

From: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement  
Andy Wood, Corporate Director of Finance & Procurement  
Corporate Directors

To: CABINET - 2 December 2013

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2013-14 - QUARTER 2**
- (2) **KEY ACTIVITY MONITORING FOR 2013-14 - QUARTER 2**
- (3) **FINANCIAL HEALTH INDICATORS 2013-14 - QUARTER 2**
- (4) **PRUDENTIAL INDICATORS 2013-14 - QUARTER 2**
- (5) **IMPACT ON REVENUE RESERVES**
- (6) **DIRECTORATE STAFFING LEVELS 2013-14 - QUARTER 2**

Classification:

**Unrestricted**

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## 1. SUMMARY

- 1.1 This report provides the budget monitoring position for September 2013-14 for both revenue and capital budgets, including an update on key activity data. As explained in the report to Cabinet in October, this report is presented in the pre-election portfolio structure, and will be for the remainder of the financial year.
- 1.2 The format of this report is:
- An executive summary which provides a high level financial summary and highlights only the most significant issues
  - Appendix 1 provides an update on our Financial Health indicators
  - Appendix 2 provides an update on our Prudential indicators
  - There are eight annexes to this executive summary report, as detailed below:
    - **Annex 1** **Education, Learning & Skills Directorate** incl. Education, Learning & Skills portfolio
    - **Annex 2** **Families & Social Care Directorate - Children's Services** incl. Specialist Children's Services portfolio
    - **Annex 3** **Families & Social Care Directorate - Adult Services** incl. elements of Adult Social Care & Public Health portfolio
    - **Annex 4** **Enterprise & Environment Directorate** incl. Environment, Highways & Waste portfolio and elements of Regeneration & Economic Development portfolio
    - **Annex 5** **Customer & Communities Directorate** incl. Customer & Communities portfolio

- **Annex 6 Business Strategy & Support Directorate - Public Health** incl. elements of Adult Social Care & Public Health portfolio
- **Annex 7 Business Strategy & Support Directorate (excl. Public Health)** incl. elements of Regeneration & Economic Development, Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios
- **Annex 8 Financing Items** incl. elements of Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

## 2. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** a virement of £1.5m from the Modernisation of the Council budget within the Finance & Business Support portfolio to a new budget line "Business Strategy - Facing the Challenge" to be held in the Democracy & Partnerships portfolio (in the pre-election portfolio structure), to fund the initial costs of Facing the Challenge.
- iii) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
- iv) **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 1 and appendix 2 respectively.
- v) **Note** the directorate staffing levels as at the end of September 2013 as provided in section 7.

## 3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined portfolio revenue budgets is an underspend of £5.179m, before management action. However, it has been agreed that funding for Social Fund awards is ringfenced for the period 2013-14 to 2014-15 and there is some re-phasing of projects, detailed in section 3.6, which will require roll forward to 2014-15, therefore this changes the position to an underspend of -£2.647m as shown in the headline table below. Management action is expected to increase the underspend to -£4.049m. The annexes to this report provide the detail, which is summarised in Tables 1a and 1b below.
- 3.2 This new style of reporting does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £1.351m increase in the forecast underspend (excluding schools), as shown in table 1a. This is mainly due to re-phasing of the Kent Youth Employment scheme within ELS portfolio; additional Waste underspending within the EH&W portfolio; a general increase in underspending within C&C portfolio including further underspending on the Social Fund; an increase in the pressure on the Property budget within BSP&HR portfolio and an anticipated shortfall in Education Services Grant due to schools converting to academies in year, reflected within the F&BS portfolio.

## HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action	Last Report	Movement
<b>Portfolio Totals</b>	+975,378	-5,179	-1,402	-6,581	-5,230	-1,351
Adjustments: - Committed roll forward/ re-phasing (see section 3.6 for detail)		+2,532	-	+2,532	+755	+1,777
<b>Underlying position</b>	<b>+975,378</b>	<b>-2,647</b>	<b>-1,402</b>	<b>-4,049</b>	-4,475	+426

### 3.3 Table 1a Portfolio position - net revenue position **before and after** management action together with comparison to last report

Portfolio	Budget £'000	Net Variance (before mgmt action) £'000	Proposed Management Action £'000	Net Variance (after mgmt action) £'000	Last Report £'000	Movement £'000
Education, Learning and Skills (ELS)	55,543.3	-1,955	-	-1,955	-906	-1,049
Specialist Children's Services (SCS)	152,687.6	+3,533	-1,035	+2,498	+2,282	+216
Specialist Children's Services - Asylum	280.0	+383	-	+383	+389	-6
Adult Social Care & Public Health (ASC&PH)	335,261.9	-380	-	-380	-385	+5
Environment, Highways & Waste (EH&W)	151,726.1	+1,667	-	+1,667	+2,652	-985
Customer & Communities (C&C)	75,995.8	-2,395	-	-2,395	-1,673	-722
Regeneration & Economic Development (R&ED)	3,882.2	-	-	-	+4	-4
Finance & Business Support (F&BS)	135,968.5	-6,578	-	-6,578	-7,114	+536
Business Strategy, Performance & Health Reform (BSP&HR)	57,462.7	+813	-367	+446	-220	+666
Democracy & Partnerships (D&P)	6,569.9	-267	-	-267	-259	-8
<b>TOTAL (excl Schools)</b>	<b>975,378.0</b>	<b>-5,179</b>	<b>-1,402</b>	<b>-6,581</b>	<b>-5,230</b>	<b>-1,351</b>
<i>Schools (ELS Portfolio)</i>	-	+1,881	-	+1,881	+1,504	+377
<b>TOTAL</b>	<b>975,378.0</b>	<b>-3,298</b>	<b>-1,402</b>	<b>-4,700</b>	<b>-3,726</b>	<b>-974</b>

3.4 **Table 1b** Portfolio/Directorate position - gross revenue position **before** management action

Portfolio	Budget £'000	Variance £'000	Directorate						
			ELS £'000	FSC £'000	E&E £'000	C&C £'000	BSS £'000	FI £'000	
			annex 1	annexes 2&3	annex 4	annex 5	annexes 6&7	annex 8	
Education, Learning and Skills (ELS)	55,543.3	-1,955	-1,955						
Specialist Children's Services (SCS)	152,687.6	+3,533		+3,533					
Specialist Children's Services - Asylum	280.0	+383		+383					
Adult Social Care & Public Health (ASC&PH)	335,261.9	-380		-15				-365	
Environment, Highways & Waste (EH&W)	151,726.1	+1,667			+1,667				
Customer & Communities (C&C)	75,995.8	-2,395				-2,395			
Regeneration & Economic Development (R&ED)	3,882.2	-			-			-	
Finance & Business Support (F&BS)	135,968.5	-6,578						-362	-6,216
Business Strategy, Performance & Health Reform (BSP&HR)	57,462.7	+813						+813	-
Democracy & Partnerships (D&P)	6,569.9	-267						-171	-96
<b>TOTAL (excl Schools)</b>	<b>975,378.0</b>	<b>-5,179</b>	<b>-1,955</b>	<b>+3,901</b>	<b>+1,667</b>	<b>-2,395</b>	<b>-85</b>	<b>-6,312</b>	
<i>Schools (ELS Portfolio)</i>	-	+1,881	+1,881						
<b>TOTAL</b>	<b>975,378.0</b>	<b>-3,298</b>	<b>-74</b>	<b>+3,901</b>	<b>+1,667</b>	<b>-2,395</b>	<b>-85</b>	<b>-6,312</b>	

3.5 The **Revenue** Budget Monitoring headlines are as follows:

- a) Specialist Children's Services still have significant financial pressures being highlighted in 2013-14. The net variance of £3.916m (incl Asylum) assumes some management action is still to be achieved. Recent work has been undertaken to identify management action which is now estimated at £1.035m, which is expected to reduce the pressure to £2.881m. There are pressures both in relation to agency staff and costs relating to looked after children.
- b) The position reflected in this report for Asylum is a pressure of £0.383m, however this assumes that we invoice the Home Office for £2.456m of costs deemed as ineligible against the current grant rules. If this invoice is not paid, then our pressure will increase.
- c) The ELS position includes a £1.567m forecast underspend against Mainstream Home to School Transport, however transport for the new academic year is still being finalised so this position remains provisional and could change.
- d) The small underspend reported for Adult Social Care of -£0.015m assumes a drawdown from the NHS Support for Social Care reserve of £8.324m to fund the ongoing impact of 2012-13 winter pressures and investment in services to deliver the transformation savings.
- e) There is a £3.0m underspend as a result of lower than budgeted waste tonnage, reflecting a continuation of the impact of the new operating policies implemented in October 2012 at Household Waste Recycling Centres to stop accepting commercial waste at sites, however this reduces to a £1.322m underspend due to other pressures on the waste budgets. Provisional tonnage for September suggests that this underspend will increase and if verified, then this will be included in the next report to Cabinet in January.

- f) The forecast currently assumes unused Public Health grant of £1.590m will be transferred to a new Public Health reserve for use in future years, in line with Government guidelines. This is largely as a result of a delay in some new projects within the Kent Drug and Alcohol Service.
- g) An underspend of £1.001m is forecast against the Kent Support & Assistance Service budget for awards (the Social Fund responsibilities which transferred from the DWP from 1 April 2013), which will be required to roll forward to 2014-15 in line with key decision 12/01939 which agreed that funding for this scheme should be ringfenced for the period 2013-15. This reflects initial take up of the new scheme in the first six months, which has increased in the second quarter as expected.
- h) There are a number of pressures against the DSG budget with an unbudgeted drawdown of £3.813m forecast for 2013-14. This will need to be addressed within the overall DSG settlement in the MTFP process, which may result in a realignment of DSG funds between directorates and/or between delegated and non delegated budgets.
- i) The overall reported position includes £4.993m of additional Government funding announced since the budget was set, however a shortfall of £0.487m against the Education Services Grant is now anticipated as a result of schools converting to academies during this financial year, resulting in an underspend of £4.506m reported against the unallocated financing items budget within the F&BS portfolio. Cabinet agreed in July that this should be held centrally to offset any potential shortfall in meeting our savings target this year, but should we achieve a balanced position without this additional funding then this should be transferred to reserves to help offset anticipated future funding cuts. The headline position shown on page 2 currently shows that should management action be delivered as anticipated, then we are currently on track to transfer £4.049m of the £4.506m to reserves.

### 3.6 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 2 shows that within the current forecast revenue position there is a requirement to roll forward £0.755m to 2014-15. This relates to:

▪ re-phasing of Kent Youth Employment programme in to 2014-15 and 2015-16 (see annex 1)	+1,376
▪ underspend on Kent Support & Assistance budget for awards (see annex 5)	+1,001
▪ re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 5)	+68
▪ re-phasing of Health Reform budget (to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups) (see annex 7)	+87
	+2,532

### 3.7 Revenue budget virements/changes to budgets

All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/portfolios.

In addition, Cabinet is asked to agree to a virement of £1.5m from the Modernisation of the Council budget within the Finance & Business Support portfolio to a new budget line "Business Strategy - Facing the Challenge" to be held in the Democracy & Partnerships portfolio (in the pre-election portfolio structure), to fund the initial costs of Facing the Challenge. This virement is not yet reflected in this report.

## 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the Capital Programme 2013-14 is £320.300m. The forecast outturn against this budget is £277.479m giving a variance of -£42.821m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Portfolio/Directorate capital position

Portfolio	3 Year Cash Limit £'000	2013-14 Working Budget £'000	2013-14 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education, Learning and Skills	210,018	149,868	-14,341	-2,700	-11,641	1
Specialist Children's Services	1,325	1,925	-	-	-	2
Adult Social Care & Public Health	92,858	12,359	-6,942	-2,536	-4,406	3
Environment, Highways & Waste	193,789	77,144	-16,586	-932	-15,654	4
Customer & Communities	11,263	7,382	-2,837	-158	-2,679	5
Regeneration & Economic Development	103,407	38,308	-1,353	-	-1,353	7
Finance & Business Support	-	-	-	-	-	N/A
Business Strategy, Performance & Health Reform	46,534	33,314	-762	-715	-47	7
Democracy & Partnerships	-	-	-	-	-	N/A
<b>TOTAL</b>	<b>659,194</b>	<b>320,300</b>	<b>-42,821</b>	<b>-7,041</b>	<b>-35,780</b>	

4.3 The **Capital** Budget Monitoring headlines are as follows:

- a) The majority of schemes are within budget and on time.
- b) £35.780m of the £42.821m variance is due to rephasing expenditure into future years. The main projects comprising the rephasing are: £4.5m on the basic need programme (ELS) and £5.6m on the Special Schools Review Programme (ELS) to reflect a more realistic profiling of costs, £2m on Nursery Provision for 2 year olds (ELS) due to larger projects requiring planning permission, £2.1m on IT Projects (Adults), £3.4m on the highways major maintenance programme due to a detailed review of the highways capital funding being undertaken as part of the 2014-17 MTFP process, £2.6m on Growth without Gridlock (EHW) whilst development work continues to be undertaken, £1.6m on Swale Transfer Station (EHW) due to reprofiling now the site search has been completed and £1m on Street Lighting Timing (EHW) due to police liaison with a longer and wider public consultation.
- c) The remaining £7.041m of the £42.821m variance relates to anticipated real project variances. £2.7m of this in the ELS portfolio is being held in anticipation of future pressures, £1.5m on the Learning Disability Good Day Programme - Community Initiatives (Adults) and £0.7m on Public Access Development (Adults) as certain projects are not now going ahead or have been provided through other

#### 4.4 **Capital budget virements/changes to budgets**

All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

### 5. **FINANCIAL HEALTH**

- 5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 1**
- 5.2 The latest monitoring of Prudential indicators is detailed in **Appendix 2**

### 6. **REVENUE RESERVES**

6.1 The table below reflects the projected impact of the current forecast spend and activity for 2013-14 on our revenue reserves:

Account	Balance at 31/3/13 £m	Projected Balance at 31/3/14 £m	Movement £m
Earmarked Reserves	163.7	119.1	-44.6
General Fund balance	31.7	31.7	-
Schools Reserves *	48.1	46.2	-1.9

\* Both the table above and section 2.1 of annex 1 include delegated schools reserves and unallocated schools budget.

6.2	The reduction of £44.6m in earmarked reserves includes:	£m
	▪ Release of previously earmarked reserves (as approved in the 2013-15 MTFP)	-9.0
	▪ Budgeted contribution to reserves (including underwriting Council Tax Support Scheme)	+1.8
	▪ Drawdown from rolling budget reserve in respect of Big Society re-phasing saving	-1.0
	▪ Budgeted drawdown from Kingshill Smoothing reserve	-2.0
	▪ Budgeted transfer to Regeneration Fund	+1.0
	▪ Use of 2011-12 uncommitted underspend held in Economic Downturn Reserve	-5.0
	▪ Use of rolling budget reserve (2012-13 underspend)	-16.1
	▪ Budgeted drawdown of Dedicated Schools Grant reserve	-4.1
	▪ Transfer to Economic Downturn reserve of uncommitted 2012-13 rolled forward underspend	+4.9
	▪ Forecast transfer to/from new Public Health reserve	+1.6
	▪ Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)	-3.8
	▪ Forecast use of NHS Support for Social Care reserve	-8.3
	▪ Forecast transfer to/from Insurance reserve	-0.6
	▪ Forecast transfer to rolling budget reserve of 2013-14 underspend	+6.6
	▪ Forecast drawdown from Prudential Equalisation MRP smoothing reserve	-2.3
	▪ Other forecast movements in earmarked reserves	-8.3
		-44.6

6.3	The reduction of £1.9m in the schools reserves is due to:	£m
	▪ An assumed 24 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 2 school closures	-1.9
		-1.9

The value of school reserves is very difficult to predict at this stage in the year. The schools 6 month monitoring returns have recently been received and are currently being checked and verified. An update will be provided in future monitoring reports.



## 7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2013 and 30 September compared to the numbers as at 31 March 2013, based on active assignments. Between 31 March 13 and 30 September 13, there has been a reduction of 456.57 FTEs, which includes a 233.81 FTE increase in schools together with a reduction of -690.38 FTEs in non-schools settings.

		Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Difference	
							Number	%
KCC	Assignment count	41,201	40,242	40,274			-927	-2.25%
	Headcount (inc. CRSS)	34,952	34,056	34,151			-801	-2.29%
	Headcount (excl. CRSS)	30,993	30,160	30,264			-729	-2.35%
	<b>FTE</b>	<b>22,848.23</b>	<b>22,196.33</b>	<b>22,391.66</b>			<b>-456.57</b>	<b>-2.00%</b>
KCC - Non Schools	Assignment count	13,172	12,284	12,169			-1,003	-7.61%
	Headcount (inc. CRSS)	12,114	11,259	11,181			-933	-7.70%
	Headcount (excl. CRSS)	10,360	9,634	9,621			-739	-7.13%
	<b>FTE</b>	<b>8,874.66</b>	<b>8,191.65</b>	<b>8,184.28</b>			<b>-690.38</b>	<b>-7.78%</b>
BSS	Assignment count	1,554	1,594	1,617			63	4.05%
	Headcount (inc. CRSS)	1,548	1,589	1,613			65	4.20%
	Headcount (excl. CRSS)	1,534	1,578	1,601			67	4.37%
	<b>FTE</b>	<b>1,430.83</b>	<b>1,462.72</b>	<b>1,484.48</b>			<b>53.65</b>	<b>3.75%</b>
ELS	Assignment count	1,569	1,136	1,096			-473	-30.15%
	Headcount (inc. CRSS)	1,514	1,124	1,082			-432	-28.53%
	Headcount (excl. CRSS)	1,224	908	888			-336	-27.45%
	<b>FTE</b>	<b>947.37</b>	<b>674.00</b>	<b>664.11</b>			<b>-283.26</b>	<b>-29.90%</b>
C&C	Assignment count	3,660	3,649	3,551			-109	-2.98%
	Headcount (inc. CRSS)	3,193	3,174	3,087			-106	-3.32%
	Headcount (excl. CRSS)	2,047	2,057	2,009			-38	-1.86%
	<b>FTE</b>	<b>1,630.64</b>	<b>1,641.56</b>	<b>1,602.05</b>			<b>-28.59</b>	<b>-1.75%</b>
E&E	Assignment count	1,164	655	659			-505	-43.38%
	Headcount (inc. CRSS)	1,154	648	654			-500	-43.33%
	Headcount (excl. CRSS)	1,048	546	554			-494	-47.14%
	<b>FTE</b>	<b>997.75</b>	<b>517.66</b>	<b>525.20</b>			<b>-472.55</b>	<b>-47.36%</b>
FSC	Assignment count	5,225	5,250	5,246			21	0.40%
	Headcount (inc. CRSS)	4,794	4,841	4,822			28	0.58%
	Headcount (excl. CRSS)	4,533	4,574	4,589			56	1.24%
	<b>FTE</b>	<b>3,868.07</b>	<b>3,895.71</b>	<b>3,908.44</b>			<b>40.37</b>	<b>1.04%</b>
Schools	Assignment count	28,029	27,958	28,105			76	0.27%
	Headcount (inc. CRSS)	22,966	22,942	23,084			118	0.51%
	Headcount (excl. CRSS)	20,688	20,587	20,698			10	0.05%
	<b>FTE</b>	<b>13,973.57</b>	<b>14,004.68</b>	<b>14,207.38</b>			<b>233.81</b>	<b>1.67%</b>

Note:

If a member of staff works in more than one directorate they will be counted in each. However, they will only be counted once in the Non Schools total and once in the KCC Total.

If a member of staff works for both Schools and Non Schools they will be counted in both of the total figures. However they will only be counted once in the KCC Total.

