | **302.4** | **333.9** | **370.7** | **401.9** | **433.5** | **505.9** |
| Rate of increase in spend | | 10% | 11% | 8% | 8% | 17% |

*Includes £27m of grants previously received separately and not part of the average cost in previous years.

# Section 2 | Savings and Additional Income by Directorate

The 2026-27 budget includes the requirement to deliver savings and additional income of £78.4m. A further £13.3m of undelivered savings from the previous year are included in the 2026-27 target, increasing the total requirement to £91.7m. The savings monitoring does not include increases to grant income of £182.5m or the removal of one-off or undelivered savings in previous years of £43.8m bringing the total monitored savings target for 2026-27 to £91.7m.
The table below summarises the delivery of savings against the original target. The full breakdown by saving is available in Appendix 1.

Figures in £m

| Directorate | 2026-27 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 | (41.7) | (37.3) | 0.0 | 0.0 | (37.3) | 4.4 | 2.0 | (2.4) |
| Children, Young People & Education | (21.3) | (18.4) | 0.0 | 0.0 | (18.4) | 2.9 | 0.6 | (2.3) |
| Growth, Environment & Transport | (5.6) | (5.2) | (0.4) | (0.2) | (5.8) | (0.2) | 0.2 | (0.2) |
| Chief Executive's Department | (6.2) | (5.9) | 0.0 | 0.0 | (5.9) | 0.3 | 0.0 | (0.3) |
| Deputy Chief Executive's Department | (1.4) | (1.4) | 0.0 | 0.0 | (1.4) | 0.0 | 0.0 | 0.0 |
| Non Attributable Costs | (15.6) | (14.3) | (2.8) | 0.0 | (17.0) | (1.5) | 1.3 | 0.0 |
| **Total** | **(91.7)** | **(82.5)** | **(3.2)** | **(0.2)** | **(85.9)** | **5.8** | **4.1** | **(5.0)** |

# Section 3 | Revenue Budget Changes

Following the publication of the final budget, a small number of updates have been identified. The table below details the base and updated base budget positions, reflecting these updates and ensuring that future published documents relating to the 2026-27 and 2027-28 budgets provide the most accurate starting position.

## 3a | Base Budget Changes

| | | Base Budget (£000s) | | | Base Budget Changes (£000s) | | | Updated Base Budget (£000s) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Key Service | Gross | Income | Net | Gross | Income | Net | Gross | Income | Net |
| 1 | Special Educational Needs and Psychology Services | 219,322.8 | -201,376.7 | 17,946.1 | 20,944.4 | -20,944.4 | 0.0 | 240,267.2 | -222,321.1 | 17,946.1 |
| 2 | Community Learning and Skills (CLS) | 10,266.2 | -10,042.9 | 223.3 | 152.6 | 0.0 | 152.6 | 10,418.8 | -10,042.9 | 375.9 |
| 2 | Corporately Held Budgets to be allocated | -1,907.3 | 0.0 | -1,907.3 | -92.7 | 0.0 | -92.7 | -2,000.0 | 0.0 | -2,000.0 |
| 2 | Non Attributable Costs | 138,766.6 | -32,582.0 | 106,184.6 | -59.9 | 0.0 | -59.9 | 138,706.7 | -32,582.0 | 106,124.7 |
| | **Total** | **1,592,980.9** | **-1,414,572.0** | **178,408.9** | **20,944.4** | **-20,944.4** | **0.0** | **1,613,925.3** | **-1,435,516.4** | **178,408.9** |

| Adjustment | Description |
|---|---|
| 1 | Grant and spend uplift to reflect updated DSG allocation |
| 2 | Allocation of residual pay award |

Following these changes, the updated gross base budget totals £3,846,748.5k and the updated income base budget totals -£2,192,246.9k. There is no impact on the overall net base budget of £1,654,501.6k.

## 3b | Roll Forwards and Revenue Virements

Roll forwards were agreed at Cabinet on 25 June 2026 as part of the Outturn report for 2025-26. Roll forwards increased the net budget for 2026-27 by £1.1m.

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation between Key Services in light of the 2025-26 final spend and activity levels and the latest service plans. Budget changes which have been identified as virements are explained Appendix 2 and need to be approved by Cabinet. There are no virements in Children, Young People & Education, Chief Executive's Department or Non Attributable Costs.

## Section 4 | Reserves Monitoring

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

Reserves balances are held as credit balances. All reserves are a credit 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 2026-27.

Figures in £m

| Reserve | Opening Balance (01/04/26) | Forecast Movement in-year | Forecast Closing Balance (31/03/27) | Details |
|---|---|---|---|---|
| **General Reserves** | | | | |
| General Fund | -66.0 | -18.8 | -84.8 | Includes repaying the General Reserve for the drawdown required in 2024-25 to fund the overspend (£20.2m), contribution to rebuild financial resilience and provide for future risks (£16.8m) and drawdown to fund the 2026-27 forecast overspend (-£21.4m). General reserves are forecast to be 5.1% of the 2026-27 revenue budget. |
| **Earmarked Reserves** | | | | |
| Vehicles, Plant & Equipment (VPE) | -22.3 | +0.4 | -21.9 | |
| Smoothing | -110.3 | -38.9 | -149.2 | Includes the forecast contribution to the High Needs DSG Deficit smoothing reserve (-£43.1m) and the £7m use of reserves to support the 2026-27 budget per the approved 2026-29 MTFP. |
| Major Projects | -24.4 | +9.0 | -15.4 | Reflects the £9m use of the reserves to support the 2026-27 budget per the approved 2026-29 MTFP. |
| Partnerships | -8.2 | 0.0 | -8.2 | |
| Grant & External Funds | -19.9 | -126.6 | -146.5 | The majority of the movement reflects the anticipated receipt of the High Needs Sustainability Grant. |
| Departmental Over / Underspends | -1.1 | +1.1 | 0.0 | £1.1m drawdown to fund roll-forwards agreed as part of the outturn report for 2025-26. |

Figures in £m

| Reserve | Opening Balance (01/04/26) | Forecast Movement in-year | Forecast Closing Balance (31/03/27) | Details |
|---|---|---|---|---|
| Insurance | -8.7 | +1.5 | -7.2 | £1.5m drawdown from reserves reflects the forecast in-year overspend against the Insurance Fund in line with usual policy. |
| Public Health | -14.3 | +6.9 | -7.3 | Movements to manage the Public Health budget. |
| Trading | -0.3 | 0.0 | -0.3 | |
| Special Funds | -0.7 | -0.2 | -0.9 | |
| **Total Earmarked Reserves** | **-210.2** | **-146.7** | **-356.9** | |
| **Total General Fund & Earmarked Reserves** | **-276.2** | **-165.5** | **-441.7** | |
| Schools Reserves | -57.0 | -1.8 | -55.2 | |
| DSG Adjustment Account | +130.5 | +108.1 | +238.6 | |

# Section 5 | Capital by Directorate

## 5a | Adult Social Care & Health

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| Developer Funded Community Schemes | 0.4 | | The real variance is due to schemes to be funded from banked developer contributions, which are not in the current cash limits. |

## 5b | Children, Young People & Education

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| Family Hubs and Start for Life Programme | +0.1 | | The real variance is due to additional grant which is not in the current cash limits. |
| Childcare Expansion (Early Years) | -0.1 | -0.9 | The real variance is due to the amount of estimated grant payments which will be under £0.01m and therefore will be charged to revenue, with the grant conditions allowing the grant to also be transferred to revenue |
| In-House Residential Provision | | -2.0 | The rephasing is due to the purchase of a home for the project falling through. There is a very challenging market for sourcing the right property. |

## 5c | Growth, Environment & Transport

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| **Highways & Transportation** | | | |
| A229 Blue Bell Hill | +3.5 | -0.6 | Costs have been updated based on the current programme to get the scheme to outline design and outline business case stage. To date external funding has not been forthcoming, hence the forecast real variance, but alternatives continue to be sought. |
| Dover Bus Rapid Transit – Dover Fastrack | -1.5 | | The project is in its final stages and ongoing disputes make the final position difficult to forecast. The real variance in 2026-27 has been caused by the adjudication decision being less than the provision that was set up at the end of 2025-26, however this does not reflect the financial position of the scheme overall. In totality the project has overspent and has borrowed funding from other sources to get to this stage. Further financial contributions are being sought to help mitigate the overspend and return borrowing funding. |
| EDC Landscaping | -0.4 | | This is a fully externally funded scheme and at present KCC is awaiting confirmation of the final grant agreement. |
| Fastrack Full Network – Bean Road Tunnels | | -3.5 | Full construction start was June 2026 with completion expected September 2027, the rephasing reflects the latest profiling. |
| Greener Buses – Zero Emission Bus Regional Areas (Zebra) | +0.2 | | The real variance is due to forecast spend in capital which is to be funded from the Fastrack revenue reserve but is not currently in the capital cash limits. |
| Herne Relief Road (Bullockstone Road) | +0.1 | | The real variance is due to be funded from developer contributions not current in the cash limits. |
| National Bus Strategy – Bus Service Improvement Plan Phase 3 | -0.3 | | The real variance reflects funding that needs to be repaid as the project it related to did not happen. |
| | | | |
| **Environment & Circular Economy** | | | |
| *No major variances to report.* | | | |

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| | | | |
| **Growth & Communities** | | | |
| Public Rights of Way | | -1.2 | The works are programmed on the basis of the timeframe available for delivery and the officer capacity to deliver them. Rephasing of the expenditure is necessary in order to balance workload and delivery. |
| Kent and Medway Business Fund | | -1.3 | The rephasing reflects loans which are now expected to take place in the next financial year. |
| Kent Empty Property Initiative | -0.2 | -2.0 | The real variance reflects external funding which is no longer expected. |
| | | | |

## 5d | Chief Executive's Department

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| Modernisation of Assets – Corporate Estate | | -2.2 | Rephasing variance is due to:<br>-£1.0m Highways Depot, Preston Forge Salt Barn due to delays during procurement while the team worked through site constraints and planning considerations.<br>-£1.2m rephasing across a number of projects each below £1.0m. |
| Schools Modernisation Programme | +0.5 | | The real variance is due to changes in forecasts across 9 projects. Funding will be brought forward from 2027-28 to fund this. |
| Basic Need Programme Kent Commissioning Plan (KCP) 2019 | -0.2 | | The real variance is due to:<br>-£1.095m Maidstone Grammar School for Girls – school contribution towards project costs was previously excluded from forecasts.<br>+£0.779m due to externally funded enhancements to Rosherville Primary School. |

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| | | | +£0.103m Westlands School – the increase is to match agreed funding for the school managed project. |
| Basic Need Programme 2022-26 | -0.5 | | The real variance is due to:<br>-£0.270m Marden Primary - revenue funding for the school managed project, reduced need for capital funding.<br>-£0.200m Sittingbourne Non-Selective – budget removed as Swale Secondary Schools are now included in Marker Projects. |
| Basic Need Programme 2023-27 | +0.2 | | The real variance is due to the purchase of a mobile for Coxheath Primary to accommodate additional pupils. |
| Basic Need Programme 2024-28 | +0.2 | -3.0 | The real variance is due to:<br>-£0.300m Leigh Academy Minster – project is no longer progressing.<br>+£0.500m St Augustine Academy – an expansion project within the existing school site.<br><br>Rephasing is due to:<br>-£3.283m Oakwood Park Grammar – additional work identified to relocate utilities has caused delays. Start date is subject to achieving planning.<br>-£0.600m Dartford Grammar – this is a school managed project and delivery is dependent on the school securing other funding sources.<br>£0.903m Sir Geoffrey Leigh Academy – updated forecast based on latest project forecasts. |
| Basic Need Markers – Future Projects | | -2.2 | Rephasing is across a number of schemes each less than £1m. |
| High Needs Provision | +1.1 | -12.7 | The real variance is due to:<br>+£0.557m Foreland Fields - new project added to create additional classrooms and all weather outdoor space.<br>+£0.407m Temple Hill - new project added to update provision.<br>+£0.272m St Edmunds CEPS Specialist Resource Provision (SRP) - initial forecast covered feasibilities, estimated project costs to deliver SRP now confirmed.<br>+£0.250m The Abbey SRP - new SRP project added, replacing the SRP at EKC.<br>+£0.156m Homewood School SRP - following feasibility work, project costs have increased. £0.531m of banked S106 funding will go towards funding this project (total project costs £0.610m).<br>+£0.131m The Beacon - path works required.<br>-£0.500m EKC Sheppey SRP - project no longer progressing, replaced with The Abbey. |

Figures in £m

| Project | Real Variance | Rephasing Variance | Detail |
|---|---|---|---|
| | | | -£0.250m Knole Academy SRP - following feasibility work, the previous forecast has now reduced.<br>+£0.114m across 12 projects (all under £0.1m).<br><br>The rephasing is due to:<br>-£2.000m Broomhill Bank - delays with project start date due to Estate matters.<br>-£2.000m Whitstable new Special School - DfE delivery, phasing of KCC expenditure is dependent on DfE delivery timescale.<br>-£1.618m Swanley new Special School - DfE delivery, phasing of KCC expenditure is dependent on DfE delivery timescale.<br>-£1.946m Rosewood School satellite at Canterbury Academy - project at feasibility stage.<br>-£1.000m Nexus School - planning delays.<br>-£1.000m Meadowfield (Ufton Lane) - due to the complex nature of needs combined with the special school rightsizing review the project has not progressed at the expected pace.<br>-£3.098m rephasing across 18 projects (all under £1m). |
| Feasibility Fund | | -2.5 | Projects within the feasibility fund still have ongoing feasibilities, hence the fund has been rephased to 2027-28. |
| Strategic Estate Programme | -0.4 | | The real variance is due to expected reduction in costs resulting from value engineering. |

## 5e | Deputy Chief Executive's Department

There are no major variances to report.