CRSS = Staff on Casual Relief, Sessional or Supply contracts

## 8. CONCLUSIONS

- 8.1 In the context of a revenue savings requirement of around £95m and on the back of delivering £175m of revenue savings over the last two years, this is a promising position at this stage of the year. However it does assume that a significant amount of management action will be delivered within Specialist Children's Services and Business Strategy, Performance & Health Reform portfolios, assumes the Home Office meet the costs of Asylum, and includes £4.506m of additional Government funding notified since the budget was set. The position has in fact worsened slightly since the last report after taking into account the requirements to roll forward, with a £4.049m underlying underspend now reported, compared to -£4.475m in the previous report. We therefore must ensure that pressure continues to be applied to resist spending wherever possible without affecting frontline services.
- 8.2 The forecasts show that the vast majority of the £95m revenue savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant directorate/portfolio will be made as appropriate. It is essential that we do not go into 2014-15 with a rolled forward overspend, or an inherent overspend, from the current year, in view of the anticipated funding cuts on the horizon.
- 8.3 There are however a number of emerging issues that will need to be addressed in the 2014-17 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

## 9. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** a virement of £1.5m from the Modernisation of the Council budget within the Finance & Business Support portfolio to a new budget line "Business Strategy - Facing the Challenge" to be held in the Democracy & Partnerships portfolio (in the pre-election portfolio structure), to fund the initial costs of Facing the Challenge.
- iii) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
- iv) **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 1 and appendix 2 respectively.
- v) **Note** the directorate staffing levels as at the end of September 2013 as provided in section 7.

## 10. BACKGROUND DOCUMENTS

None

## 11. CONTACT DETAILS

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## FINANCIAL HEALTH INDICATORS

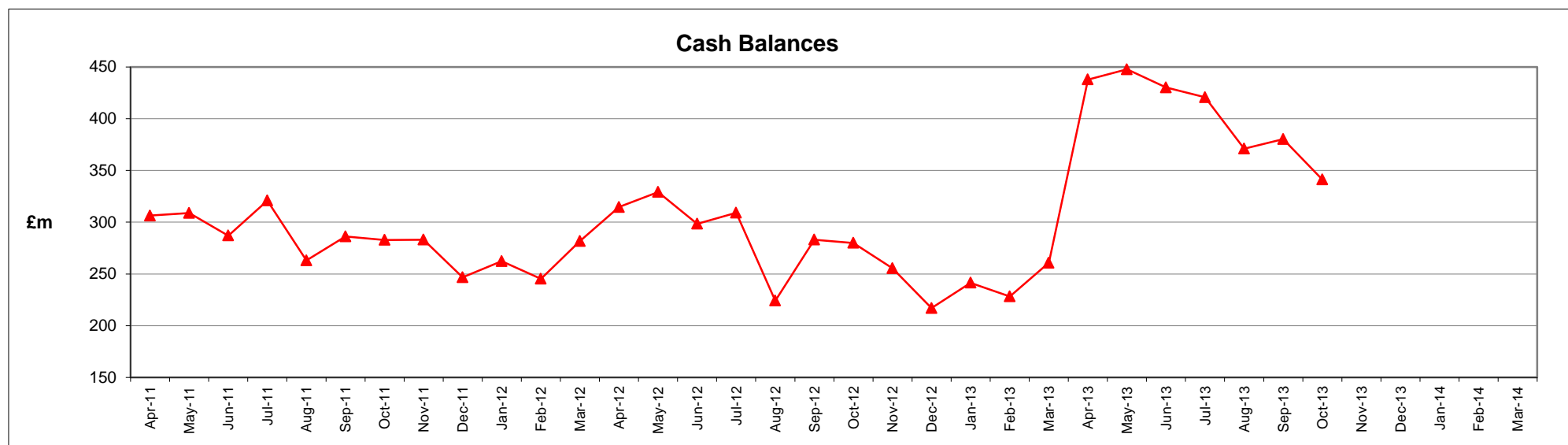
### 1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£12.417m), balances of schools in the corporate scheme (£52.9m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

The dip in cash balances in August 2012 reflects the repayment of £55m of maturing PWLB loan, with a further £20m repaid in November 2012.

Central Government Departments (particularly DCLG) have changed grant payment profiles for 2013-14. Revenue grant receipts have been heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>2011-12</b>	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
<b>2012-13</b>	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5	228.3	260.7
<b>2013-14</b>	437.8	447.6	430.1	420.7	371.0	380.1	341.3					



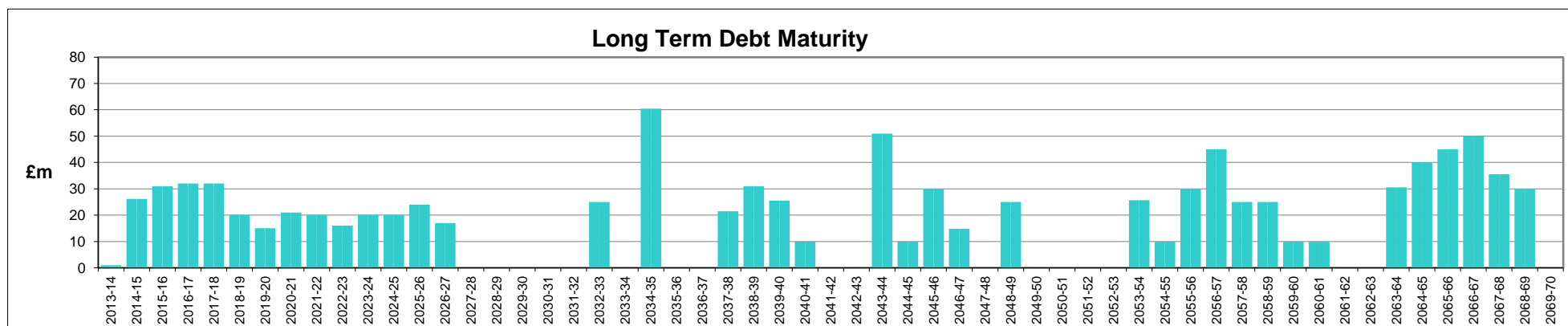
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £42.553m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.745m). These bodies make regular payments of principal and interest to KCC to service this debt.

The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

The total debt principal to be repaid in 2013-14 is £2.015m, relating to equal instalment of principal loans. £0.015m of this was repaid on 12 August 2013 and a further £1m was repaid on 3 September 2013, hence the figure in the table of £1m represents the remaining debt still to be repaid in this financial year.

	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2013-14	1.000	2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600
2014-15	26.193	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-28	21.500	2047-48	0.000	2057-58	25.000	2067-68	35.500
2018-19	20.001	2028-29	0.001	2038-39	31.000	2048-49	25.000	2058-59	25.000	2068-69	30.000
2019-20	15.001	2029-30	0.001	2039-40	25.500	2049-50	0.000	2059-60	10.000	2069-70	0.000
2020-21	21.001	2030-31	0.001	2040-41	10.000	2050-51	0.000	2060-61	10.000		
2021-22	20.001	2031-32	0.000	2041-42	0.000	2051-52	0.000	2061-62	0.000		
2022-23	16.001	2032-33	25.000	2042-43	0.000	2052-53	0.000	2062-63	0.000	<b>TOTAL</b>	<b>1,011.273</b>



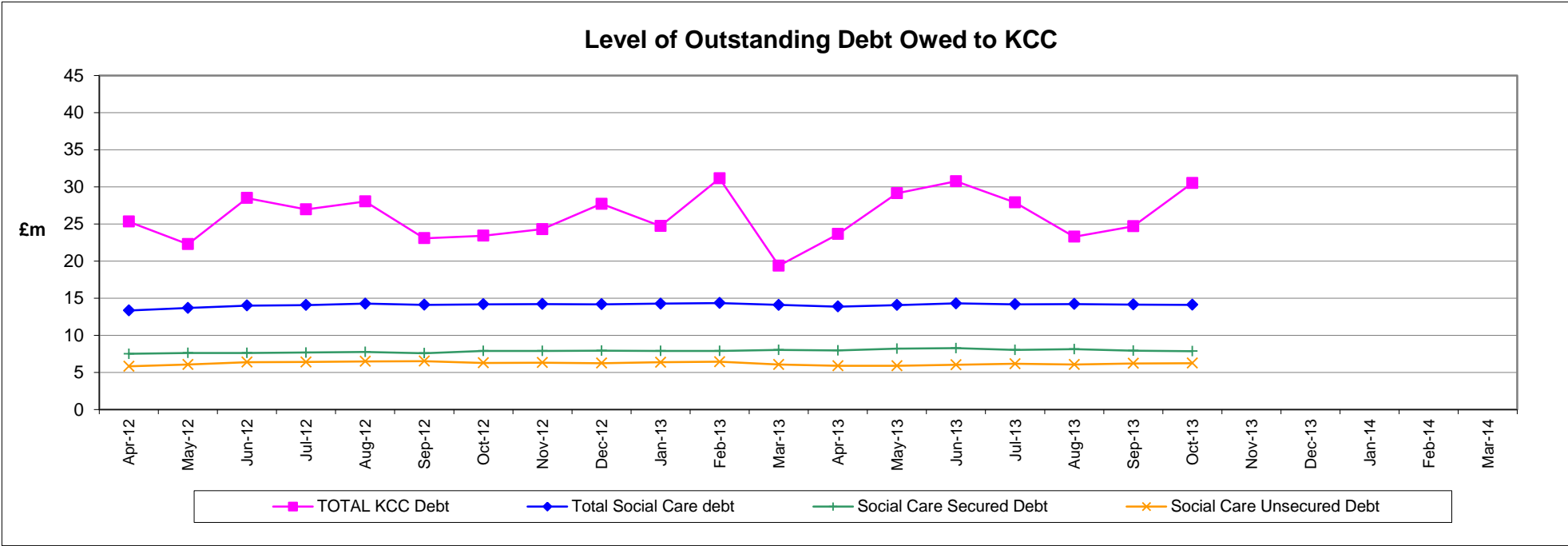
**3. OUTSTANDING DEBT OWED TO KCC**

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	FSC Sundry Debt £m	TOTAL FSC Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 12 #	7.509	5.836	13.345	6.530	<b>19.875</b>	5.445	<b>25.320</b>
May 12 #	7.615	6.068	13.683	4.445	<b>18.128</b>	4.146	<b>22.274</b>
Jun 12 #	7.615	6.384	13.999	4.133	<b>18.132</b>	10.353	<b>28.485</b>
Jul 12 #	7.674	6.392	14.066	4.750	<b>18.816</b>	8.145	<b>26.961</b>
Aug 12	7.762	6.491	14.253	5.321	<b>19.574</b>	8.452	<b>28.026</b>
Sep 12	7.593	6.506	14.099	3.002	<b>17.101</b>	5.974	<b>23.075</b>
Oct 12	7.893	6.280	14.173	2.574	<b>16.747</b>	6.653	<b>23.400</b>
Nov 12	7.896	6.310	14.206	3.193	<b>17.399</b>	6.894	<b>24.293</b>
Dec 12	7.914	6.253	14.167	3.829	<b>17.996</b>	9.713	<b>27.709</b>
Jan 13	7.885	6.369	14.254	3.711	<b>17.965</b>	6.762	<b>24.727</b>
Feb 13	7.903	6.436	14.339	12.153	<b>26.492</b>	4.632	<b>31.124</b>
Mar 13	8.025	6.066	14.091	1.895	<b>15.986</b>	3.392	<b>19.378</b>
Apr 13	7.969	5.895	13.864	4.995	<b>18.859</b>	4.771	<b>23.630</b>
May 13	8.197	5.879	14.076	5.713	<b>19.789</b>	9.331	<b>29.120</b>
Jun 13	8.277	6.017	14.294	7.662	<b>21.956</b>	8.787	<b>30.743</b>
Jul 13	8.015	6.153	14.168	6.978	<b>21.146</b>	6.746	<b>27.892</b>
Aug 13	8.141	6.063	14.204	5.116	<b>19.320</b>	3.960	<b>23.280</b>
Sep 13	7.931	6.205	14.136	5.814	<b>19.950</b>	4.746	<b>24.696</b>
Oct 13	7.867	6.246	14.113	7.533	<b>21.646</b>	8.870	<b>30.516</b>
Nov 13			0.000		<b>0.000</b>		<b>0.000</b>
Dec 13			0.000		<b>0.000</b>		<b>0.000</b>
Jan 14			0.000		<b>0.000</b>		<b>0.000</b>
Feb 14			0.000		<b>0.000</b>		<b>0.000</b>
Mar 14			0.000		<b>0.000</b>		<b>0.000</b>

Note:

# The previously reported secured and unsecured social care debt figures for April to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.



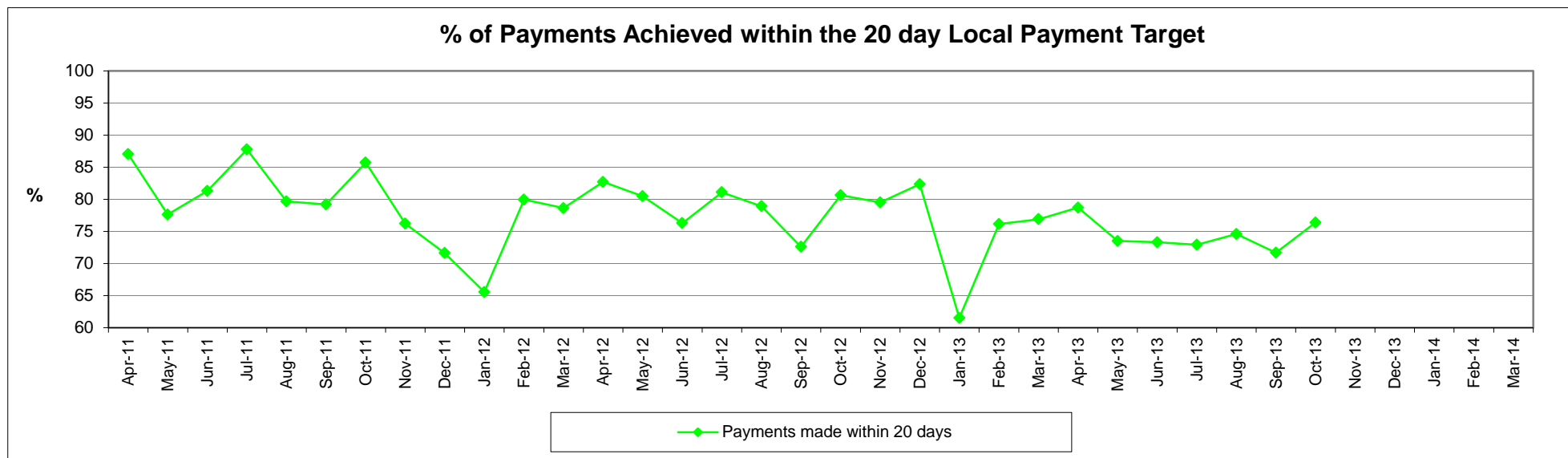
4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions. We focus on paying local and small firms as a priority. The table below shows our performance against this 20 day payment target.

	2011-12 %	2012-13 %	2013-14 %
Apr	87.0	82.7	78.7
May	77.6	80.5	73.5
Jun	81.3	76.3	73.3
Jul	87.7	81.1	72.9
Aug	79.7	78.9	74.6
Sep	79.2	72.6	71.7
Oct	85.7	80.6	76.4
Nov	76.2	79.5	
Dec	71.6	82.3	
Jan	65.5	61.5	
Feb	79.9	76.1	
Mar	78.6	76.9	

The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow. The 2013-14 year to date figure for invoices paid within 20 days is 74.6%. This compares to overall performance in previous years as follows:

	20 days %
2011-12	79.2
2012-13	77.3
2013-14 to date	74.6



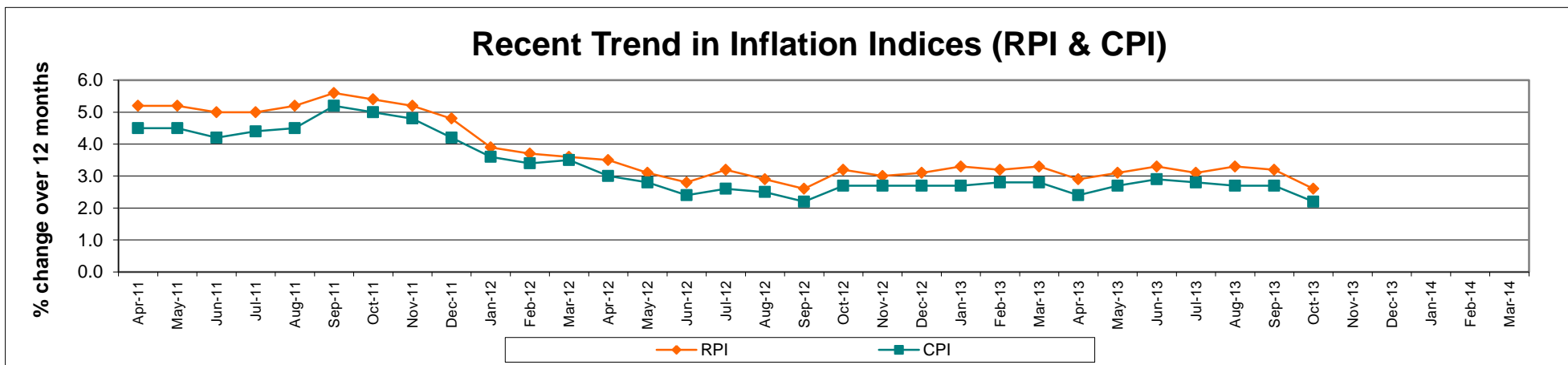


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments. The CPI and RPI measure a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

Percentage Change over 12 months

	2011-12		2012-13		2013-14	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	5.2	4.5	3.5	3.0	2.9	2.4
May	5.2	4.5	3.1	2.8	3.1	2.7
Jun	5.0	4.2	2.8	2.4	3.3	2.9
Jul	5.0	4.4	3.2	2.6	3.1	2.8
Aug	5.2	4.5	2.9	2.5	3.3	2.7
Sep	5.6	5.2	2.6	2.2	3.2	2.7
Oct	5.4	5.0	3.2	2.7	2.6	2.2
Nov	5.2	4.8	3.0	2.7		
Dec	4.8	4.2	3.1	2.7		
Jan	3.9	3.6	3.3	2.7		
Feb	3.7	3.4	3.2	2.8		
Mar	3.6	3.5	3.3	2.8		



## 2013-14 QTR 2 MONITORING OF PRUDENTIAL INDICATORS

### 1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2012-13	£181.229m	
Original estimate 2013-14	£286.571m	
Revised estimate 2013-14	£291.057m	(this includes the rolled forward re-phasing from 2012-13)

### 2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2012-13	2013-14	2013-14	2014-15	2015-16
	Actual	Original	Forecast as	Forecast as	Forecast as
	£m	£m	at 30-09-13	at 30-09-13	at 30-09-13
Capital Financing requirement	1,464.961	1,483.590	1,454.655	1,437.314	1,380.495
Annual increase/reduction in underlying need to borrow	-30.912	-2.825	-10.306	-17.341	-56.819

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

### 3. Estimate of ratio of financing costs to net revenue stream

Actuals 2012-13	14.55%
Original estimate 2013-14	13.42%
Revised estimate 2013-14	13.51%

#### 4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2013-14.

a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator	Position as at 30.09.13
	£m	£m
Borrowing	993	969
Other Long Term Liabilities	<u>1,134</u>	<u>1,155</u>
	2,127	2,124

b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

	Prudential Indicator	Position as at 30.09.13
	£m	£m
Borrowing	1,040	1,011
Other Long Term Liabilities	<u>1,134</u>	<u>1,155</u>
	2,174	2,166

#### 5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2013-14 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 30.09.13	Authorised limit for total debt managed by KCC	Position as at 30.09.13
	£m	£m	£m	£m
Borrowing	1,033	969	1,080	1,011
Other long term liabilities	<u>1,134</u>	<u>1,155</u>	<u>1,134</u>	<u>1,155</u>
	2,167	2,124	2,214	2,166

## 6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Sector

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

## 7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2013-14

Fixed interest rate exposure	100%
Variable rate exposure	30%

These limits have been complied with in 2013-14

## 8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 30.09.13
	%	%	%
Upper 12 months	10	0	0.1
12 months and within 24 months	10	0	2.6
24 months and within 5 years	15	0	9.4
5 years and within 10 years	15	0	9.1
10 years and within 20 years	15	5	10.5
20 years and within 30 years	20	5	14.7
30 years and within 40 years	20	10	12.9
40 years and within 50 years	25	10	17.9
50 years and within 60 years	30	10	22.8

## 9. Upper limit for principal sums invested for periods longer than 364 days

Indicator	£30m
Actual	£0m

**EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (excl Schools) (£k)</b>	+55,543	-1,955	-	-1,955
	<b>Schools (£k)</b>	-	+1,881	-	+1,881
	<b>Directorate Total (£k)</b>	<b>+55,543</b>	<b>-74</b>	<b>-</b>	<b>-74</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
<b>Education, Learning &amp; Skills portfolio</b>							
<b>Delegated Budget:</b>							
Schools Delegated Budgets	720,559.5	-720,559.5	0.0	+1,881	+1,881	Drawdown from school reserves for 24 expected academy converters and 2 school closures	
<b>TOTAL DELEGATED</b>	<b>720,559.5</b>	<b>-720,559.5</b>	<b>0.0</b>	<b>+1,881</b>			
<b>Non Delegated Budget:</b>							
Strategic Management & Directorate Support budgets	8,721.5	-9,171.9	-450.4	+378	+524	New Kent Integrated Adolescent Support Service managed by ELS but covering services across directorates	
					-230	<i>DSG variances over a number of headings, all less than £100k in value</i>	
					+84	Other minor variances	
<b>Children's Services - Education &amp; Personal</b>							
- 14 - 19 year olds	4,778.0	-1,335.8	3,442.2	-1,451	-1,376	Kent Youth Employment programme placements - this underspend will need to be rolled forward to be spent on placements which straddle the financial year, with the scheme continuing until 2015-16.	
					-75	Other minor variances	

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Attendance & Behaviour	3,833.9	-2,671.4	1,162.5	-265	-205 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£146k)</i> -60 Other minor variances	
- Connexions	5,696.6	0.0	5,696.6	0		
- Early Years & Childcare	7,376.4	-5,991.6	1,384.8	-85		
- Early Years Education	50,900.0	-50,900.0	0.0	+1,183	+1,183 <i>DSG variance - additional week of provision for 3 &amp; 4 year olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement.</i>  +1,092 <i>DSG variance - greater than budgeted number of hours being provided for 3 &amp; 4 year olds due to increased parental demand</i> -1,092 <i>DSG variance - reduced demand for 2 year old placements</i>	Additional DSG income is expected next year as it will be based on a more up to date count of children in early years settings and this increase will be reflected in the 2014-17 MTFP.
- Education Psychology Service	3,004.4	-400.0	2,604.4	-366	-191 Traded income from schools for non statutory psychology services  -143 Staff vacancies -32 Other minor variances	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
- Individual Learner Support	8,642.4	-7,579.0	1,063.4	-334	-80 Minority Community Achievement Service (MCAS) income from schools in excess of costs  -118 Portage staff vacancies and non staff savings offset by the write off of old debts <i>(includes a DSG variance of -£82k)</i>  -65 Head of Inclusion and Support budget part year vacancies and general non staffing underspends <i>(includes a DSG variance of -£44k)</i>  -71 Other minor variances	

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Stated Pupils	5,491.1	-5,491.1	0.0	-835	-651	<i>DSG variance - budget allocated for stated support is not required for 2013-14 and will in part cover the reported pressure on independent and non maintained special school placements (reported below)</i>	
					-184	<i>DSG variance - changes to provision of some stated support services and to numbers of pupils receiving support</i>	
	89,722.8	-74,368.9	15,353.9	-2,153			
<b>School Budgets:</b>							
- Independent Special School Placements	14,924.0	-14,924.0	0.0	+3,332	+3,332	<i>DSG variance - Increased number of pupils in independent and non maintained special school placements</i>	This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process
- PFI Schools Schemes	23,810.0	-23,810.0	0.0	0			
- Pupil Referral Units	16,142.4	-16,142.4	0.0	0			
	54,876.4	-54,876.4	0.0	+3,332			
<b>Schools Services:</b>							
- Non Delegated Staff Costs	2,644.0	-2,541.0	103.0	-54			
- Other Schools Services	7,595.1	-7,189.8	405.3	-107	-55	<i>DSG variance - Reduction in spend on the moving of mobile classrooms for schools</i>	
					-52	Other minor variances	
- Redundancy Costs	1,188.7	-1,188.7	0.0	+865	+865	<i>DSG variance - Expected increase in school based staff redundancy costs</i>	
- School Improvement	11,034.8	-8,719.0	2,315.8	+157	+266	Higher costs for the provision of training and development courses in excess of additional income generated	Income targets for School Improvement will need to be reviewed as part of the MTFP process
					-126	Increase in income generated by the Improving Together Network scheme	
					+17	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Teachers & Education Staff Pension Costs	7,954.0	-2,684.0	5,270.0	+248	+248	Increase in annual capitalization payments	
	30,416.6	-22,322.5	8,094.1	+1,109			
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,174.2	-1,720.0	1,454.2	-500	+230	SEN pupils receiving Home to College transport	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
					-730	Income from the 16+ card in excess of costs	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
- Mainstream HTST	11,517.3	-20.0	11,497.3	-1,567	-1,567	Lower than budgeted numbers of pupils travelling and the full year impact of transport policy changes, (this forecast remains an estimate until all pupil transport for the new academic year is finalised)	This saving is expected to be ongoing & will be reflected in the 2014-17 MTFP
- SEN HTST	17,207.5	0.0	17,207.5	+1,322	+1,322	Higher than budgeted numbers of pupils travelling with overall costs also influenced by other factors (see section 2.2)	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
	31,899.0	-1,740.0	30,159.0	-745			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	7,319.1	-4,932.4	2,386.7	-63			
TOTAL NON DELEGATED	222,955.4	-167,412.1	55,543.3	+1,858			
- <i>Transfer to(+)/from(-) DSG reserve</i>				-3,813	-3,813	<i>drawdown from DSG reserve to offset +£3,988k of DSG variances explained above, together with other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	222,955.4	-167,412.1	55,543.3	-1,955			
<b>Total ELS portfolio</b>	<b>943,514.9</b>	<b>-887,971.6</b>	<b>55,543.3</b>	<b>-74</b>			



## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Number of schools with deficit budgets compared with the total number of schools:

	2010-11	2011-12	2012-13	2013-14
	as at 31-3-11	as at 31-3-12	as at 31-3-13	projection
Total number of schools	538	497	463	438
Total value of school reserves	£55,190k	£59,088k	£48,124k	£46,243k
Number of deficit schools	17	7	8	3
Total value of deficits	£2,002k	£833k	£364k	£2,126k

#### Comments:

- The information on deficit schools for 2013-14 has been obtained from the schools 3 year plans completed in spring/early summer 2013 and show 3 schools predicting a deficit at the end of year 1. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. School's Financial Services will be working with these 3 schools to reduce the risk of a deficit in 2013-14 and with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- It should be noted that, based upon the three year planning returns submitted by schools in May/June, the number of schools in deficit is forecast to rise to eight in 2014-15 (with a value of £6.3m) and up to 24 in 2015-16 (with a value of £12.6m). However, all of this is before any management action. In line with existing policies, Finance staff, together with colleagues in ELS are now working to draw up recovery plans with each of these schools in order to avoid the deficit position from arising. The position currently forecast by these schools is largely a reflection of the impact of four years of flat cash settlements for schools, and for some, the impact of falling rolls.
- KCC has a "no deficit" policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year's budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The total number of schools is based on the assumption that 24 schools (including 4 secondary schools and 20 primary schools) will convert to academies before the 31st March 2014. In addition, 2 schools are closing and 1 new school is opening.
- The estimated drawdown from schools reserves of £1,881k assumes 24 schools convert to academy status and 2 schools close. The schools 6 month monitoring has recently been received and is currently being checked and verified. An update will be provided in future monitoring reports.

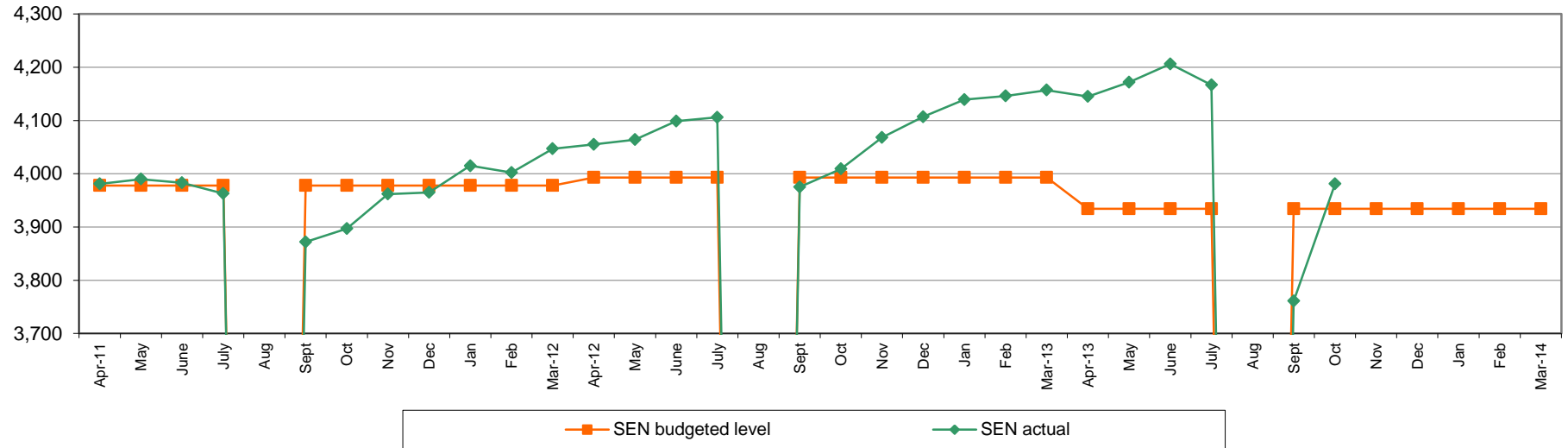
## 2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2011-12				2012-13				2013-14			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119
May	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119
Jun	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106
Jul	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300
Oct	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258
Nov	3,978	3,962	18,982	16,553	3,993	4,068	17,342	13,925	3,934	0	14,667	0
Dec	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960	3,934	0	14,667	0
Jan	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985	3,934	0	14,667	0
Feb	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	0	14,667	0
Mar	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	0	14,667	0

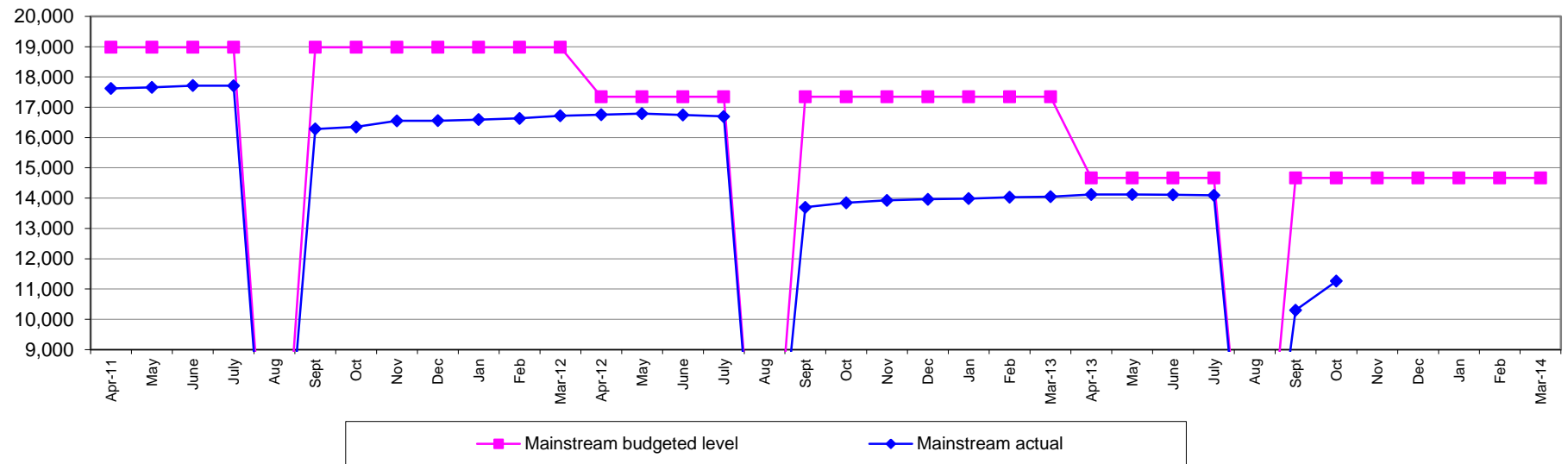
## Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£1,322k is therefore reported in table 1.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore an underspend of £1,567k is reported in table 1, but until all pupil transport for the 2013-14 academic year is finalised, this position could change.

Number of children receiving assisted SEN transport to school



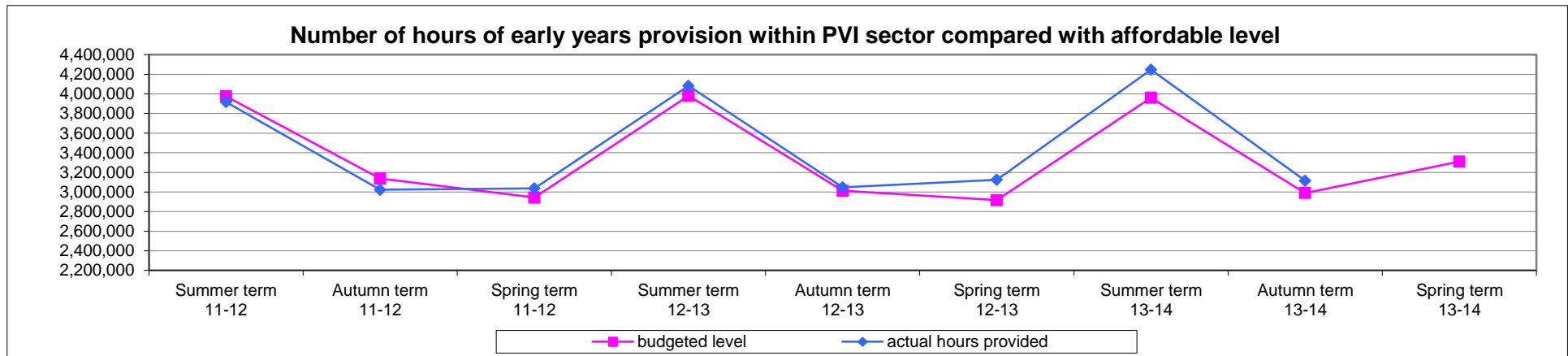
Number of children receiving assisted Mainstream transport to school



### 2.3 Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:

	2011-12		2012-13		2013-14	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,976,344	3,917,710	3,982,605	4,082,870	3,961,155	4,247,356
Autumn term	3,138,583	3,022,381	3,012,602	3,048,035	2,990,107	3,115,817
Spring term	2,943,439	3,037,408	2,917,560	3,125,343	3,310,417	
<b>TOTAL</b>	<b>10,058,366</b>	<b>9,977,499</b>	<b>9,912,767</b>	<b>10,256,248</b>	<b>10,261,679</b>	<b>7,363,173</b>

\* The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change



#### Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity suggests a pressure of £2.275m, which is due to an additional week of provision for 3 and 4 years olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement and additional hours as a result of increased parental demand. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore this pressure will be transferred to the schools unallocated DSG reserve at year end, as reflected in table 1 of this annex.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

### 3. CAPITAL

3.1 The Education, Learning & Skills Directorate has a working budget (excluding schools ) for 2013-14 of £149,868k. The forecast outturn against the 2013-14 budget is £135,527k giving a variance of - £14,341k.

3.2 **Table 2** below details the ELS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Annual Planned Enhancement Programme	24,255	12,718	0	0			Green		
Devolved Formula Capital Grants for Pupil Referral Units	537	442	0	0			Green		
<b>Individual Projects</b>									
<b>Basic Need Schemes</b> - to provide additional pupil places:									
Future Basic Need Schemes	43,506	36,801	-4,486	-4,486	Rephasing	Re-profiling of the basic need budget for the provision of additional places. No delays to completion dates.	Green		
Dunton Green	800	800	0	0			Green		
Goat Lees Primary School, Ashford	2,194	2,951	0	0			Green		
Repton Park Primary School, Ashford	19	210	0	0			Green		
Ryarsh Primary School, Ryarsh	169	169	0	0			Green		
<b>Modernisation Programme</b> - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Wrotham	8	4	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Modernisation Programme - Future Years	5,992	2,087	-1,875	-1,875	Real - DfE grant	Halfway House to be funded from Priority Schools Building Programme.	Green		
St Johns / Kingsmead Primary School, Canterbury	1,544	2,405	0	0			Green		
<b>Special Schools Review</b> - major projects supporting the special schools review									
Special Schools Review phase 1	24	663	0	0			Green		
Special Schools Review phase 2	40,330	9,362	-5,581	-5,581	Rephasing	Re-profiling of the SSR budget to reflect latest forecasts	Green		
The Wyvern School, Ashford (Buxford Site)	1	1	0	0			Green		
<b>Primary Improvement Programme</b>	85	237	0	0			Green		
<b>Academy Projects:</b>									
Academies Unit Costs	778	1,183	0	0			Green		
Maidstone New Build, New Line Learning	0	31	0	0			Green		
Longfield New Build	0	358	0	0			Green		
Maidstone New Build, Cornwallis	0	67	0	0			Green		
Spires New Build	0	2	0	0			Green		
Marsh Academy, New Romney	888	887	0	0			Green		
The John Wallis C of E Academy	7,615	7,387	0	0			Green		
The Knowle Academy Sevenoaks	13,557	14,735	0	0			Green		
Dover Christ Church	10,119	7,791	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Astor of Hever	9,236	11,199	0	0			Green		
Duke of York	21,816	16,968	0	0			Green		
Wilmington Enterprise College	7,387	7,289	0	0			Green		
Isle of Sheppey Academy	6,108	3,610	0	0			Green		
Skidders Kent Academy, Tunbridge Wells	489	1,611	0	0			Green		
<b>Building Schools for the Future Projects:</b>									
BSF Wave 3 Build Costs	2,104	905	0	0			Green		
BSF Unit Costs (including SecTT)	0	669	0	0			Green		
<b>Other Projects:</b>									
Nursery Provision for Two Year Olds	2,468	2,468	-2,000	-2,000	Rephasing	Delays due to larger projects requiring planning permission and work being carried out in holiday periods.	Green		
Schools Self Funded projects - Quarryfield / Aldington Eco Centre	0	32	0	0			Green		
Specialist Schools	0	325	0	0			Green		
Platt CEPS	0	91	10	10	Rephasing		Green		
One-off Schools Revenue to Capital	1,881	1,999	0	0			Green		
Unit Review	1,108	1,263	-830	-825 -5	Real - Prudential Rephasing	Good design and cost management has reduced overall project costs.	Green		
Vocational Education Centre Programme	0	148	0	0			Green		

**ANNEX 1**

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Sevenoaks Grammar Schools annexe	5,000	0	421	421	Rephasing		Green		
<b>Total</b>	<b>210,018</b>	<b>149,868</b>	<b>-14,341</b>	<b>-14,341</b>					