# Section 6 | Treasury Management Monitoring

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

| | | |
|---|---|---|
| 5.1 | Total external debt outstanding in June was £607.8m down by £2.5m since 31st March 2026 | KCC debt includes £394.3m 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 14.3 years at an average interest rate of 4.2%.<br><br>Outstanding loans from banks amount to £156.1m. This is also at fixed term rates with average length to maturity of 35.9 years at an average interest rate of 4.5%.<br><br>The council has £30m 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 41.4 years at an average interest rate of 4.2%.<br><br>The council has £20m of Local Authority Temporary loans. These loans are at fixed term rates with average length to maturity of 0.2 years at an average interest rate of 4.2%.<br><br>The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.4m with an average of 14.2 years to maturity at an average rate of 2.9%.<br><br>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 6.1% due to mature within 5 years | Maturity 0 to 5 years £37.0m (6.1%)<br>Maturity 5 to 10 years £105.5m (17.4%)<br>Maturity 10 to 20 years £184.4m (30.3%)<br>Maturity over 20 years £280.9m (46.2%) |
| 5.3 | Total cash balance at end of June was £370.1m, up by £54.2m from the end of March 2026 | Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure. |

| | | |
|---|---|---|
| 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.<br><br>Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in June were £118.1m (31.9% 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 3.8%.<br><br>Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of June, the Council had £0.0m in UK treasury bills and other deposits with the UK government. These deposits represent 0.0% of cash investments with an average rate of return of 0.0%.<br><br>Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of June, the Council had £36.7m invested in covered bonds earning an average rate of return of 4.4%.<br><br>The Council has outstanding loans of £20.7m through the No Use Empty Loans programme which achieves an average return of 3.8% that is available to fund general services. This total includes £2.6m of loans made (£1.2m received) since March 2026.<br><br>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 £192.6m invested in pooled funds (52.0% of cash balances) as at 30 June 2026. |
| 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. |

## 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 30/06/2026** | **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 30/06/2026** | **Minimum** |
|---|---|---|
| Total cash available within 3 months | £127.0m | £75m |

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 30/06/2026** | **Upper Limit** |
|---|---|---|
| One-year revenue impact of a 1% <u>rise</u> in interest rates | £1.3m | £10m |
| One-year revenue impact of a 1% <u>fall</u> in interest rates | -£1.3m | -£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:

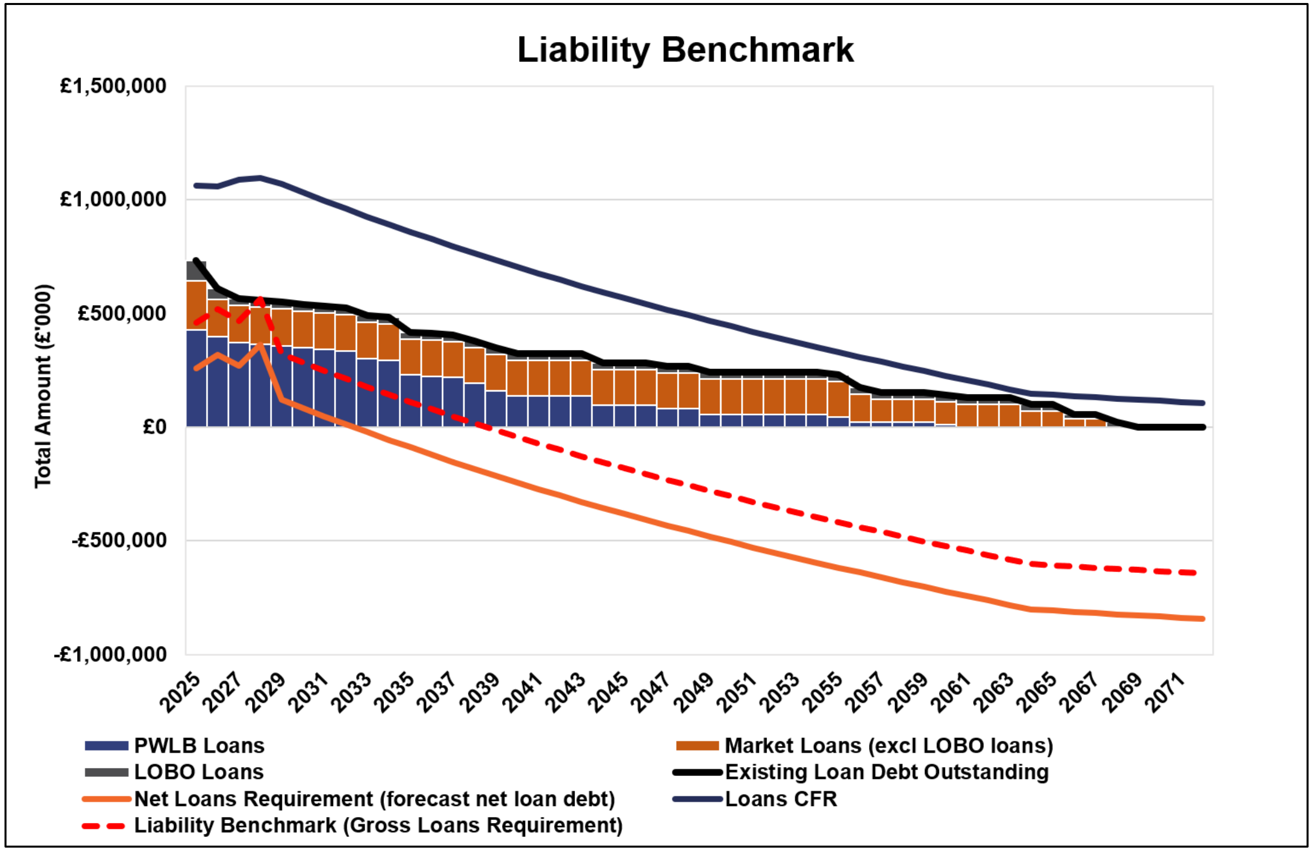
| | Actual 30/06/2026 | Upper limit | Lower limit |
|---|---|---|---|
| Under 12 months | 6.1% | 100% | 0% |
| 12 months and within 5 years | 0.0% | 50% | 0% |
| 5 years and within 10 years | 17.4% | 50% | 0% |
| 10 years and within 20 years | 30.3% | 50% | 0% |
| 20 years and within 40 years | 37.1% | 50% | 0% |
| 40 years and longer | 9.1% | 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 | 2026/27 | 2027/28 | 2028/29 | No Fixed Date |
|---|---|---|---|---|
| Limit on principal invested beyond year end | £100m | £80m | £50m | £220m |
| Actual as at 30 June 2026 | £17.2m | £10.2m | £0.0m | £215.4m |

## 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 31/03/2026 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £192.6m of external investments currently invested with fund managers over a long-term investment time horizon.