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget



**FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY**  
**CHILDREN'S SERVICES SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total excl Asylum (£k)</b>	+152,688	+3,533	-1,035	+2,498
	<b>Asylum (£k)</b>	+280	+383	-	+383
	<b>Total (£k)</b>	<b>+152,968</b>	<b>+3,916</b>	<b>-1,035</b>	<b>+2,881</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Specialist Children's Services portfolio</b>						
Strategic Management & Directorate Support budgets	5,979.8	-175.0	5,804.8	-272	-344 underspend on Commissioning staffing budget +72 Other small minor variances	
<b>Children's Services - Children in Care (Looked After)</b>						
- Fostering	38,164.1	-336.0	37,828.1	+818	+102 In House: Forecast 267 weeks above affordable level +385 In House: Forecast unit cost £7.05 above affordable level -97 In House: management action to reduce pressure  +21 In House: Other small minor variances +979 Independent Sector (IFA): Forecast 1,050 weeks above affordable level -68 Independent Sector (IFA): Forecast unit cost £6.36 below affordable level	Management action is in place to speed up and increase the number of adoptions therefore reducing the demand on in house fostering.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-336	Fostering: management action to reduce pressure	The recent in-house fostering recruitment campaign is expected to result in more in-house and fewer independent sector placements, which will reduce costs. Also, new IFA placements will be purchased under a new framework contract which should result in lower cost placements. This will be reflected in the forecast activity shown in sections 2.2 & 2.3 once there is evidence that this management action is starting to take effect.
					-195	Small reduction in fostering related payments, and Kinship placements	
					+27	Other small minor variances	
- Legal Charges	7,345.4	0.0	7,345.4	+982	+682	Increase in legal fees and court charges, due to an increase in number of proceedings.	This pressure will need to be addressed in the 2014-17 MTFP
					+300	Increase in court fee pricing	
- Residential Children's Services	15,371.2	-1,799.9	13,571.3	+36	+66	Independent residential care for Disabled Children: Forecast 21 weeks above affordable level of 2,384	
					-220	Independent residential care for Disabled Children: Forecast unit cost - £92.44 below affordable level of £3,249.20	
					+130	Independent residential care for Disabled Children: reduction in income	
					-38	Secure Accommodation: reduction in placements	
					+98	Other small minor variances	
- Virtual School Kent	2,163.6	-718.9	1,444.7	-16			
	63,044.3	-2,854.8	60,189.5	+1,820			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Children's Services - Children in Need</b>						
- Children's Centres	15,957.4	-112.6	15,844.8	-656	-656	Minor variances spread across the 97 centres
- Preventative Services	16,098.0	-1,559.0	14,539.0	+719	+583 +116 +109 -89	Pressure on commissioned services Increase in direct payments Staffing pressure Other small minor variances
	32,055.4	-1,671.6	30,383.8	+63		
<b>Children's Services - Other Social Services</b>						
- Adoption	11,088.7	-3,707.5	7,381.2	-56	-745 +305 +384	Underspend due to rebadging of eligible spend to the Adoption Reform Grant. Increase in number of adoption payments as a result of the management action, referred to in Fostering above, to speed up and increase the number of adoptions. Increase in number of guardianship payments partly due to a reduction in Kinship placements reported in Fostering above, together with a general increase in the number of guardianship payments.
- Asylum Seekers	11,883.3	-11,603.3	280.0	+383	+1,207 +169 +1,199 +1,191	Pressure relating to under 18 UASC due to costs exceeding grant payable Pressure relating to under 18 UASC due to ineligibility Pressure relating to over 18's due to ineligibility, of which £780k relates to All Rights Exhausted (ARE) clients Pressure relating to over 18's due to costs exceeding grant payable (see activity section 2.6 below), of which £296k relates to ARE clients

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-927	Gateway grant not required for infrastructure costs and therefore available to offset other pressures
					-2,456	Invoice to Home Office for net pressures outlined above, excluding costs for the first 25 care leavers, naturalised clients, care leavers age 21 and over not in education and care leavers age 24 and over (as these clients either fall within KCC's social care responsibilities or we should no longer be supporting them at all)
- Leaving Care (formerly 16+)	4,555.1	0.0	4,555.1	+1,262	+254	Pressure on staffing budgets
					+1,008	Additional young people requiring this service, in order to provide stability and continuity whilst they continue their education.
- Safeguarding	4,679.4	-495.5	4,183.9	+119	+115	Pressure on staffing
					+4	Other small minor variances
	32,206.5	-15,806.3	16,400.2	+1,708		
<u>Assessment Services</u>						
- Children's social care staffing	45,247.8	-5,058.5	40,189.3	+597	+597	Pressure on staffing budgets. Partly due to appointment of agency staff to bridge the gap until new cohort of social workers take up posts in October
<b>Total SCS portfolio</b>	<b>178,533.8</b>	<b>-25,566.2</b>	<b>152,967.6</b>	<b>+3,916</b>		

## ANNEX 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Assumed Mgmt Action</b>						
- SCS portfolio				-1,035		A management action plan was drawn up a few weeks ago, which is hoped will reduce expenditure on some non-essential expenditure, and reduce some agency staff costs for non-front line social work posts. Until further financial evidence is seen of the success of this, the balance of £1,035k is shown here as one figure. It is anticipated that within the next monitoring report this will be shown against the relevant budget lines.
<b>Total Forecast <u>after</u> mgmt action</b>	<b>178,533.8</b>	<b>-25,566.2</b>	<b>152,967.6</b>	<b>+2,881</b>		

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

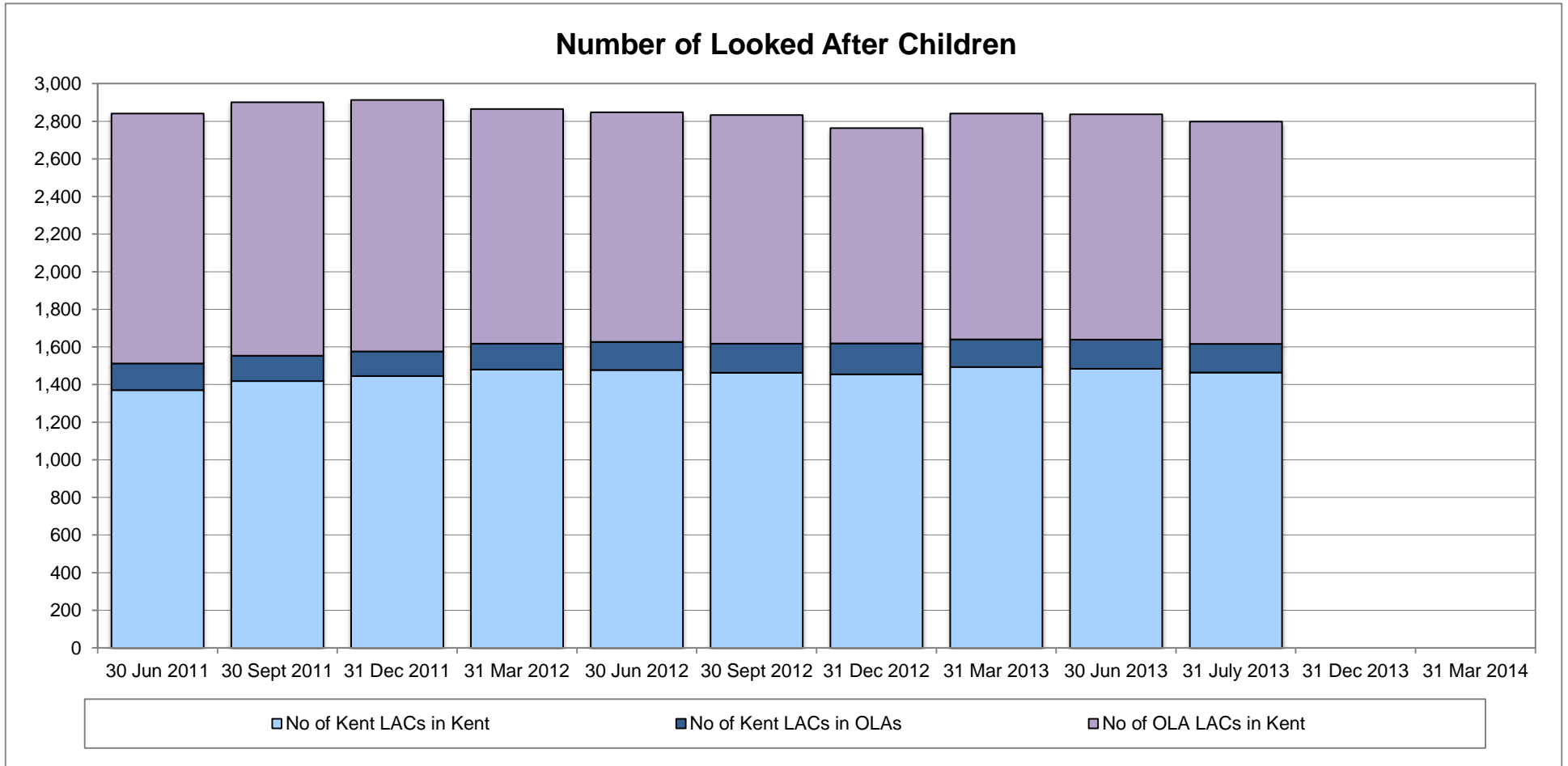
### 2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2011-12	30-Jun	1,371	141	<b>1,512</b>	1,330	<b>2,842</b>
	30-Sep	1,419	135	<b>1,554</b>	1,347	<b>2,901</b>
	31-Dec	1,446	131	<b>1,577</b>	1,337	<b>2,914</b>
	31-Mar	1,480	138	<b>1,618</b>	1,248	<b>2,866</b>
2012-13	30-Jun	1,478	149	<b>1,627</b>	1,221	<b>2,848</b>
	30-Sep	1,463	155	<b>1,618</b>	1,216	<b>2,834</b>
	31-Dec	1,455	165	<b>1,620</b>	1,144	<b>2,764</b>
	31-Mar	1,494	147	<b>1,641</b>	1,200	<b>2,841</b>
2013-14	30-Jun	1,485	155	<b>1,640</b>	1,197	<b>2,837</b>
	30-Sep	1,465	152	<b>1,617</b>	1,182	<b>2,799</b>
	31-Dec					
	31-Mar					

#### Comments:

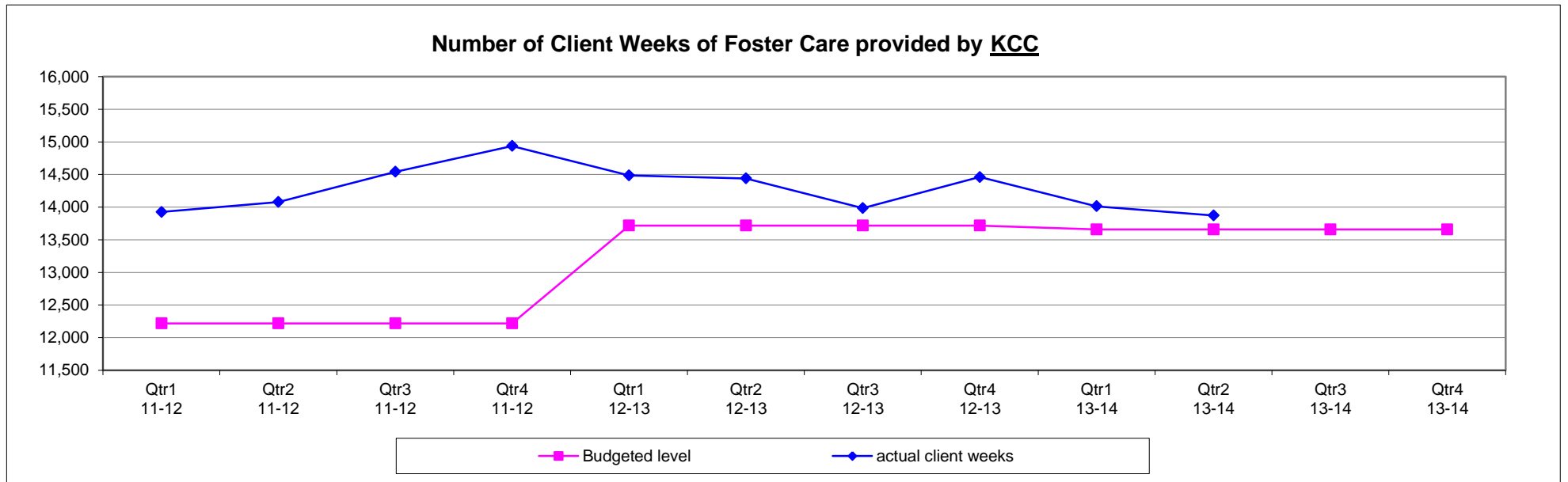
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children has reduced by 24 this financial year, there could have been more (or less) during the period.  
Although the overall snapshot number of looked after children has reduced since the last report, the numbers within each placement grouping have also changed, with a small increase in higher cost placements such as Independent Sector Fostering, but a reduction in lower cost placements such as Placed for Adoption, resulting in an overall increase in the pressure on the Specialist Children's Services budget.
- The generally higher number of looked after children since the 2013-14 budget was set (Q3 12/13) has placed additional pressure on the services for looked after children, including fostering and residential care. £1.5m of rolled forward underspending from 2012-13 was approved by Cabinet on 15 July to address this issue.

- The OLA LAC information has a confidence rating of 70% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.
- This information on number of Looked After Children is provided by the Management Information Unit within FSC Directorate.

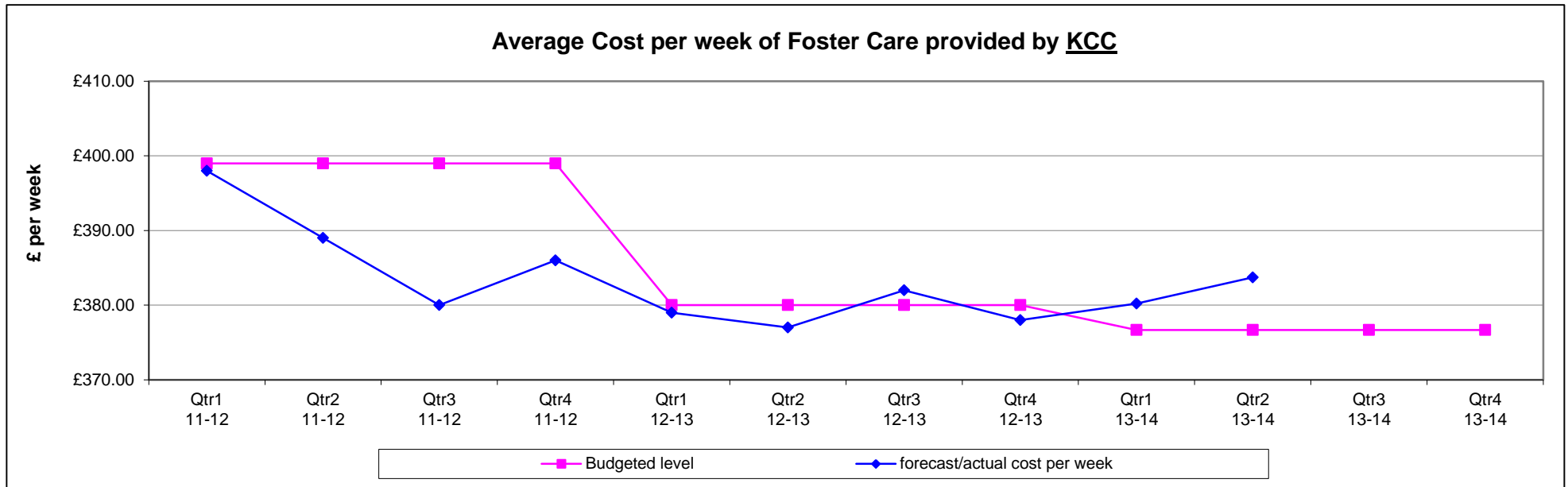


2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	2011-12				2012-13				2013-14			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	12,219	13,926	£399	£398	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22
Jul to Sep	12,219	14,078	£399	£389	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72
Oct to Dec	12,219	14,542	£399	£380	13,718	13,986	£380	£382	13,658		£376.67	
Jan to Mar	12,219	14,938	£399	£386	13,718	14,462	£380	£378	13,658		£376.67	
	<b>48,876</b>	<b>57,484</b>	<b>£399</b>	<b>£386</b>	<b>54,872</b>	<b>57,375</b>	<b>£380</b>	<b>£378</b>	<b>54,633</b>	<b>27,885</b>	<b>£376.67</b>	<b>£383.72</b>





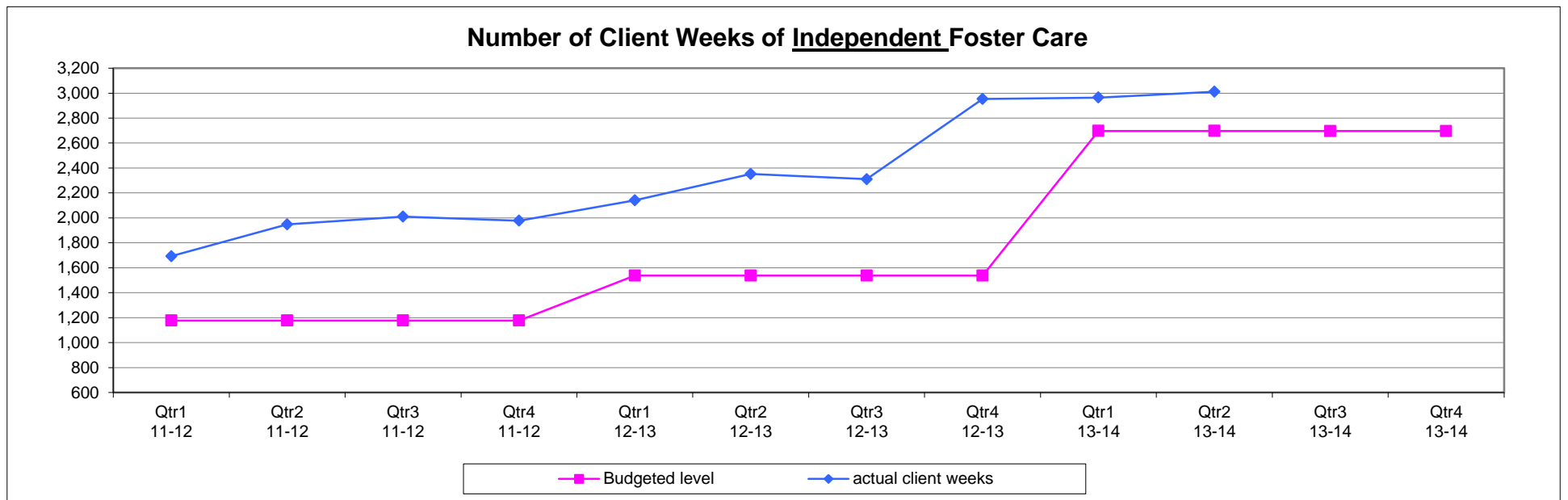


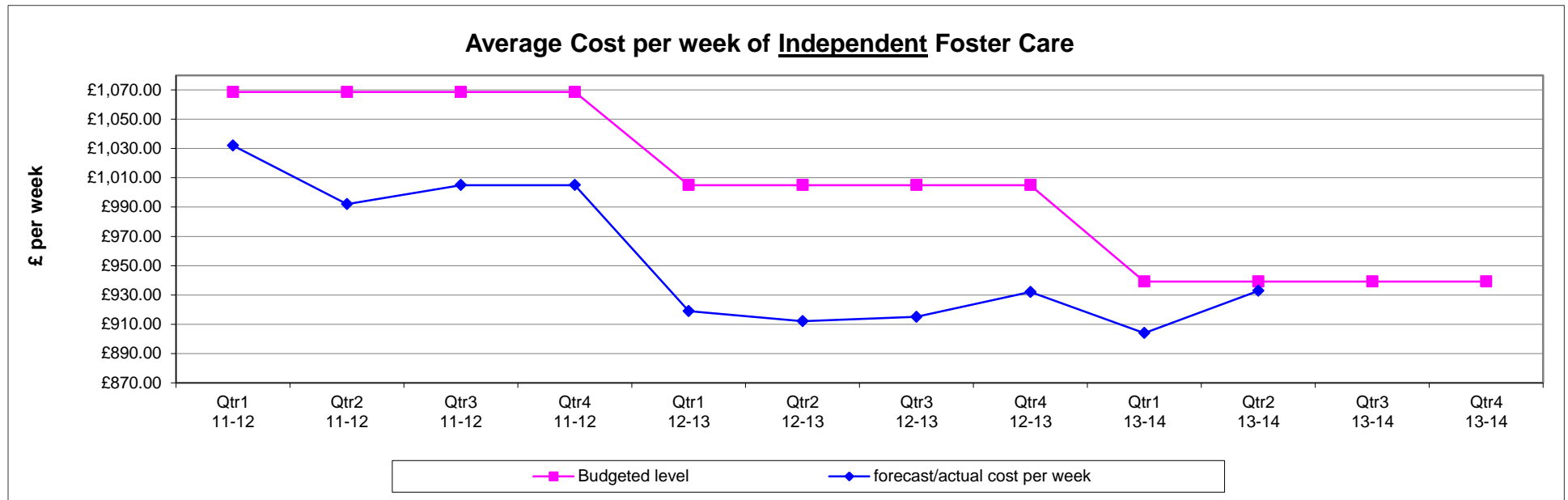
#### Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets reported to Cabinet on 16 September.
- The forecast number of weeks is 54,900 (excluding asylum), which is 267 weeks above the affordable level. At the forecast unit cost of £383.72 per week, this increase in activity gives a pressure of £102k, as shown in table 1.
- The number of forecast weeks appears low compared to actual weeks to date, which is due to a general reduction in the number of looked after children as reflected in section 2.1 above.
- The forecast unit cost of £383.72 is +£7.05 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£385k, as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £487k (£102k + £385k).

2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	2011-12				2012-13				2013-14			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	1,177	1,693	£1,069	£1,032	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01
Jul to Sep	1,178	1,948	£1,069	£992	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83
Oct to Dec	1,177	2,011	£1,069	£1,005	1,538	2,310	£1,005	£915	2,696		£939.19	
Jan to Mar	1,178	1,977	£1,069	£1,005	1,538	2,953	£1,005	£932	2,696		£939.19	
	<b>4,710</b>	<b>7,629</b>	<b>£1,069</b>	<b>£1,005</b>	<b>6,152</b>	<b>9,756</b>	<b>£1,005</b>	<b>£932</b>	<b>10,786</b>	<b>5,976</b>	<b>£939.19</b>	<b>£932.83</b>



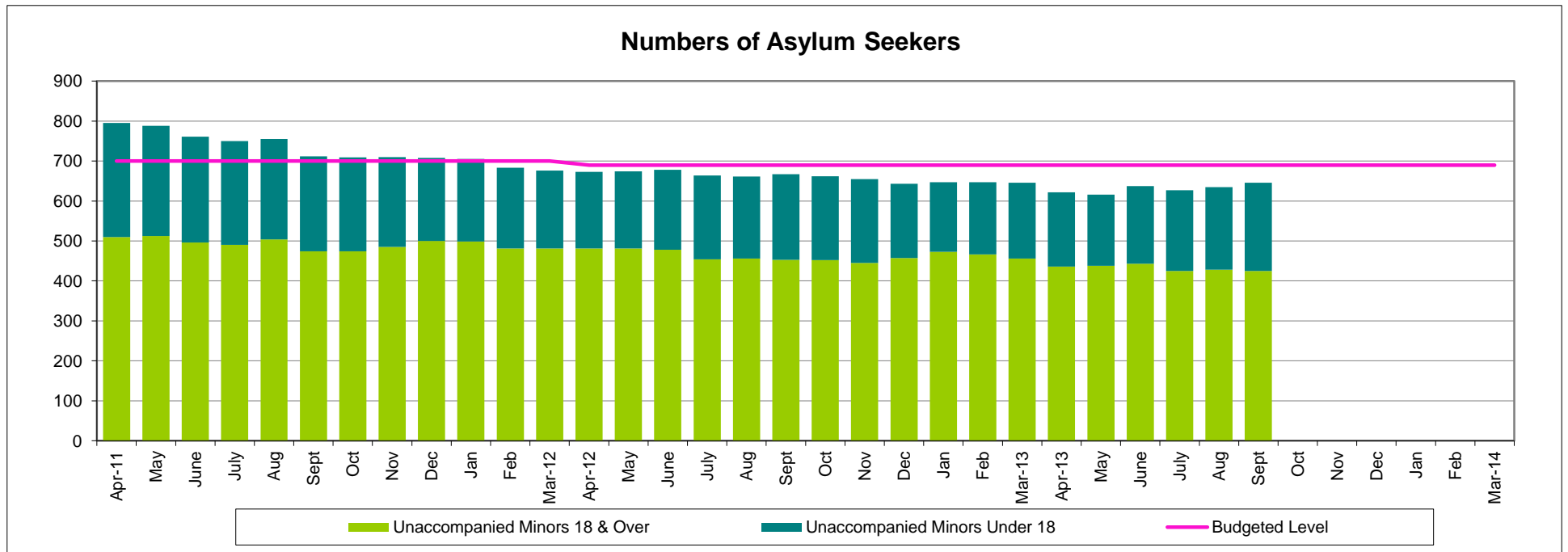


**Comments:**

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets reported to Cabinet on 16 September.
- The forecast number of weeks is 11,836 (excluding asylum), which is 1,050 weeks above the affordable level. At the forecast unit cost of £932.83 per week, this increase in activity gives a pressure of £979k as shown in table 1.
- The forecast unit cost of £932.83 is -£6.36 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of -£68k as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £911k (£979k - £68k)
- The forecast average unit cost of £932.83 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The IFA Framework contract commenced in June 2013 and unit costs are expected to reduce as a result of this. However, since the last report there have been a number of high cost disability placements which have resulted in an increase in the average unit cost, rather than a reduction as expected.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2011-12			2012-13			2013-14		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	285	510	<b>795</b>	192	481	<b>673</b>	186	436	<b>622</b>
May	276	512	<b>788</b>	193	481	<b>674</b>	178	438	<b>616</b>
Jun	265	496	<b>761</b>	200	478	<b>678</b>	194	443	<b>637</b>
Jul	260	490	<b>750</b>	210	454	<b>664</b>	202	425	<b>627</b>
Aug	251	504	<b>755</b>	205	456	<b>661</b>	207	428	<b>635</b>
Sep	238	474	<b>712</b>	214	453	<b>667</b>	221	425	<b>646</b>
Oct	235	474	<b>709</b>	210	452	<b>662</b>			
Nov	225	485	<b>710</b>	210	445	<b>655</b>			
Dec	208	500	<b>708</b>	186	457	<b>643</b>			
Jan	206	499	<b>705</b>	174	473	<b>647</b>			
Feb	202	481	<b>683</b>	181	466	<b>647</b>			
Mar	195	481	<b>676</b>	190	456	<b>646</b>			

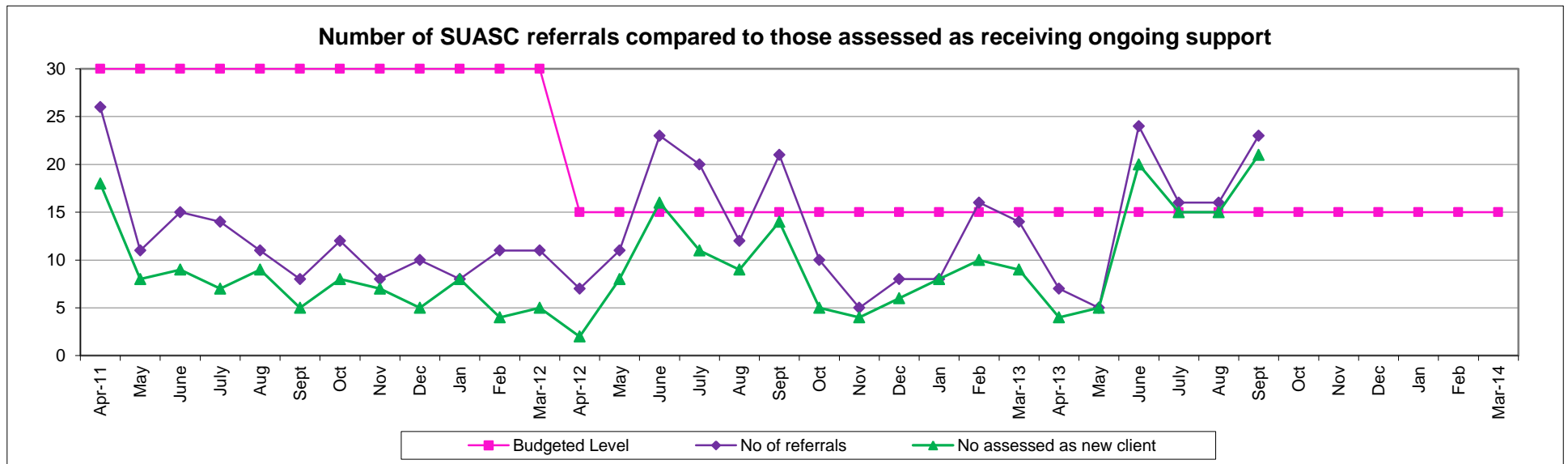


## Comments:

- The overall number of children has remained fairly static so far this year with a small increase in September. The current number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2013-14 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of 18 & overs who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of 18 & overs is decreasing slightly and, in addition, the age profile of the under 18 children is increasing.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.
- Under 18 clients include both Looked After Children and 16 and 17 year old Care Leavers.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

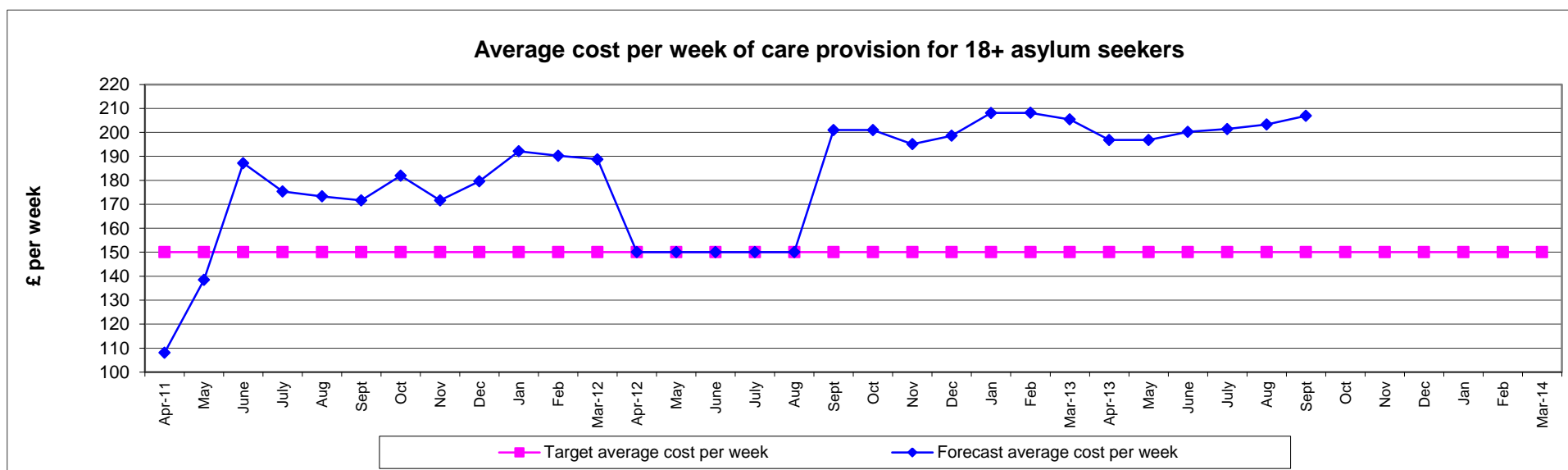
	2011-12			2012-13			2013-14		
	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%
Apr	26	18	69%	7	2	29%	7	4	57%
May	11	8	73%	11	8	73%	5	5	100%
Jun	15	9	60%	23	16	70%	24	20	83%
Jul	14	7	50%	20	11	55%	16	15	94%
Aug	11	9	82%	12	9	75%	16	15	94%
Sep	8	5	63%	21	14	67%	23	21	91%
Oct	12	8	67%	10	5	50%			
Nov	8	7	88%	5	4	80%			
Dec	10	5	50%	8	6	75%			
Jan	8	8	100%	8	8	100%			
Feb	11	4	36%	16	10	63%			
Mar	11	5	45%	14	9	64%			
	<b>145</b>	<b>93</b>	<b>64%</b>	<b>155</b>	<b>102</b>	<b>66%</b>	<b>91</b>	<b>80</b>	<b>88%</b>



## Comments:

- The average number of referrals per month is now 15.2, which is slightly above the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is now 88%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 13.3 i.e. a 48% increase.
- Where a young person has been referred but not assessed as a new client this would be due to them being re-united with their family, assessed as 18+ and returned to UKBA or because they have gone missing before an assessment has been completed.
- UASC Referrals are assumed to be new clients until an assessment has been completed, therefore the number of UASC assessed as new clients shown in the table above may change once the assessment has taken place.

	2011-12		2012-13		2013-14	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	108.10	150	150.00	150	196.78
May	150	138.42	150	150.00	150	196.78
Jun	150	187.17	150	150.00	150	200.18
Jul	150	175.33	150	150.00	150	201.40
Aug	150	173.32	150	150.00	150	203.29
Sep	150	171.58	150	200.97	150	206.92
Oct	150	181.94	150	200.97	150	
Nov	150	171.64	150	195.11	150	
Dec	150	179.58	150	198.61	150	
Jan	150	192.14	150	208.09	150	
Feb	150	190.25	150	208.16	150	
Mar	150	188.78	150	205.41	150	





## Comments:

- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet its' statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their Essential Living Allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high and a number of issues remain:
  - For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs.
  - We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January 2011, teams are exercising a greater caution when making new placements into existing properties. This is currently being addressed by the Accommodation Team.
  - We are still receiving damages claims relating to closed properties.
- As part of our strive to achieve a net unit cost of £150 or below, we will be insisting on take-up of state benefits for those entitled.
- The current forecast average weekly cost for 2013-14 is £206.92, £56.92 above the £150 claimable under the grant rules. This adds £1,191k to the forecast outturn position. We are invoicing the Home Office for the majority of this shortfall in grant income each month and negotiations are ongoing regarding payment.

### 3. CAPITAL

3.1 The Families and Social Care Directorate - Specialist Children's Services has a working budget for 2013-14 of £1,925k. The forecast outturn against the 2013-14 budget is £1,925k giving a variance of £0k.

3.2 **Table 2** below details the FSC CS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Transforming Short Breaks	1,074	1,674	0	0			Green		
Service Redesign (Family Centre)	251	251	0	0			Green		
<b>Total</b>	<b>1,325</b>	<b>1,925</b>	<b>0</b>	<b>0</b>					

#### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY**  
**ADULTS SERVICES SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+334,878</b>	<b>-15</b>	<b>-</b>	<b>-15</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
<b>Adult Social Care &amp; Public Health portfolio</b>							
Strategic Management & Directorate Support budgets	7,019.1	-957.8	6,061.3	+263	+323	Legal Charges	
					-60	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,534.8	-140.2	3,394.6	+16			
<u>Adults &amp; Older People:</u>							
- Direct Payments							
- Learning Disability	15,865.8	0.0	15,865.8	+481	-239	Forecast -875 weeks below affordable level of 60,327 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+615	Forecast average unit cost +£10.20 above affordable level of £262.50	
					+431	One-off direct payments	
					-326	Recovery of unspent funds from clients	
- Mental Health	817.2	0.0	817.2	+92	-94	Forecast -1,107 weeks below affordable level of 10,803 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+147	Forecast average unit cost +£13.60 above affordable level of £71.40	
					+39	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	6,797.2	0.0	6,797.2	-31	-454 Forecast -2,837 weeks below affordable level of 45,113 weeks +416 Forecast average unit cost +£9.23 above affordable level of £150.67 +434 One-off direct payments -541 Recovery of unspent funds from clients +114 Costs relating to 2012-13 where insufficient creditors were set up	Demographic pressures & savings will need to be addressed in the MTFP
- Physical Disability	10,586.9	0.0	10,586.9	-576	-295 Forecast -1,590 weeks below affordable level of 56,463 weeks -125 Forecast average unit cost -£2.21 below affordable level of £187.50 +537 One-off direct payments -762 Recovery of unspent funds from clients +69 Costs relating to 2012-13 where insufficient creditors were set up	Demographic pressures & savings will need to be addressed in the MTFP
Total Direct Payments	34,067.1	0.0	34,067.1	-34		
- Domiciliary Care						
- Learning Disability	4,237.6	-679.2	3,558.4	-349	-146 Independent Sector: forecast -11,209 hours below affordable level of 94,500 hours -72 Independent Sector: forecast average unit cost -£0.76 below affordable level of £13.80 -100 Unrealised creditors raised in 2012-13 -31 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People	42,599.5	-1,362.7	41,236.8	-206	-507 Independent Sector: forecast -33,753 hours below affordable level of 2,240,067 hours +157 Independent Sector: forecast average unit cost +£0.07 above affordable level of £14.95 +311 Independent sector: costs incurred relating to 2012-13 where insufficient creditors were set up	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-143 Underspend on Independent Sector Enablement replaced by increased usage of the Kent Enablement at Home Service (KEAH) (see below)	
					+119 Increased activity on the Older People KEAH service due to reduced usage of Independent Sector Enablement and implementation of transformation plans	
					-217 Use of alternative funding sources to finance the programme of spend for hand held devices for the Older People KEAH service, such as use of reserves or capitalisation where eligible	
					+74 Other minor variances	
- Physical Disability	7,576.3	0.0	7,576.3	-16	-469 Independent Sector: forecast -34,241 hours below affordable level of 518,335 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+285 Independent Sector: forecast average unit cost +£0.55 above affordable level of £13.15	
					+170 Pressure on Physical Disability Kent Enablement at Home Service (KEAH)	
					-2 Other minor variances	
Total Domiciliary Care	54,413.4	-2,041.9	52,371.5	-571		
- Non Residential Charging						
- Learning Disability	0.0	-2,569.3	-2,569.3	-152	-152 The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report	Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings.