# Appendix 1 | Savings Statement

| Saving (Figures in £m) | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|
| **Adult Social Care & Health** | **-41.728** | **-37.344** | **0.000** | **0.000** | **-37.344** | **4.384** | **2.000** | **-2.384** |
| Commissioning of Residential Care for Learning Disability, Physical Disability & Mental Health clients | -0.178 | -0.178 | 0.000 | 0.000 | -0.178 | 0.000 | 0.000 | **0.000** |
| A new Older People Residential & Nursing (OPRN) contract is planned for Quarter 2/3 which will introduce a new sustainable pricing model. Ahead of implementation ASC are managing cost pressures during the transition period ensuring affordability of all new placements until the new contract is mobilised. | -2.000 | 0.000 | 0.000 | 0.000 | 0.000 | 2.000 | 2.000 | **0.000** |
| Realign for unachievable efficiency savings in relation to the purchasing of care and support in the home | -0.010 | -0.010 | 0.000 | 0.000 | -0.010 | -0.000 | 0.000 | **0.000** |
| Under current arrangements we use the Camberwell Assessment of Need (CAN) Tool to determine the % funding split for services provided to people eligible for aftercare under section 117 of the Mental Health Act. The use of this tool typically ends up with a greater proportion of the care being funded by social care than by health (ICB). There is no nationally agreed mechanism to determine funding splits but other authorities have achieved a 50/50% split and move to 50/50% would be in line with neighbouring authorities. | -5.900 | -4.400 | 0.000 | 0.000 | -4.400 | 1.500 | 0.000 | **-1.500** |
| Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with | -5.808 | -5.808 | 0.000 | 0.000 | -5.808 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams | | | | | | | | | |
| Efficiencies through Enablement | | -9.114 | -9.114 | 0.000 | 0.000 | -9.114 | 0.000 | 0.000 | **0.000** |
| Occupational Therapists | | -0.986 | -0.986 | 0.000 | 0.000 | -0.986 | 0.000 | 0.000 | **0.000** |
| Technology Enhanced Lives Service (TELS) uses a range of care technologies and data to help people stay safe and independent, both at home and in the community. Care technology achieves financial benefits through right shaping care and support. | | -3.591 | -3.591 | 0.000 | 0.000 | -3.591 | 0.000 | 0.000 | **0.000** |
| Public Health increased contribution for Domestic Abuse | | -0.295 | -0.295 | 0.000 | 0.000 | -0.295 | 0.000 | 0.000 | **0.000** |
| Review of preventive services that prevent, reduce and delay care and support. Looking at where there is duplication within KCC's prevention approach and provision. Ensuring prevention services are more efficient, targeted and making best use of limited resources and focusing on the areas and people with greatest need. | | -3.042 | -3.042 | 0.000 | 0.000 | -3.042 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in ASCH Directorate, to establish opportunities for consolidation and/or centralisation of practice | | -0.055 | -0.055 | 0.000 | 0.000 | -0.055 | 0.000 | 0.000 | **0.000** |
| Estimated annual increase in Better Care Fund (BCF) | | -2.046 | -2.046 | 0.000 | 0.000 | -2.046 | 0.000 | 0.000 | **0.000** |
| Estimated annual increase in Better Care Fund - short term support | | -0.067 | -0.067 | 0.000 | 0.000 | -0.067 | 0.000 | 0.000 | **0.000** |
| Estimated annual increase in Better Care Fund - Strat Management | | -0.044 | -0.044 | 0.000 | 0.000 | -0.044 | 0.000 | 0.000 | **0.000** |
| Estimated annual increase in Better Care Fund - Strat Commissioning | | -0.035 | -0.035 | 0.000 | 0.000 | -0.035 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|
| Efficiency Savings in relation to the purchasing of residential and nursing care for older people | -2.497 | -2.337 | 0.000 | 0.000 | -2.337 | 0.160 | 0.000 | **-0.160** |
| Efficiency savings in relation to the purchasing and monitoring of delivery of supported living | -1.344 | -1.344 | 0.000 | 0.000 | -1.344 | -0.000 | 0.000 | **0.000** |
| Maximisation of in-house short term beds | -1.504 | -0.780 | 0.000 | 0.000 | -0.780 | 0.724 | 0.000 | **-0.724** |
| Partnership working - continuing health care | -1.046 | -1.046 | 0.000 | 0.000 | -1.046 | -0.000 | 0.000 | **0.000** |
| Ongoing Reviews | -0.254 | -0.254 | 0.000 | 0.000 | -0.254 | 0.000 | 0.000 | **0.000** |
| First Reviews | -1.336 | -1.336 | 0.000 | 0.000 | -1.336 | -0.000 | 0.000 | **0.000** |
| Review of structures across the Council to ensure adherence to the Council's organisation design policy | -0.577 | -0.577 | 0.000 | 0.000 | -0.577 | 0.000 | 0.000 | **0.000** |
| | | | | | | | | |
| **Children, Young People & Education** | **-21.283** | **-18.425** | **0.000** | **0.000** | **-18.425** | **2.858** | **0.601** | **-2.257** |
| *Community Learning & Skills general efficiencies to ensure service is fully funded from external grants and income* | -0.098 | -0.098 | 0.000 | 0.000 | -0.098 | 0.000 | 0.000 | **0.000** |
| *Implementation of a new system to support transport planning and explore route optimisation, along with wider review of existing processes, to deliver efficiencies across the school network.* | -1.553 | -1.553 | 0.000 | 0.000 | -1.553 | 0.000 | 0.000 | **0.000** |
| *Review to identify opportunities to consolidate and/or standardise practices through use of technology and modernisation of processes (SEN)* | -0.404 | -0.404 | 0.000 | 0.000 | -0.404 | 0.000 | 0.000 | **0.000** |
| Increased income from other local authorities for transport following recent Government announcements | -1.000 | -1.000 | 0.000 | 0.000 | -1.000 | 0.000 | 0.000 | **0.000** |
| Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases | -0.125 | -0.125 | 0.000 | 0.000 | -0.125 | 0.000 | 0.000 | **0.000** |
| Introduction of charging in September 2024 for post 16 Special Educational Needs (SEN) | -0.300 | -0.300 | 0.000 | 0.000 | -0.300 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| transport and reductions to the Post 19 transport offer | | | | | | | | | |
| *Review Kent Association of Leaders in Education (KALE) Funding* | | -0.047 | -0.047 | 0.000 | 0.000 | -0.047 | 0.000 | 0.000 | **0.000** |
| Review of 16+ Special Educational Needs (SEN) transport offer (from September 2026) | | -1.800 | -1.800 | 0.000 | 0.000 | -1.800 | 0.000 | 0.000 | **0.000** |
| Review of ongoing discretionary offer for post 19 education transport (from September 2026) | | -0.900 | -0.900 | 0.000 | 0.000 | -0.900 | 0.000 | 0.000 | **0.000** |
| Review of services for schools including contribution to The Education People (TEP), staff care services and any other services for maintained schools (CYPE). | | -0.546 | -0.546 | 0.000 | 0.000 | -0.546 | 0.000 | 0.000 | **0.000** |
| *Review of services provided by TEP to deliver efficiencies* | | -0.383 | -0.383 | 0.000 | 0.000 | -0.383 | 0.000 | 0.000 | **0.000** |
| Review the Kent 16+ Travel Saver Scheme | | -0.274 | -0.274 | 0.000 | 0.000 | -0.274 | 0.000 | 0.000 | **0.000** |
| Public Health contribution to Family Hub Offer | | -1.000 | -1.000 | 0.000 | 0.000 | -1.000 | 0.000 | 0.000 | **0.000** |
| *Use of grant to fund the Social Connection Service* | | -1.500 | -1.500 | 0.000 | 0.000 | -1.500 | 0.000 | 0.000 | **0.000** |
| Use of grants to fund Family Hub Offer | | -1.500 | -1.500 | 0.000 | 0.000 | -1.500 | 0.000 | 0.000 | **0.000** |
| Review to identify opportunities to consolidate and/or standardise practices, including through use of technology and modernisation of processes (Children Social Care) | | -0.400 | -0.400 | 0.000 | 0.000 | -0.400 | 0.000 | 0.000 | **0.000** |
| Increase contributions from health towards the placement cost of looked after children | | -1.150 | -1.150 | 0.000 | 0.000 | -1.150 | 0.000 | 0.000 | **0.000** |
| Development of in-house residential units to provide an alternative to independent sector residential care placements (invest to save) | | -1.905 | -0.953 | 0.000 | 0.000 | -0.953 | 0.953 | 0.000 | **-0.953** |
| Strategies to improve the recruitment and retention of in-house foster carers (Integrated Childrens Services) | | -1.218 | -1.218 | 0.000 | 0.000 | -1.218 | 0.000 | 0.000 | **0.000** |
| Use of grant to partly fund Virtual Schools Kent offer | | -0.200 | -0.200 | 0.000 | 0.000 | -0.200 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| Review to identify opportunities to consolidate and/or standardise practices through use of technology and modernisation of processes (Countywide Children's Other Services) | | -0.400 | -0.400 | 0.000 | 0.000 | -0.400 | 0.000 | 0.000 | **0.000** |
| Increase contributions from health towards the placement cost of looked after children with a disability | | -0.750 | -0.750 | 0.000 | 0.000 | -0.750 | 0.000 | 0.000 | **0.000** |
| Strategies to improve the recruitment and retention of in-house foster carers (children with a disability) | | -0.730 | -0.730 | 0.000 | 0.000 | -0.730 | 0.000 | 0.000 | **0.000** |
| *Development of residential special schools offer creating greater availability of 52-week looked after children placements* | | -0.704 | 0.000 | 0.000 | 0.000 | 0.000 | 0.704 | 0.000 | **-0.704** |
| *Review of embedded teams in CYPE Directorate, to establish opportunities for consolidation and/or centralisation of practice* | | -0.175 | -0.175 | 0.000 | 0.000 | -0.175 | 0.000 | 0.000 | **0.000** |
| Reduction in the number of Historic Pension Arrangements - CYPE Directorate | | -0.223 | -0.223 | 0.000 | 0.000 | -0.223 | 0.000 | 0.000 | **0.000** |
| 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 | | -0.400 | 0.000 | 0.000 | 0.000 | 0.000 | 0.400 | 0.000 | **-0.400** |
| Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - ICS Operations | | -0.601 | 0.000 | 0.000 | 0.000 | 0.000 | 0.601 | 0.601 | **0.000** |
| Adoption Service | | -0.026 | -0.026 | 0.000 | 0.000 | -0.026 | 0.000 | 0.000 | **0.000** |
| Review of Respite Offer | | -0.200 | 0.000 | 0.000 | 0.000 | 0.000 | 0.200 | 0.000 | **-0.200** |
| *Review of structures across the Council to ensure adherence to the Council's organisation design policy* | | -0.772 | -0.772 | 0.000 | 0.000 | -0.772 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| **Growth, Environment & Transport** | | **-5.574** | **-5.207** | **-0.380** | **-0.217** | **-5.804** | **-0.230** | **0.217** | **-0.150** |
| A review and re-let of haulage contracts has identified a reduced cost | | -0.250 | -0.250 | 0.000 | 0.000 | -0.250 | 0.000 | 0.000 | **0.000** |
| Reduced cost of mixed dry recycling and food waste disposal following Government legislation regarding Simpler Recycling, and work with Kent District Councils to deliver savings from improving kerbside recycling rates | | -0.343 | -0.343 | 0.000 | 0.000 | -0.343 | 0.000 | 0.000 | **0.000** |
| Review of staffing budgets across GET - Environment and Circular Economy | | -0.013 | -0.013 | -0.013 | 0.000 | -0.025 | -0.013 | 0.000 | **0.000** |
| Income generation initiatives in 25/26 were even more successful than projected, providing an opportunity to build on these further in 26/27 whilst also increasing service efficiency. Additional opportunities to reduce the cost of county parks to the authority will also be explored to include looking at (but not limited to):<br>· Closure of public spaces for income generating private events and functions<br>· Private / non-public sector investment arrangements for carbon offsetting, habitat banking or Biodiversity Net Gain (BNG). | | -0.130 | -0.130 | 0.000 | 0.000 | -0.130 | 0.000 | 0.000 | **0.000** |
| Savings from reduced incentivisation payments to districts due to the proposed introduction of Extended Producer Responsibility (EPR) legislation and where Department for Environment, Food & Rural Affairs (DEFRA) will recompense the districts for their costs incurred in collection of packaging. These costs will be based on average payments with | | -0.310 | -0.310 | 0.000 | 0.000 | -0.310 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| the districts being put into individual family grouping with average fees rather than actuals | | | | | | | | | |
| Increased recycling rate as a result of behaviour change activities | | -0.392 | -0.392 | 0.000 | 0.000 | -0.392 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Environment and Circular Economy Division | | -0.021 | -0.021 | 0.000 | 0.000 | -0.021 | 0.000 | 0.000 | **0.000** |
| Review of staffing budgets across GET - Growth and Communities | | -0.215 | -0.215 | -0.215 | 0.000 | -0.430 | -0.215 | 0.000 | **0.000** |
| Annual inflationary uplift to Library, Registration and Archives (LRA) income levels and fees and charges in relation to existing service income streams | | -0.050 | -0.050 | 0.000 | 0.000 | -0.050 | 0.000 | 0.000 | **0.000** |
| Changes to the contribution from Medway Council under Service Level Agreement (SLA) relating to increasing/decreasing costs for provision of Coroner service in Medway | | -0.025 | -0.025 | 0.000 | 0.000 | -0.025 | 0.000 | 0.000 | **0.000** |
| Increased income within Kent Scientific Services (KSS) for toxicology analysis for the Coroners Service | | -0.014 | -0.014 | 0.000 | 0.000 | -0.014 | 0.000 | 0.000 | **0.000** |
| Increased Libraries, Registration and Archives income due to forecast increase in uptake of services in Registration. | | -0.200 | -0.200 | 0.000 | 0.000 | -0.200 | 0.000 | 0.000 | **0.000** |
| Inflationary increase in income levels and pricing policy for Kent Scientific Services (KSS) | | -0.036 | -0.036 | 0.000 | 0.000 | -0.036 | 0.000 | 0.000 | **0.000** |
| Saving due to full government funding now being received for border control work | | -0.200 | -0.200 | 0.000 | 0.000 | -0.200 | 0.000 | 0.000 | **0.000** |
| Trading Standards inflationary fee increases | | -0.002 | -0.002 | 0.000 | 0.000 | -0.002 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| Reduction in the level of grant funding awarded | | -0.057 | -0.057 | 0.000 | 0.000 | -0.057 | 0.000 | 0.000 | **0.000** |
| Grant funding to cover part of project cost for a further 3 years of the roll out of the on-street charging (LEVI) infrastructure programme. | | -0.056 | -0.056 | 0.000 | 0.000 | -0.056 | 0.000 | 0.000 | **0.000** |
| Review of staffing budgets across GET - Highways and Transportation | | -0.103 | -0.103 | -0.103 | 0.000 | -0.206 | -0.103 | 0.000 | **0.000** |
| Kent Travel Saver price realignment to offset bus operator inflationary fare increases | | -0.480 | -0.480 | 0.000 | 0.000 | -0.480 | 0.000 | 0.000 | **0.000** |
| Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation | | -0.065 | -0.065 | 0.000 | 0.000 | -0.065 | 0.000 | 0.000 | **0.000** |
| Review of pricing and strategy for the scheme | | -0.290 | -0.290 | 0.000 | 0.000 | -0.290 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Highways and Transportation Division | | -0.021 | -0.021 | 0.000 | 0.000 | -0.021 | 0.000 | 0.000 | **0.000** |
| Review of staffing budgets across GET - Strat Management | | -0.049 | -0.049 | -0.049 | 0.000 | -0.098 | -0.049 | 0.000 | **0.000** |
| Increase to fees and charges for paid for products and services to offset contract inflation and pay award for Kent Country Parks staff and to move towards full cost recovery as part of Fees and Charges policy | | -0.015 | -0.015 | 0.000 | 0.000 | -0.015 | 0.000 | 0.000 | **0.000** |
| 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. | | -0.035 | -0.035 | 0.000 | 0.000 | -0.035 | 0.000 | 0.000 | **0.000** |
| Efficiency review of on-street parking, which may involve districts working collaboratively to deliver efficiency savings and/or for them declaring their surpluses to KCC | | -0.600 | -0.600 | 0.000 | 0.000 | -0.600 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| The income share from the roll out of the on-street charging (LEVI) infrastructure programme. | | -0.018 | -0.018 | 0.000 | 0.000 | -0.018 | 0.000 | 0.000 | **0.000** |
| Ensuring full cost recovery against these income lines and reflecting current and forecast activity | | -0.950 | -0.950 | 0.000 | 0.000 | -0.950 | 0.000 | 0.000 | **0.000** |
| 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 | | -0.200 | -0.050 | 0.000 | 0.000 | -0.050 | 0.150 | 0.000 | **-0.150** |