**ANNEX 3**

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	0.0	-11,627.0	-11,627.0	+1,791	+1,791	The forecast under-recovery of client contributions towards non-residential care services is in part linked to the current underspend being forecast on other older people community based services highlighted in this report. In addition, this budget was set based on certain assumptions around activity & unit contributions. It is now apparent a realignment of this budget is required which will be addressed in the 2014-17 MTFP.	Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings.
- Physical Disability / Mental Health	0.0	-1,459.5	-1,459.5	-67	-100	The forecast over-recovery of client contributions towards physical disability community based services suggests the average unit income is greater than budgeted and is offsetting the under-recovery of client income linked to the current underspend being forecast on other physical disability services highlighted in this report	
					+33	Other minor variances	
Total Non Residential Charging Income	0.0	-15,655.8	-15,655.8	+1,572			
- Nursing & Residential Care							
- Learning Disability	76,895.0	-6,219.8	70,675.2	+438	+1,297	Independent Sector: forecast +1,038 weeks above affordable level of 40,086 weeks -91 Leading to an increase in client contributions +95 Independent Sector: forecast average unit cost +£2.36 above affordable level of £1,247.27 -181 Independent Sector: forecast average unit client contribution -£4.51 above affordable level of -£83.24	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-1,514 Preserved Rights Independent Sector: forecast -1,617 weeks below affordable level of 27,124 weeks +161 Leading to a shortfall in client contributions +629 Preserved Rights Independent Sector: forecast average unit cost +£23.20 above affordable level of £913.28 -134 Preserved Rights Independent Sector: forecast average unit client contribution -£4.93 above affordable level of -£94.37 +131 Costs incurred in relation to 2012-13 where insufficient creditors were set up +45 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Mental Health	7,380.2	-768.4	6,611.8	+640	+732 Independent Sector: forecast +1,189 weeks above affordable level of 9,895 weeks +95 Forecast average unit cost +£9.59 above affordable level of £605.75 -101 Over-recovery of income for clients part funded by health -86 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People - Nursing	48,633.6	-24,365.0	24,268.6	-491	-25 Independent Sector: forecast -51 weeks below affordable level of 83,362 weeks +9 Leading to a shortfall in client contributions +185 Independent Sector: forecast average unit cost +£2.22 above affordable level of £481.80 -736 Independent Sector: forecast average unit client contribution -£8.83 above affordable level of -£171.99 +76 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People - Residential	81,827.1	-32,731.8	49,095.3	+134	+900 Independent Sector: forecast +2,232 weeks above affordable level of 146,064 weeks -385 Leading to an increase in client contributions +358 Independent Sector: forecast average unit cost +£2.45 above affordable level of £400.60 -701 Independent Sector: forecast average unit client contribution -£4.80 above affordable level of -£167.74 -38 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Physical Disability	12,691.6	-1,752.0	10,939.6	+258	+496 Independent Sector: forecast +577 weeks above affordable level of 12,902 weeks -118 Independent Sector: forecast average unit cost -£9.11 below affordable level of £868.96 -120 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
Total Nursing & Residential Care	227,427.5	-65,837.0	161,590.5	+979		
- Supported Accommodation						
- Learning Disability	32,870.0	-1,425.0	31,445.0	+790	+628 Independent Sector: forecast +62,231 hours above affordable level of 3,168,734 hours +697 Forecast average unit cost +£0.22 above affordable level of £9.87 -287 Unrealised creditors raised in 2012-13 -137 Underspend following the closure of the Bridge Resource Centre. This underspend partially offsets the pressure on in-house day care services (see below) -111 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People	4,540.1	-4,350.0	190.1	+4		



Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability / Mental Health	3,430.9	-248.9	3,182.0	-7	-6 Physical Disability Independent Sector: forecast -784 hours below affordable level of 238,011 hours  +338 Physical Disability Independent Sector: forecast average unit cost +£1.42 above affordable level of £6.46  -186 Mental Health Independent Sector: forecast -17,572 hours below affordable level of 151,107 hours  -74 Mental Health Independent Sector: forecast average unit cost -£0.49 below affordable level of £11.09  -79 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
Total Supported Accommodation	40,841.0	-6,023.9	34,817.1	+787		
- Other Services for Adults & Older People						
- Contributions to Vol Orgs	17,868.5	-4,244.0	13,624.5	+418	+418 Various contracts with voluntary organisations are currently being reviewed/re-negotiated or re- commissioned along with investment in new services to support the transformation agenda (including expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community).	
- Community Support Services for Mental Health	1,265.3	-34.3	1,231.0	-66		
- Day Care						
- Learning Disability	12,723.4	-182.4	12,541.0	+540	+206 Unachievable savings target on in- house day care services following the day services review. The underspend following the closure of the Bridge (see LD Supported Accommodation above) is partially offsetting this pressure.	

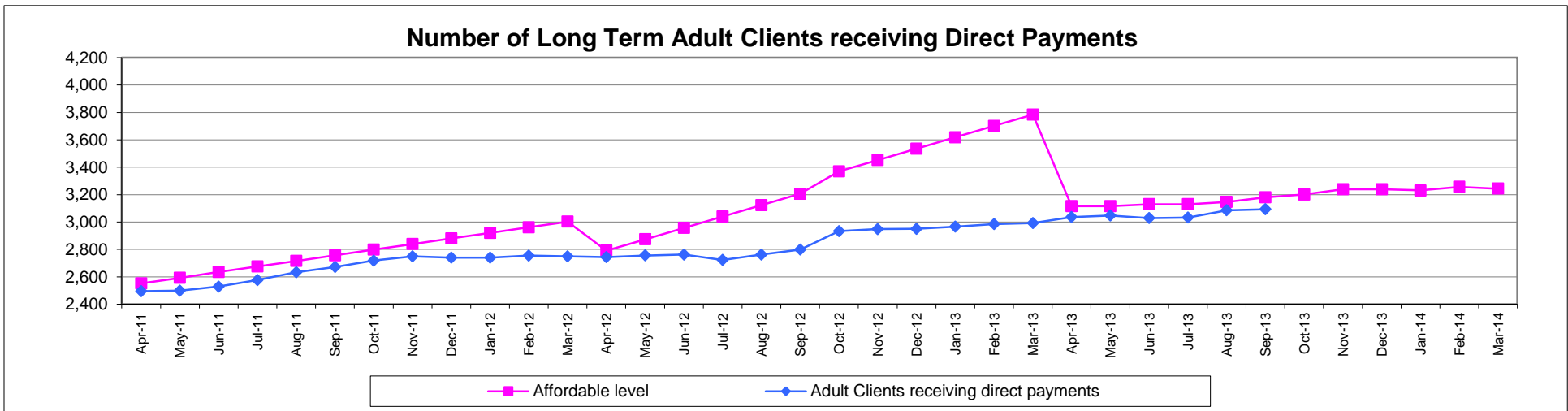
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+334	Current demand for services provided by the independent sector
- Older People	2,453.9	-63.1	2,390.8	-58		
- Physical Disability	1,040.0	-4.7	1,035.3	+255	+255	Current demand for services provided by both the independent sector and the resource centre
Total Day Care	16,217.3	-250.2	15,967.1	+737		
- Other Adult Services	4,167.0	-15,672.6	-11,505.6	-3,010	-3,051	This budget line holds both transformation savings and some of the NHS support for social care monies, including funds required for additional winter pressures. Plans are being further developed and implemented with the NHS to ensure that health outcomes are being met from the investments. Pressures are being shown against their respective budget lines and the compensating funding stream is being reflected here.
					+105	Current demand for Kent sensory services equipment
					-125	The number of hot meals provided to older people continues to fall as clients choose alternative methods to receive this service.
					+61	Other minor variances
- Safeguarding	1,135.2	-261.6	873.6	-187	-187	Net effect of delays in the recruitment to known vacancies as well as the recommissioning and reduction in the level of training to be delivered through the Mental Health Capacity Act (MCA)
Total Other Services for A&OP	40,653.3	-20,462.7	20,190.6	-2,108		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Assessment Services</u>						
- Adult Social Care Staffing	41,902.7	-3,862.0	38,040.7	-919	-495 Net effect of delays in the recruitment to known vacancies within the older people and physical disability assessment teams and usage of locum/agency staff.	
					-386 Delays in the recruitment to known vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners	
					-38 Other minor variances	
<b>Total ASC&amp;PH portfolio</b>	<b>449,858.9</b>	<b>-114,981.3</b>	<b>334,877.6</b>	<b>-15</b>		
<b>Assumed Mgmt Action</b>						
- ASC&PH portfolio						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>449,858.9</b>	<b>-114,981.3</b>	<b>334,877.6</b>	<b>-15</b>		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Direct Payments - Number of Adult Social Services Clients receiving Direct Payments:

	2011-12			2012-13			2013-14		
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month
Apr	2,553	2,495	137	2,791	2,744	169	3,116	3,036	160
May	2,593	2,499	89	2,874	2,756	147	3,116	3,048	155
Jun	2,635	2,529	90	2,957	2,763	133	3,130	3,029	109
Jul	2,675	2,576	125	3,040	2,724	156	3,130	3,033	136
Aug	2,716	2,634	141	3,123	2,763	167	3,147	3,086	133
Sep	2,757	2,672	126	3,207	2,799	147	3,181	3,093	87
Oct	2,799	2,719	134	3,370	2,933	185	3,201		
Nov	2,839	2,749	122	3,453	2,949	119	3,240		
Dec	2,881	2,741	111	3,536	2,950	109	3,240		
Jan	2,921	2,741	130	3,619	2,967	117	3,231		
Feb	2,962	2,755	137	3,702	2,986	127	3,257		
Mar	3,003	2,750	117	3,785	2,992	105	3,244		
			<b>1,459</b>			<b>1,681</b>			<b>780</b>

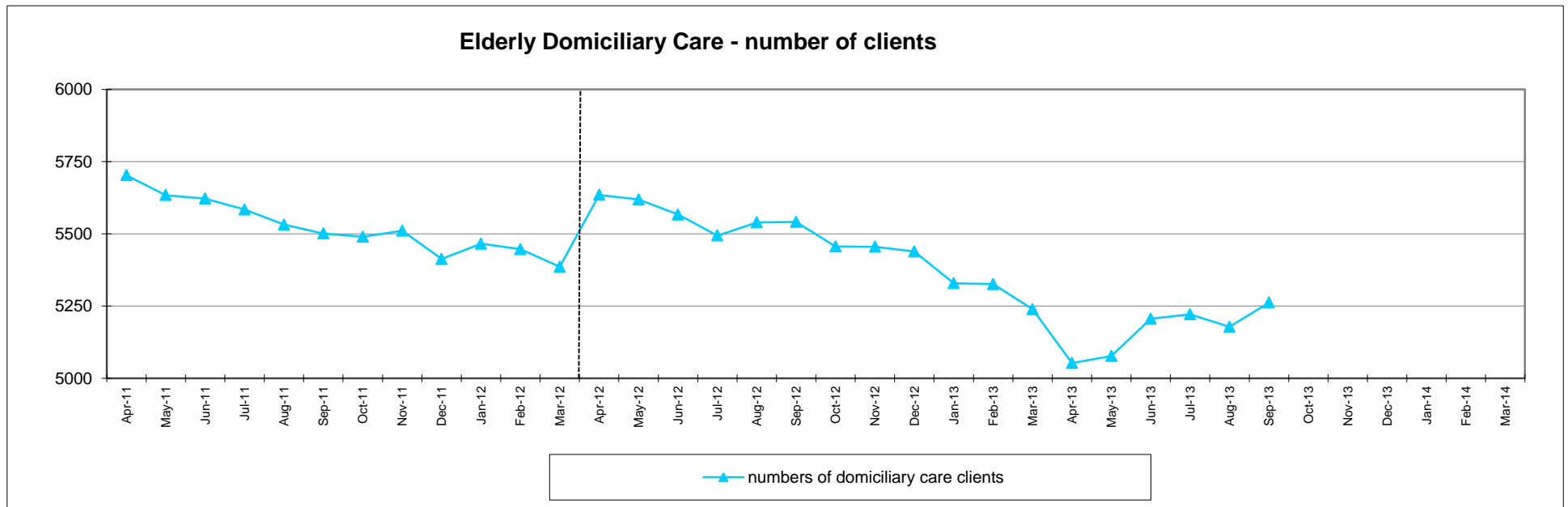


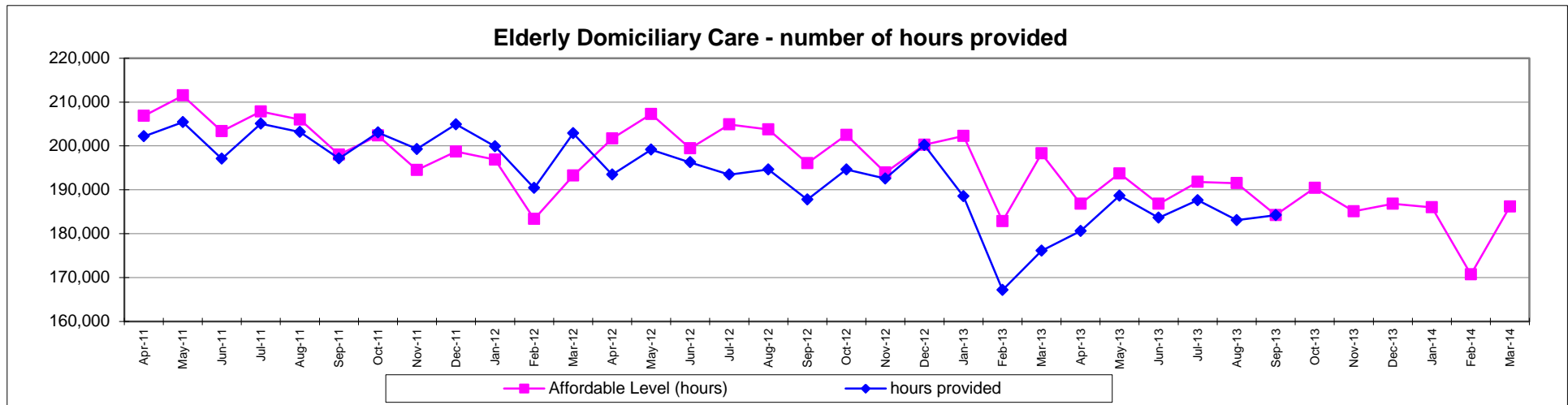
## Comments:

- The presentation of activity being reported for direct payments changed in the 2012-13 Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- Table 1 shows a small underspend on this service of £34k. The activity recorded above suggests a larger underspend than this, but this is largely being negated by higher than budgeted unit costs.

2.2 Elderly domiciliary care – numbers of clients and hours provided in the independent sector

	2011-12			2012-13			2013-14		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr	206,859	202,177	5,703	201,708	193,451	5,635	186,809	180,585	5,053
May	211,484	205,436	5,634	207,244	199,149	5,619	193,717	188,656	5,077
Jun	203,326	197,085	5,622	199,445	196,263	5,567	186,778	183,621	5,206
Jul	207,832	205,077	5,584	204,905	193,446	5,494	191,791	187,621	5,221
Aug	206,007	203,173	5,532	203,736	194,628	5,540	191,521	183,077	5,178
Sep	198,025	197,127	5,501	196,050	187,749	5,541	184,242	184,208	5,262
Oct	202,356	203,055	5,490	202,490	194,640	5,456	190,446		
Nov	194,492	199,297	5,511	193,910	192,555	5,455	185,082		
Dec	198,704	204,915	5,413	200,249	200,178	5,439	186,796		
Jan	196,879	199,897	5,466	202,258	188,501	5,329	186,006		
Feb	183,330	190,394	5,447	182,820	167,163	5,326	170,695		
Mar	193,222	202,889	5,386	198,277	176,091	5,239	186,184		
	<b>2,402,516</b>	<b>2,410,522</b>		<b>2,393,092</b>	<b>2,283,814</b>		<b>2,240,067</b>	<b>1,107,767</b>	





#### Comments:

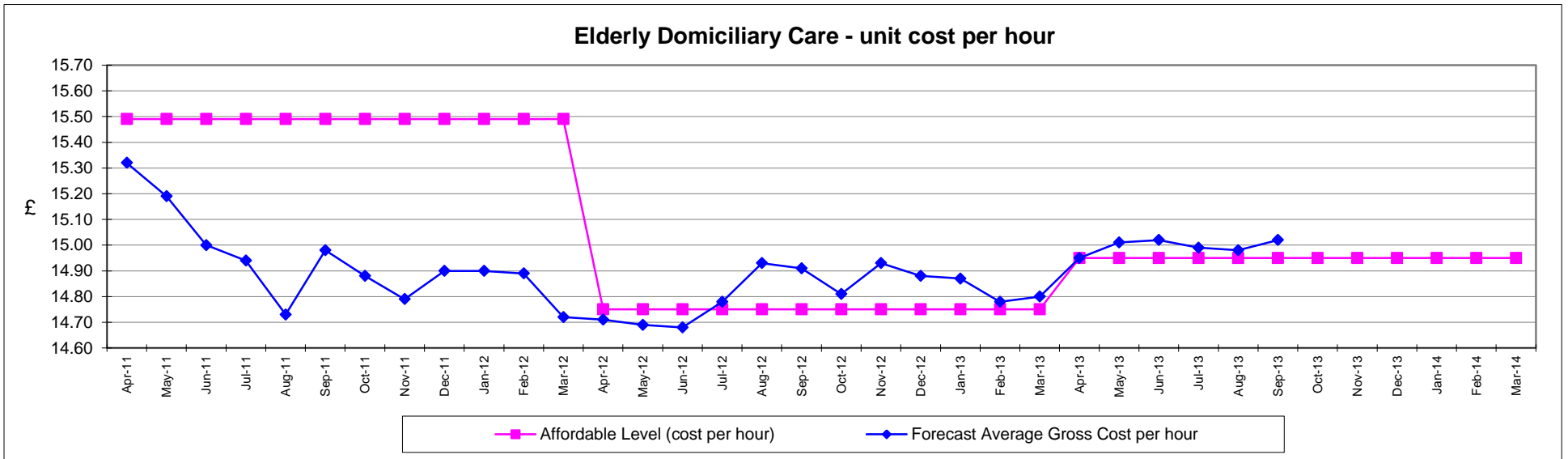
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Please note, from April 2012 there has been a change in the method of counting clients to align with current Department of Health guidance, which states that suspended clients e.g. those who may be in hospital and not receiving a current service should still be counted. This has resulted in an increase in the number of clients being recorded. For comparison purposes, using the new counting methodology, the equivalent number of clients in March 2012 would have been 5,641. **A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.**
- The current forecast is 2,206,314 hours of care against an affordable level of 2,240,067, a difference of -33,753 hours. Using the forecast unit cost of £15.02 this reduction in activity reduces the forecast by -£507k, as shown in table 1.
- To the end of September 1,107,767 hours of care have been delivered against an affordable level of 1,134,858, a difference of -27,091 hours. Current activity suggests that the forecast should be lower on this service. However, although the budgeted level assumes a continual reduction in client numbers in line with previous years' trends, the current forecast assumes a slowing of this trend based on current client activity, where in fact client numbers have increased during this financial year and are slightly above the client numbers at the end of 2012-13.
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2010-2011 average hours per client per week was 7.8, whereas the average figure for 2012-13 was 8.0. For 2013-14, the current actual average hours per client per week is 8.2.

2.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr	15.49	15.32	14.75	14.71	14.95	14.95
May	15.49	15.19	14.75	14.69	14.95	15.01
Jun	15.49	15.00	14.75	14.68	14.95	15.02
Jul	15.49	14.94	14.75	14.78	14.95	14.99
Aug	15.49	14.73	14.75	14.93	14.95	14.98
Sep	15.49	14.98	14.75	14.91	14.95	15.02
Oct	15.49	14.88	14.75	14.81	14.95	
Nov	15.49	14.79	14.75	14.93	14.95	
Dec	15.49	14.90	14.75	14.88	14.95	
Jan	15.49	14.90	14.75	14.87	14.95	
Feb	15.49	14.89	14.75	14.78	14.95	
Mar	15.49	14.72	14.75	14.80	14.95	

Comments:

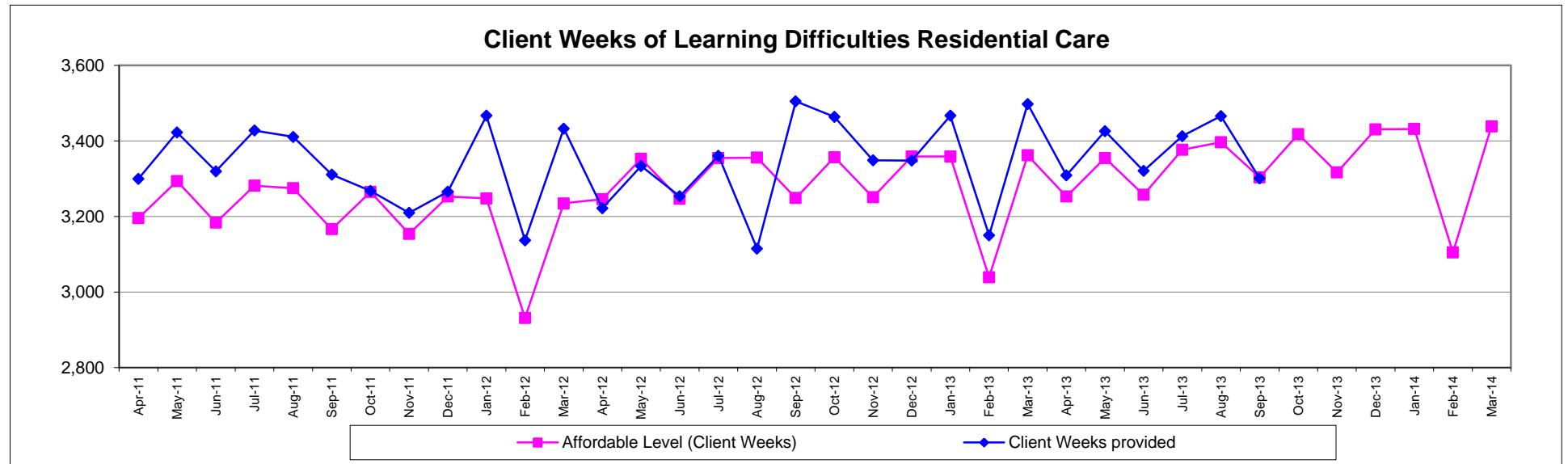
- The unit cost has remained relatively static despite current work with providers to achieve savings, as it is also dependent on the intensity of the packages required.
- The forecast unit cost of £15.02 is slightly higher than the affordable cost of £14.95 and this difference of +£0.07 increases the forecast by £157k when multiplied by the affordable hours, as shown in table 1.





2.4 Number of client weeks of learning disability residential care provided compared with affordable level (non preserved rights clients):

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	3,196	3,300	3,246	3,222	3,253	3,309
May	3,294	3,423	3,353	3,334	3,355	3,426
Jun	3,184	3,320	3,247	3,254	3,258	3,321
Jul	3,282	3,428	3,355	3,361	3,377	3,413
Aug	3,275	3,411	3,356	3,115	3,397	3,466
Sep	3,167	3,311	3,249	3,505	3,304	3,301
Oct	3,265	3,268	3,357	3,464	3,418	
Nov	3,154	3,210	3,251	3,349	3,317	
Dec	3,253	3,266	3,359	3,348	3,431	
Jan	3,248	3,467	3,359	3,467	3,432	
Feb	2,932	3,137	3,039	3,150	3,105	
Mar	3,235	3,433	3,362	3,498	3,439	
	<b>38,485</b>	<b>39,974</b>	<b>39,533</b>	<b>40,067</b>	<b>40,086</b>	<b>20,236</b>

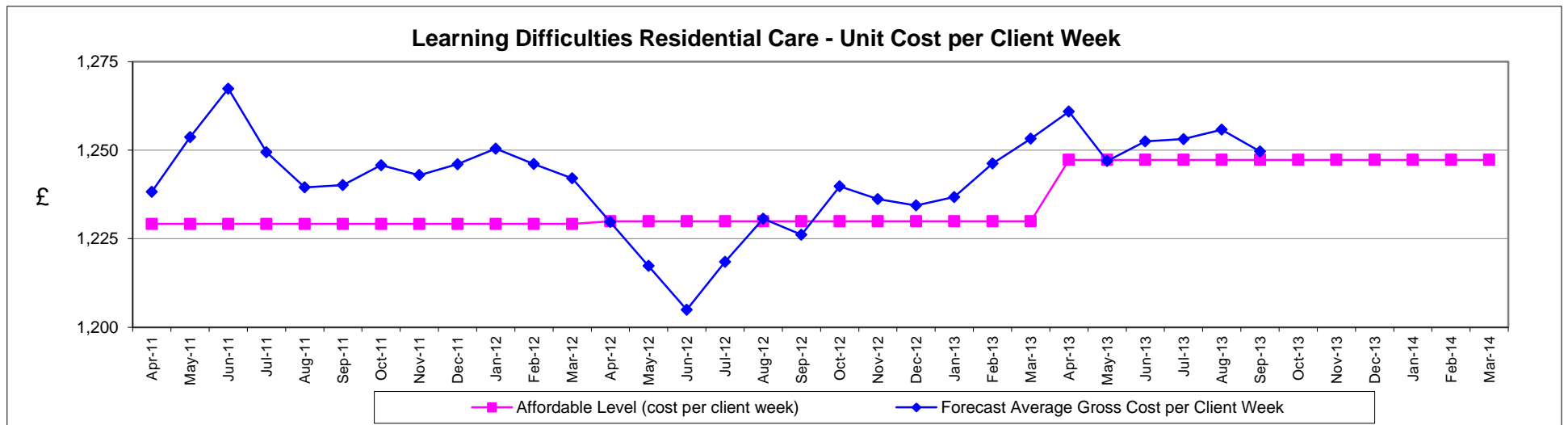


## Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2011-12 was 746, at the end of 2012-13 it was 764 and at the end of September 2013 it was 764. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 41,124 weeks of care against an affordable level of 40,086, a difference of +1,038 weeks. Using the forecast unit cost of £1,249.63 this additional activity increases the forecast by +£1,297k , as shown in table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of September 20,236 weeks of care have been delivered against an affordable level of 19,944, a difference of +292 weeks. The current year to date activity suggests a lower level of activity than forecast, however, this is mainly due to delays in the recording of non-permanent residential care services and some bespoke contracts for transitional and provisional clients on the activity database, meaning that the year to date activity is understated.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level (non preserved rights clients):

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	1,229.19	1,238.24	1,229.93	1,229.69	1,247.27	1,260.92
May	1,229.19	1,253.68	1,229.93	1,217.30	1,247.27	1,246.97
Jun	1,229.19	1,267.40	1,229.93	1,204.91	1,247.27	1,252.50
Jul	1,229.19	1,249.41	1,229.93	1,218.46	1,247.27	1,253.14
Aug	1,229.19	1,239.50	1,229.93	1,230.65	1,247.27	1,255.80
Sep	1,229.19	1,240.17	1,229.93	1,226.14	1,247.27	1,249.63
Oct	1,229.19	1,245.76	1,229.93	1,239.77	1,247.27	
Nov	1,229.19	1,242.97	1,229.93	1,236.19	1,247.27	
Dec	1,229.19	1,246.05	1,229.93	1,234.39	1,247.27	
Jan	1,229.19	1,250.44	1,229.93	1,236.77	1,247.27	
Feb	1,229.19	1,246.11	1,229.93	1,246.23	1,247.27	
Mar	1,229.19	1,242.08	1,229.93	1,253.27	1,247.27	

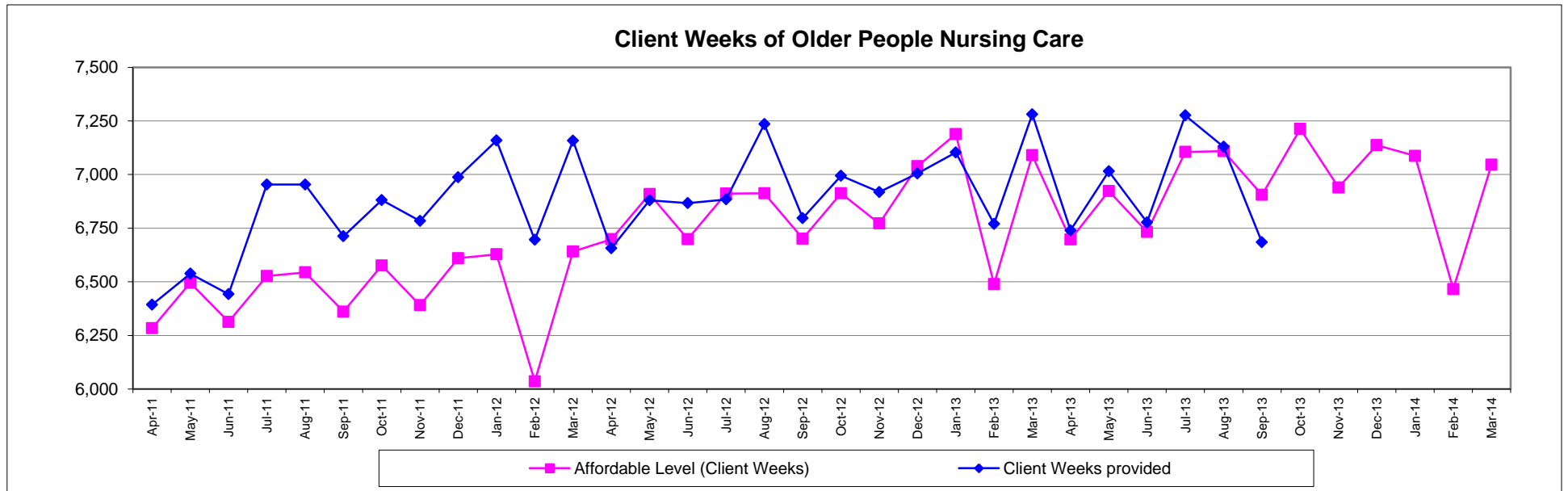


## Comments:

- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of +£1,249.63 is higher than the affordable cost of +£1,247.27 and this difference of +£2.36 adds +£95k to the position when multiplied by the affordable weeks, as shown in table 1.

2.6 Number of client weeks of older people nursing care provided compared with affordable level:

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,283	6,393	6,698	6,656	6,697	6,740
May	6,495	6,538	6,909	6,880	6,923	7,015
Jun	6,313	6,442	6,699	6,867	6,733	6,777
Jul	6,527	6,953	6,911	6,884	7,106	7,276
Aug	6,544	6,954	6,912	7,235	7,109	7,130
Sep	6,361	6,713	6,701	6,797	6,905	6,684
Oct	6,576	6,881	6,913	6,995	7,213	
Nov	6,391	6,784	6,772	6,918	6,940	
Dec	6,610	6,988	7,039	7,005	7,137	
Jan	6,628	7,159	7,189	7,103	7,087	
Feb	6,036	6,696	6,489	6,770	6,466	
Mar	6,641	7,158	7,090	7,281	7,046	
	<b>77,405</b>	<b>81,659</b>	<b>82,322</b>	<b>83,391</b>	<b>83,362</b>	<b>41,622</b>



## Comments:

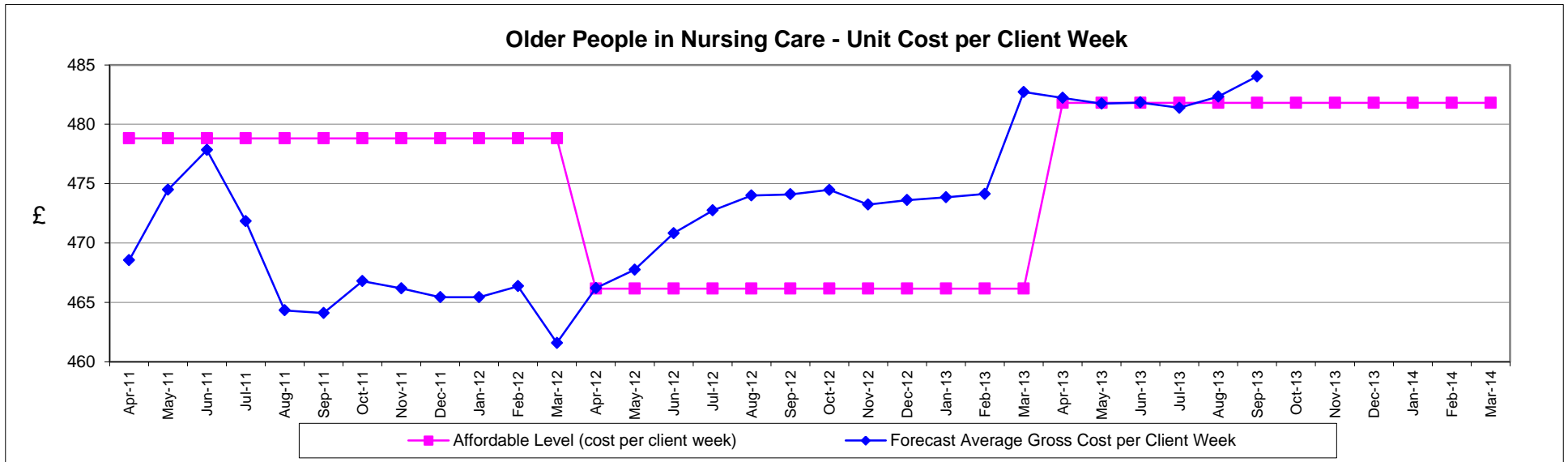
- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2011-12 was 1,479, at the end of 2012-13 it was 1,469 and at the end of September 2013 it was 1,489.
- The current forecast is 83,311 weeks of care against an affordable level of 83,362, a difference of -51 weeks. Using the forecast unit cost of £484.02, this reduced activity decreases the forecast by -£25k , as shown in table 1.
- To the end of September 41,622 weeks of care have been delivered against an affordable level of 41,473, a difference of +149 weeks. The current year to date activity suggests a higher level of activity than forecast. However, the forecast assumes a slowing in the increase of permanent clients in line with the current activity trend, along with an anticipated reduction in the purchase of short-term beds towards the end of the year.
- The affordable level has changed since the previous report to reflect a realignment of S256 clients, and their associated budgets, between client groups.

2.7 Average gross cost per client week of older people nursing care compared with affordable level:

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	478.80	468.54	466.16	466.20	481.80	482.22
May	478.80	474.48	466.16	467.74	481.80	481.73
Jun	478.80	477.82	466.16	470.82	481.80	481.83
Jul	478.80	471.84	466.16	472.74	481.80	481.38
Aug	478.80	464.32	466.16	473.99	481.80	482.33
Sep	478.80	464.09	466.16	474.09	481.80	484.02
Oct	478.80	466.78	466.16	474.47	481.80	
Nov	478.80	466.17	466.16	473.23	481.80	
Dec	478.80	465.44	466.16	473.61	481.80	
Jan	478.80	465.44	466.16	473.84	481.80	
Feb	478.80	466.36	466.16	474.13	481.80	
Mar	478.80	461.58	466.16	482.71	481.80	

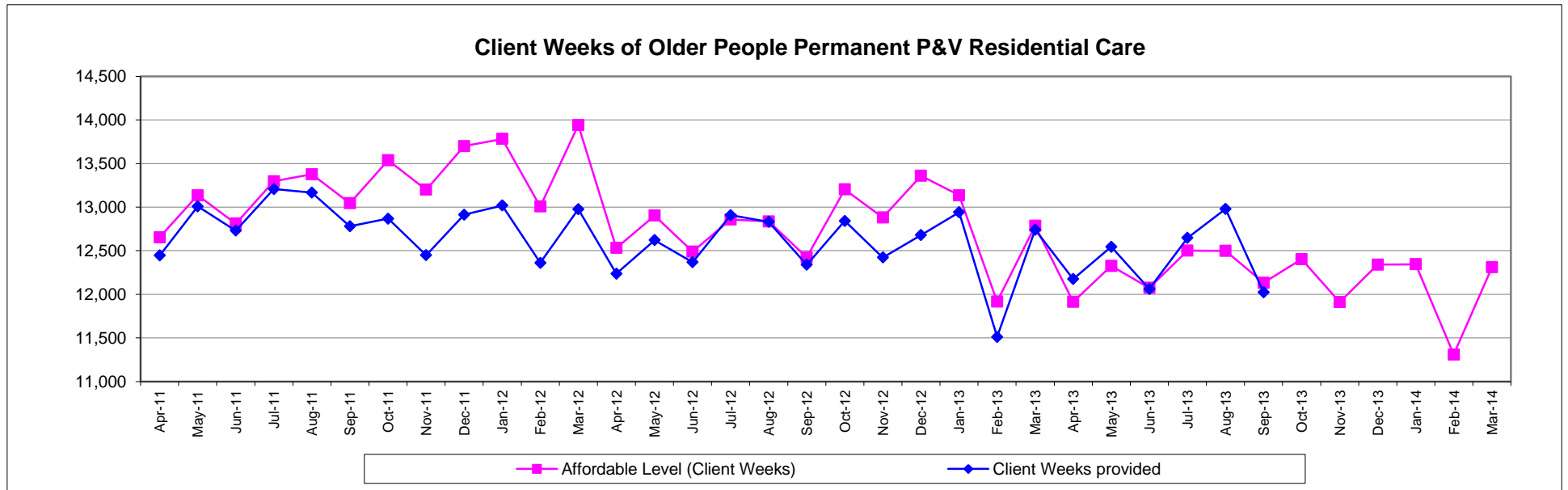
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of £484.02 is higher than the affordable cost of £481.80 and this difference of +£2.22 increases the position by £185k when multiplied by the affordable weeks, as shown in table 1. The change between August and September unit costs is primarily due to the forecast weeks reflecting the actual level of usage of short term block bed contracts, rather than assuming full occupancy.



2.8 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,655	12,446	12,532	12,237	11,914	12,176
May	13,136	13,009	12,903	12,621	12,326	12,545
Jun	12,811	12,731	12,489	12,369	12,074	12,061
Jul	13,297	13,208	12,858	12,908	12,501	12,647
Aug	13,377	13,167	12,836	12,832	12,498	12,980
Sep	13,044	12,779	12,424	12,339	12,132	12,022
Oct	13,538	12,868	13,203	12,842	12,403	
Nov	13,200	12,448	12,880	12,422	11,910	
Dec	13,700	12,914	13,358	12,679	12,341	
Jan	13,782	13,019	13,135	12,941	12,345	
Feb	13,007	12,361	11,916	11,512	11,310	
Mar	13,940	12,975	12,786	12,741	12,310	
	<b>159,487</b>	<b>153,925</b>	<b>153,320</b>	<b>150,443</b>	<b>146,064</b>	<b>74,431</b>





## Comments:

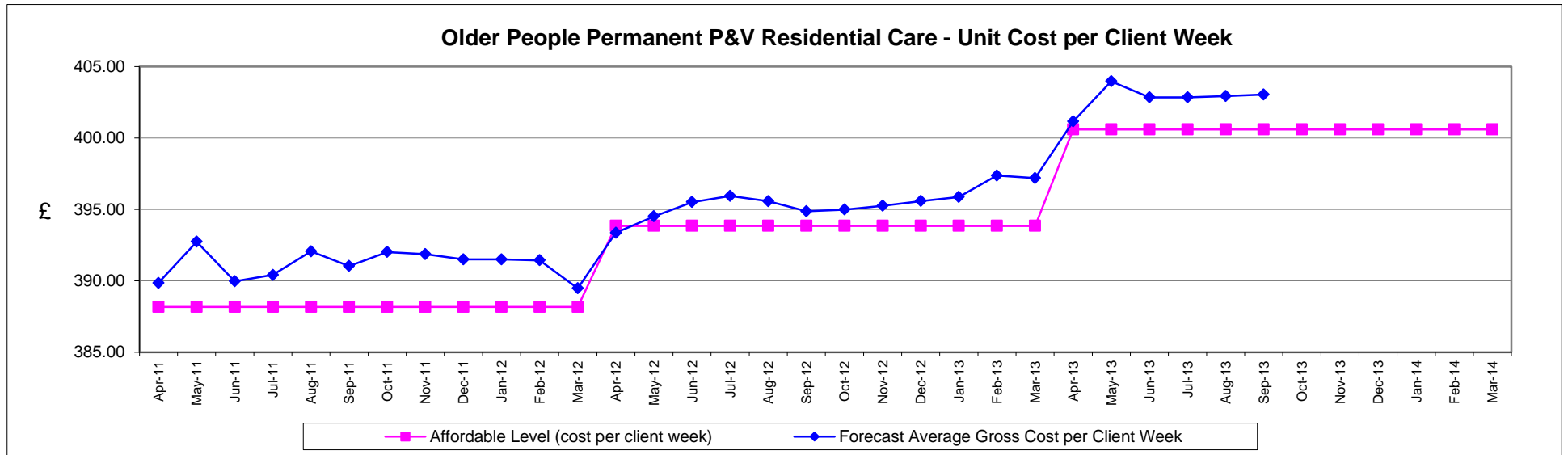
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2011-12 was 2,736, at the end of 2012-13 it was 2,653 and at the end of September 2013 it was 2,672. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 148,296 weeks of care against an affordable level of 146,064, a difference of +2,232 weeks. Using the forecast unit cost of £403.05 this additional activity increases the forecast by +£900k , as shown in table 1.
- To the end of September 74,431 weeks of care have been delivered against an affordable level of 73,445 a difference of +986 weeks. The current year to date activity suggests a slightly lower level of activity than forecast, however the forecast assumes higher levels of non-permanent residential activity in the forthcoming months.