| Review of structures across the Council to ensure adherence to the Council's organisation design policy | | -0.434 | -0.217 | 0.000 | -0.217 | -0.434 | 0.000 | 0.217 | **0.000** |
| | | | | | | | | | |
| **Chief Executive's Department** | | **-5.768** | **-5.518** | **0.000** | **0.000** | **-5.518** | **0.250** | **0.000** | **-0.250** |
| Staffing savings | | -0.105 | -0.105 | 0.000 | 0.000 | -0.105 | 0.000 | 0.000 | **0.000** |
| Recruitment of in-house solicitors to reduce utilisation of more expensive external law firms. Recruitment of 4 senior solicitors will lead to likely saving of c. £121k per solicitor; an in-house trial has already been accomplished which indicates that this is an achievable target. | | -0.488 | -0.488 | 0.000 | 0.000 | -0.488 | 0.000 | 0.000 | **0.000** |
| Efficiencies in Legal case management | | -0.028 | -0.028 | 0.000 | 0.000 | -0.028 | 0.000 | 0.000 | **0.000** |
| Full year saving from senior staff reorganisation | | -0.195 | -0.195 | 0.000 | 0.000 | -0.195 | 0.000 | 0.000 | **0.000** |
| Support Service targeted reductions - reduced contribution to pension fund in respect of staff who transferred to Invicta Law | | -0.286 | -0.286 | 0.000 | 0.000 | -0.286 | 0.000 | 0.000 | **0.000** |
| Staffing savings identified from the deletion of two currently vacant roles | | -0.161 | -0.161 | 0.000 | 0.000 | -0.161 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SPRCA Division | | -0.128 | -0.128 | 0.000 | 0.000 | -0.128 | 0.000 | 0.000 | **0.000** |
| Current contract includes pruning, watering, pest control and replacement at no cost of any plants that die. It is not suitable for staff to replace these activities due to previous issues, therefore it is proposed to remove plants entirely. | | -0.040 | -0.040 | 0.000 | 0.000 | -0.040 | 0.000 | 0.000 | **0.000** |
| Greenbanks, Orchards, & Rainbow MASH sites currently seeking to remove from rating list. We believe they should be exempt. | | -0.070 | -0.070 | 0.000 | 0.000 | -0.070 | 0.000 | 0.000 | **0.000** |
| Property savings from a Corporate Landlord (CLL) review of specialist assets | | -0.263 | -0.263 | 0.000 | 0.000 | -0.263 | 0.000 | 0.000 | **0.000** |
| Removal of payment for family hubs rates where appropriate | | -0.052 | -0.052 | 0.000 | 0.000 | -0.052 | 0.000 | 0.000 | **0.000** |
| Review service provision of plumbed water coolers and bottled water. | | -0.030 | -0.030 | 0.000 | 0.000 | -0.030 | 0.000 | 0.000 | **0.000** |
| Review of car parking provision associated with office estate to ensure that it is aligned to the office estate. Review car parking models. | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| Corporate Landlord review of Community Delivery including Assets | | -0.772 | -0.772 | 0.000 | 0.000 | -0.772 | 0.000 | 0.000 | **0.000** |
| Corporate Landlord review of Office Assets. 2025-26 includes the re-phasing of savings into future years due to programme timeline changes | | -0.190 | -0.190 | 0.000 | 0.000 | -0.190 | 0.000 | 0.000 | **0.000** |
| Saving from exit and disposal of Invicta House, assuming sale after two years of holding costs. | | -0.526 | -0.526 | 0.000 | 0.000 | -0.526 | 0.000 | 0.000 | **0.000** |
| Review of services for maintained schools including facilities management costs, tree | | -2.048 | -2.048 | 0.000 | 0.000 | -2.048 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| surveys and health and safety support (Infrastructure) | | | | | | | | | |
| Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Infrastructure Division | | -0.009 | -0.009 | 0.000 | 0.000 | -0.009 | 0.000 | 0.000 | **0.000** |
| Review of Library estate to match the Library Service requirements | | -0.250 | 0.000 | 0.000 | 0.000 | 0.000 | 0.250 | 0.000 | **-0.250** |
| Review of structures across the Council to ensure adherence to the Council's organisation design policy | | -0.128 | -0.128 | 0.000 | 0.000 | -0.128 | 0.000 | 0.000 | **0.000** |
| | | | | | | | | | |
| **Public Health** | | | | | | | | | |
| Healthy Lifestyles transformation saving | | -0.407 | -0.407 | 0.000 | 0.000 | -0.407 | 0.000 | 0.000 | **0.000** |
| | | | | | | | | | |
| **Deputy Chief Executive's Department** | | **-1.365** | **-1.365** | **0.000** | **0.000** | **-1.365** | **0.000** | **0.000** | **0.000** |
| Savings target following assessment of ongoing service requirements | | -0.035 | -0.035 | 0.000 | 0.000 | -0.035 | 0.000 | 0.000 | **0.000** |
| Senior reorganisation as approved by full council vote | | -0.165 | -0.165 | 0.000 | 0.000 | -0.165 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - HROD | | -0.002 | -0.002 | 0.000 | 0.000 | -0.002 | 0.000 | 0.000 | **0.000** |
| Process changes approved by Full Council on 18 December 2025 intended to provide Committee administration, SRA and Member expense savings. The arrangements involve the de-commissioning of some Ordinary Committees and the disbanding a sub-committee. Savings also include related | | -0.075 | -0.075 | 0.000 | 0.000 | -0.075 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| decommissioning of a Cabinet Committee as approved by the Leader in December 2025. | | | | | | | | | |
| Running costs of the County Car, which is no longer in use. | | -0.005 | -0.005 | 0.000 | 0.000 | -0.005 | 0.000 | 0.000 | **0.000** |
| Impact of July 2025 decision to reduce Member allowances by 5% available to fund one-off increase in Member Community Grants for 2026-27 | | -0.081 | -0.081 | 0.000 | 0.000 | -0.081 | 0.000 | 0.000 | **0.000** |
| Review of the use of technology to create efficiencies when the contract for the provision of the Contact Centre is renewed | | -0.290 | -0.290 | 0.000 | 0.000 | -0.290 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Marketing & Resident Experience Division | | -0.003 | -0.003 | 0.000 | 0.000 | -0.003 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Technology | | -0.002 | -0.002 | 0.000 | 0.000 | -0.002 | 0.000 | 0.000 | **0.000** |
| Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SMDB Division | | -0.468 | -0.468 | 0.000 | 0.000 | -0.468 | 0.000 | 0.000 | **0.000** |
| Efficiencies and use of AI in School Appeals | | -0.006 | -0.006 | 0.000 | 0.000 | -0.006 | 0.000 | 0.000 | **0.000** |
| Explore alternative sources of funding for the Kent Support & Assistance Service | | -0.038 | -0.038 | 0.000 | 0.000 | -0.038 | 0.000 | 0.000 | **0.000** |
| Explore alternative sources of funding for the administration of the Kent Support & Assistance Service | | -0.105 | -0.105 | 0.000 | 0.000 | -0.105 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|---|
| Review of structures across the Council to ensure adherence to the Council's organisation design policy | | -0.090 | -0.090 | 0.000 | 0.000 | -0.090 | 0.000 | 0.000 | **0.000** |
| | | | | | | | | | |
| **Non Attributable Costs** | | **-15.563** | **-14.263** | **-2.779** | **0.000** | **-17.042** | **-1.479** | **1.300** | **0.000** |
| Impact on debt charges of changes made to the capital programme such as reduction in the Strategic Estate Programme, removal of Digital Autopsy and public mortuary project, use of grant instead of borrowing for Schools Basic Need Programme and Schools Modernisation/annual planned enhancement offset by an increase in the Modernisation of Assets and Highways Risks Category 1's. | | -0.660 | -0.660 | 0.000 | 0.000 | -0.660 | 0.000 | 0.000 | **0.000** |
| 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. This is part of a £25m package of one-off measures towards balancing the 2026-27 budget. | | -9.000 | -9.000 | 0.000 | 0.000 | -9.000 | 0.000 | 0.000 | **0.000** |
| Projected fluctuations in investment income due to predicted changes in base rate as forecast by our Treasury Management Advisor, and also movement in forecast available cash flows and balances including loss of investment income due to repaying £50m loan from cash balances | | -1.300 | 0.000 | -2.779 | 0.000 | -2.779 | -1.479 | 1.300 | **0.000** |
| Review amounts set aside for debt repayment (MRP) based on review of asset life | | -1.000 | -1.000 | 0.000 | 0.000 | -1.000 | 0.000 | 0.000 | **0.000** |

| Saving (Figures in £m) | 2026-27 Savings Target | Forecast against original saving | Forecast against alternative saving (ongoing) | Forecast against alternative saving (one-off) | Total Forecast Delivery | Variance | Un-deliverable | To be achieved in future years |
|---|---|---|---|---|---|---|---|---|
| Estimated increase in income contribution from our limited companies | -0.500 | -0.500 | 0.000 | 0.000 | -0.500 | 0.000 | 0.000 | **0.000** |
| Annual discount received for 10 years on £50m early debt redemption in September 2025 and £10m in March 2025 | -0.683 | -0.683 | 0.000 | 0.000 | -0.683 | 0.000 | 0.000 | **0.000** |
| Impact on debt interest costs of £50m early debt redemption in 2025-26 | -2.420 | -2.420 | 0.000 | 0.000 | -2.420 | 0.000 | 0.000 | **0.000** |

# Appendix 2 | Revenue Virements

## Adult Social Care & Health Virements

| Key Service | Gross | Income | Net | Description |
|---|---|---|---|---|
| Adult Learning and Physical Disability Pathway - Community Based Services | -4,000.0 | 0.0 | -4,000.0 | Transfer of budget from 18-25 Learning Disability to 26+ Learning Disability services to align with updated service projections for the financial year. |
| Adult Learning Disability - Community Based Services and Support for Carers | 1,945.6 | 720.6 | 2,666.2 | |
| Adult Learning Disability - Residential Care Services and Support for Carers | 1,270.5 | 63.3 | 1,333.8 | |

## Growth, Environment & Transport Virements

| Key Service | Gross | Income | Net | Description |
|---|---|---|---|---|
| Environment | 11.0 | 0.0 | 11.0 | Alternative delivery of the 'review of staffing budgets across GET' MTFP saving following in-year allocation of Corporately held tiers and spans saving due to overlap/mutually exclusive options. |
| Environment and Circular Economy Divisional management costs | 20.3 | 0.0 | 20.3 | |
| Growth - Economy | 181.0 | -211.0 | -30.0 | |
| Growth and Communities Divisional management costs | 215.2 | 0.0 | 215.2 | |
| Highway Assets Management | -48.2 | -100.0 | -148.2 | |
| Highways and Transportation divisional management costs | 25.2 | 0.0 | 25.2 | |
| Libraries, Registration and Archives | 0.0 | -50.0 | -50.0 | |
| Residual Waste | 2.4 | 0.0 | 2.4 | |
| Strategic Management and Directorate Budgets (GET) (3GD4KS1) | 7.2 | 0.0 | 7.2 | |
| Transportation | 46.9 | 0.0 | 46.9 | |
| Waste Facilities and Recycling Centres | -100.0 | 0.0 | -100.0 | |

## Cross Directorate Virements

| Key Service | Gross | Income | Net | Description |
|---|---|---|---|---|
| Governance & Democracy | 26.2 | 0.0 | 26.2 | Transfer member of staff from GET Corporate Director/Support budget to Cabinet Member Support. |
| Strategic Management and Directorate Budgets (GET) | -26.2 | 0.0 | -26.2 | |

# Appendix 3 | Capital Budget Changes

| Project | Year | Amount (£m) | Reason |
|---|---|---|---|
| **Children, Young People & Education** | | | |
| Family Hubs and Start for Life | 26-27 | 0.119 | Increase in grant for Family Hubs |
| In-House Residential Provision/Education for Disabled Children | 26-27 | 0.04 | Agreed funding from the Feasibility Fund |
| Create-a-Bedroom Fostering Capacity Scheme | 26-27 | 0.01 | Agreed funding from the Feasibility Fund |
| | | | |
| **Growth, Environment & Transport** | | | |
| Highway Major Enhancement | 29-30 | 0.038 | Additional external funding relating to Trees |
| Highway Major Enhancement | 26-27 | 0.080 | Virement of grant from Integrated Transport |
| Integrated Transport Schemes | 26-27 | -0.080 | Virement of grant to Highways Major Enhancement |
| | | | |
| **Chief Executive's Department** | | | |
| Feasibility Fund | 26-27 | -0.050 | Feasibility funding agreed for In-House Residential Provision/Education for Disabled Children and Create-a-Bedroom Fostering Capacity Scheme |
| Basic Need KCP 19 | 26-27 | 0.684 | Additional grant funding for Rosherville School |
| Basic Need KCP 19 | 26-27 | 0.095 | Additional external funding for Rosherville School |
| High Needs Provision | 26-27 | 0.532 | Additional developer contributions for Homewood School |

# Appendix 4 | 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)**

| | 25-26 Actual | 26-27 Budget | 26-27 Forecast | 27-28 Estimate | 28-29 Estimate | 29-30 Estimate |
|---|---|---|---|---|---|---|
| Total | 273.9 | 420.1 | 388.0 | 307.2 | 200.1 | 201.1 |

**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.

| | 25-26 Actual | 26-27 Budget | 26-27 Forecast | 27-28 Estimate | 28-29 Estimate | 29-30 Estimate |
|---|---|---|---|---|---|---|
| Total CFR | 1,277.6 | 1,284.2 | 1,260.1 | 1,242.4 | 1,199.2 | 1,174.1 |

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

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the CFR.

| | 25-26 Actual | 26-27 Budget | 26-27 Forecast | 27-28 Estimate | 28-29 Estimate | 29-30 Estimate |
|---|---|---|---|---|---|---|
| Other long-term liabilities | 216.5 | 194.7 | 216.5 | 216.5 | 216.5 | 216.5 |
| External borrowing | 610.4 | 600.6 | 565.1 | 556.9 | 548.7 | 540.4 |
| **Total Debt** | **826.9** | **795.3** | **781.6** | **773.4** | **765.2** | **756.9** |
| | | | | | | |
| Capital Financing Requirement | 1,277.6 | 1,284.2 | 1,260.1 | 1,242.4 | 1,199.2 | 1,174.1 |
| Internal borrowing | 450.8 | 488.9 | 478.5 | 469.0 | 434.0 | 417.2 |

**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.

| | 25-26 Actual | 26-27 Budget | 26-27 Forecast | 27-28 Estimate | 28-29 Estimate | 29-30 Estimate |
|---|---|---|---|---|---|---|
| Authorised limit – borrowing | 1,201.0 | 1,200.6 | 1,201.0 | 1,023.0 | 996.0 | 990.0 |
| Authorised limit – other long-term liabilities | 216.5 | 216.5 | 216.5 | 216.5 | 216.5 | 216.5 |
| **Authorised limit – total external debt** | **1,417.5** | **1,417.1** | **1,417.5** | **1,239.5** | **1,212.5** | **1,206.5** |
| | | | | | | |
| Operational boundary – borrowing | 1,101.0 | 1,101.0 | 1,101.0 | 1,000.0 | 975.0 | 960.0 |
| Operational boundary – other long-term liabilities | 217* | 217.0 | 217.0 | 217.0 | 217.0 | 217.0 |
| **Operational boundary – total external debt** | **1,101.0** | **1,318.0** | **1,318.0** | **1,217.0** | **1,192.0** | **1,177.0** |

* Includes IFRS16 long term liability

**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.

| | 25-26 Actual | 26-27 Budget | 26-27 Forecast | 27-28 Estimate | 28-29 Estimate | 29-30 Estimate |
|---|---|---|---|---|---|---|
| Proportion of net revenue stream | 6.75% | 5.93% | 6.44% | 6.21% | 5.92% | 5.90% |

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

| | 25-26 Actual | 26-27 Estimate | 27-28 Estimate | 28-29 Estimate |
|---|---|---|---|---|
| Net income from commercial and service investments to net revenue stream (%) | 0.49% | 0.41% | 0.40% | 0.39% |