2.9 Average gross cost per client week of older people permanent P&V residential care provided compared with affordable level:

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	388.18	389.85	393.85	393.37	400.60	401.17
May	388.18	392.74	393.85	394.52	400.60	403.98
Jun	388.18	389.97	393.85	395.52	400.60	402.85
Jul	388.18	390.41	393.85	395.95	400.60	402.85
Aug	388.18	392.07	393.85	395.58	400.60	402.94
Sep	388.18	391.04	393.85	394.88	400.60	403.05
Oct	388.18	392.02	393.85	394.99	400.60	
Nov	388.18	391.87	393.85	395.26	400.60	
Dec	388.18	391.50	393.85	395.59	400.60	
Jan	388.18	391.50	393.85	395.88	400.60	
Feb	388.18	391.44	393.85	397.38	400.60	
Mar	388.18	389.48	393.85	397.20	400.60	

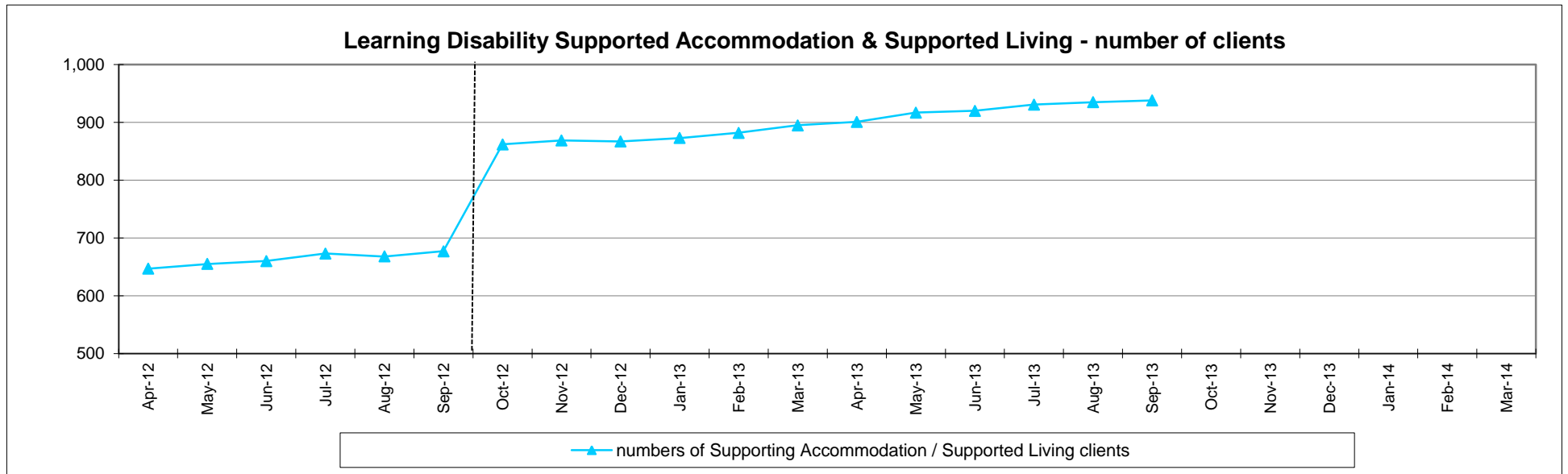
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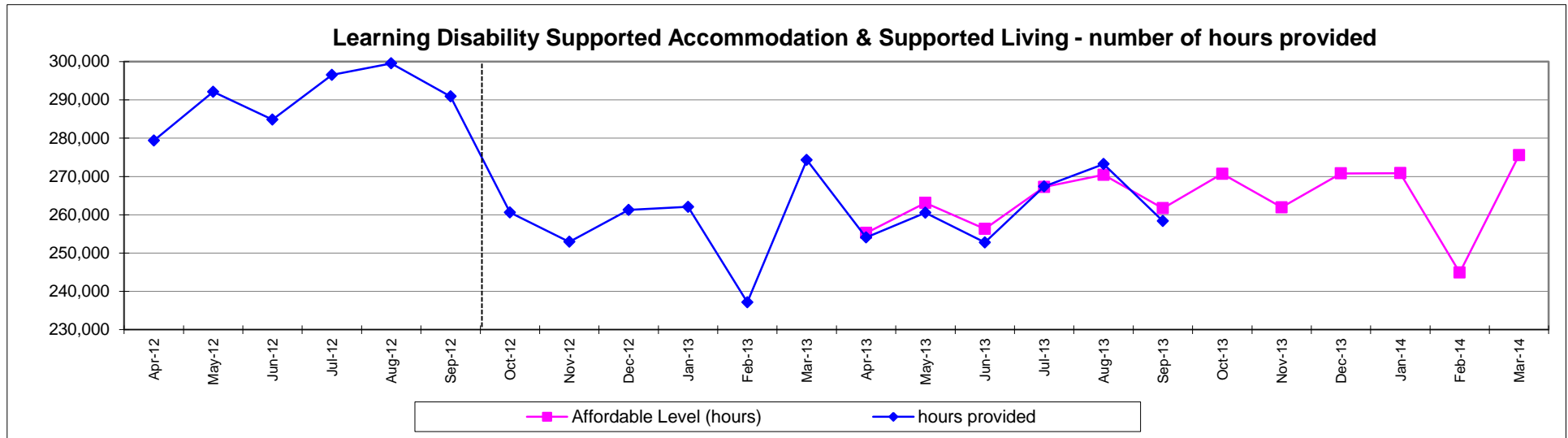
- The forecast unit cost of £403.05 is higher than the affordable cost of £400.60 and this difference of +£2.45 adds +£358k to the position when multiplied by the affordable weeks, as shown in table 1. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above.



2.10 Learning Disability Supported Accommodation/Supported Living – numbers of clients and hours provided in the independent sector

	2012-13			2013-14		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr		279,365	647	255,228	254,067	901
May		292,122	655	263,089	260,503	917
Jun		284,835	660	256,321	252,761	920
Jul		296,532	673	267,255	267,384	931
Aug		299,521	668	270,414	273,259	935
Sep		290,914	677	261,697	258,323	938
Oct		260,574	862	270,697		
Nov		252,932	869	261,922		
Dec		261,257	867	270,798		
Jan		262,070	873	270,874		
Feb		237,118	882	244,883		
Mar		274,334	895	275,556		
	<b>0</b>	<b>3,291,574</b>		<b>3,168,734</b>	<b>1,566,297</b>	





#### Comments:

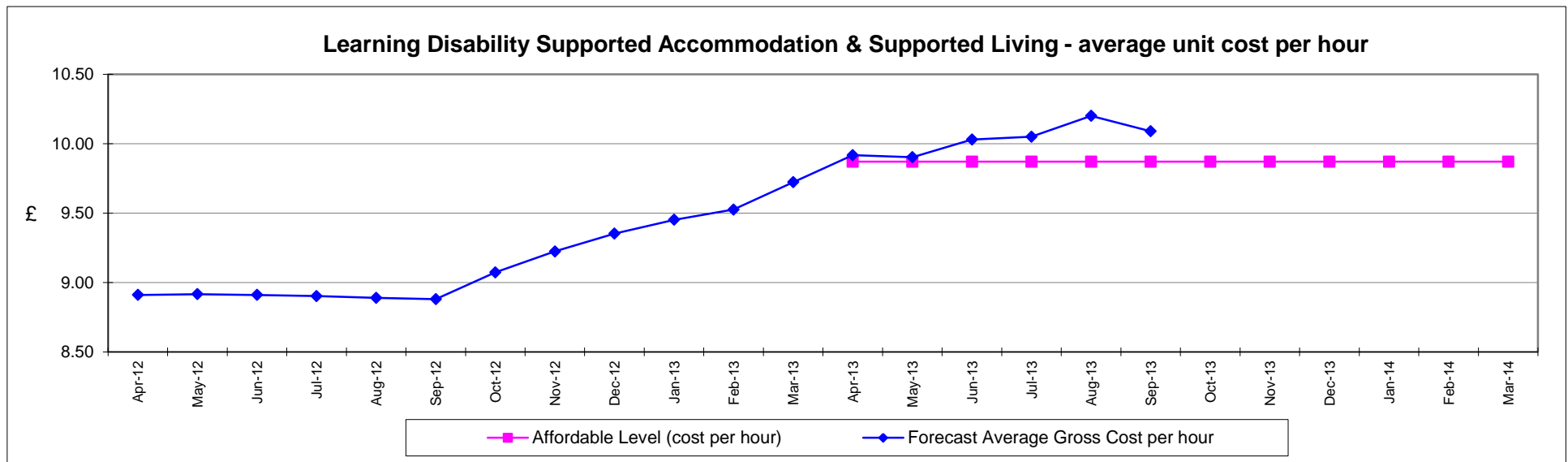
- This indicator has changed from 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level of support required by individual clients can vary from a few hours a week to 24 hours a day therefore to better reflect the activity related to this indicator, the service is now recorded in hours rather than weeks. In addition, the details of the number of clients in receipt of these services will be given on a monthly basis.
- The Supporting Independence Service Contract was introduced in October 2012-13 and involved the transfer of specific clients previously in receipt of services categorised as domiciliary care, extra care sheltered housing and supported accommodation to this new contract. As part of this transfer, some clients chose to receive a direct payment instead. The result of this transfer was an overall net increase in the total number of clients categorised as receiving a supported accommodation/living support service however the average number of hours provided per client reduced. **A dotted line has been added to the graphs above to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- The current forecast is 3,230,965 hours of care against an affordable level of 3,168,734, a difference of +62,231 hours. Using the forecast unit cost of £10.09 this increase in activity increases the forecast by +£628k, as shown in table 1.
- To the end of September 1,566,297 hours of care have been delivered against an affordable level of 1,574,004, a difference of -7,707 hours. The forecast number of hours reflects an increase in activity expected in future months that is also reflected in the profile of the budgeted level. However, the current year to date activity still suggests a lower level of activity than forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database.

2.11 Average gross cost per hour of Supported Accommodation/Supported Living service compared with affordable level:

	2012-13		2013-14	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr		8.91	9.87	9.92
May		8.92	9.87	9.90
Jun		8.91	9.87	10.03
Jul		8.90	9.87	10.05
Aug		8.89	9.87	10.20
Sep		8.88	9.87	10.09
Oct		9.07	9.87	
Nov		9.22	9.87	
Dec		9.35	9.87	
Jan		9.45	9.87	
Feb		9.53	9.87	
Mar		9.72	9.87	

Comments:

- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of £10.09 is higher than the affordable cost of £9.87 and this difference of +£0.22 increases the forecast by +£697k when multiplied by the affordable hours, as shown in table 1.



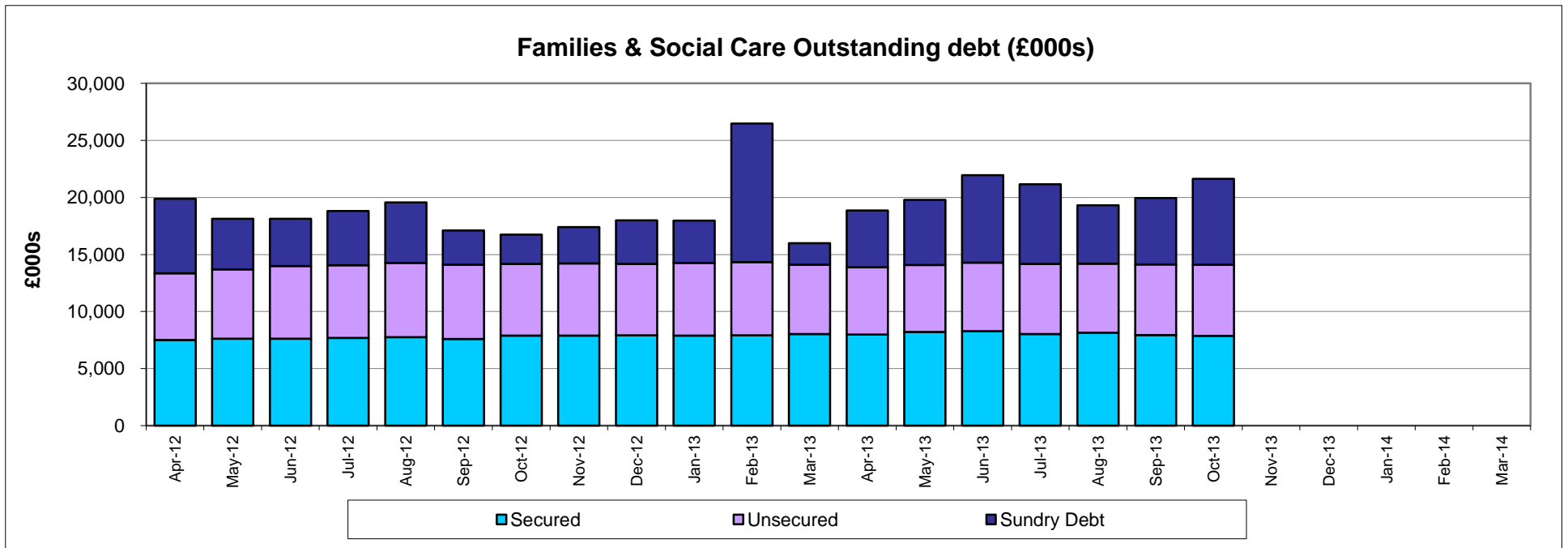
## 2.12 SOCIAL CARE DEBT MONITORING

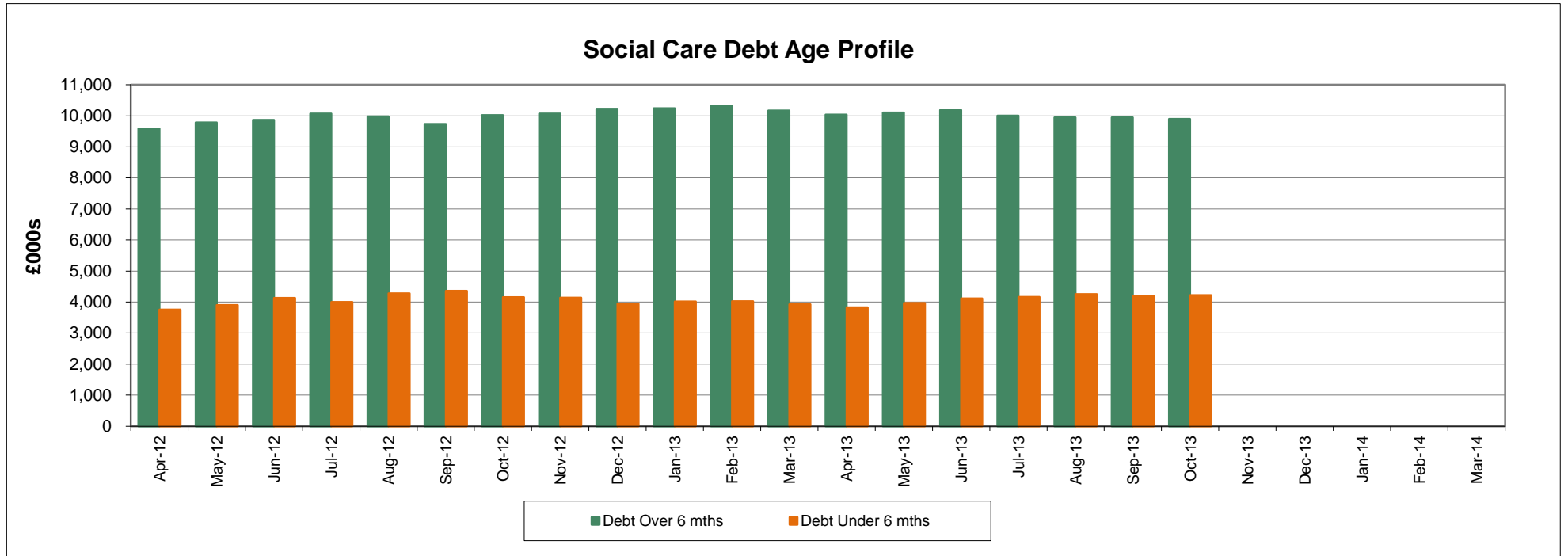
The outstanding debt as at the end of October was £21.646m compared with August's figure of £19.320m (reported to Cabinet in October) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £7.533m of sundry debt compared to £5.116m in August. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.113m relating to Social Care (client) debt which is a small reduction of £0.091m from the last reported position to Cabinet in October. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-12	19,875	6,530	13,345	9,588	3,757	7,509	5,836
May-12	18,128	4,445	13,683	9,782	3,901	7,615	6,068
Jun-12	18,132	4,133	13,999	9,865	4,134	7,615	6,384
Jul-12	18,816	4,750	14,066	10,066	4,000	7,674	6,392
Aug-12	19,574	5,321	14,253	9,977	4,276	7,762	6,491
Sep-12	17,101	3,002	14,099	9,738	4,361	7,593	6,506
Oct-12	16,747	2,574	14,173	10,020	4,153	7,893	6,280
Nov-12	17,399	3,193	14,206	10,069	4,137	7,896	6,310
Dec-12	17,996	3,829	14,167	10,226	3,941	7,914	6,253
Jan-13	17,965	3,711	14,254	10,237	4,017	7,885	6,369
Feb-13	26,492	12,153	14,339	10,312	4,027	7,903	6,436
Mar-13	15,986	1,895	14,091	10,165	3,926	8,025	6,066
Apr-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153
Aug-13	19,320	5,116	14,204	9,950	4,254	8,141	6,063
Sep-13	19,950	5,814	14,136	9,943	4,193	7,931	6,205

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Oct-13	21,646	7,533	14,113	9,896	4,217	7,867	6,246
Nov-13							
Dec-13							
Jan-14							
Feb-14							
Mar-14							

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the 2012-13 Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.







### 3. CAPITAL

3.1 The Families and Social Care Directorate - Adult Social Care & Public Health Portfolio has a working budget for 2013-14 of £12,359k. The forecast outturn against the 2013-14 budget is £5,417k giving a variance of - £6,942k.

3.2 **Table 2** below details the FSC Adult Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Asset Modernisation	0	373	-373	-373	Rephasing	Projects reprofiled to 14/15	Green		
Home Support Fund	6,600	2,474	0	0			Green		
<b>Individual Projects</b>									
<b>Kent Strategy for Services for Older People (OP):</b>									
Community Care Centre - Ebbsfleet	544	0	0	0			Green		
Community Care Centre - Thameside Eastern Quarry	500	0	0	0			Green		
OP Strategy - Transformation / Modernisation	7,800	762	-48	-48	Rephasing		Green		
<b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme-Community Hubs	3,318	2,609	-1,287	-195	Real - PEF2	Various schemes - Service needs have changed or been provided through other means, budget no longer required.	Green		Reduce cash limits by £319k
				-124	Real - Capital receipts				
				-968	Rephasing				

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Learning Disability Good Day Programme-Community Initiatives	2,430	2,477	-1,780	-1,490	Real - Capital receipts	£132k - Contribution reduced - budget no longer required. £1,298k Hydrotherapy project no longer proceeding. £60k virement requested to C&C for Swanley Gateway.	Green		Reduce 13/14 cash limits by £1,430k only until virement has been signed
				-290	Rephasing	Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15	Amber - delayed		
Rusthall	0	45	-45	-45	Rephasing		Green		
Mental Health Strategy	264	264	-264	-264	Rephasing	Various smaller schemes less than £100k rephased to 14-15	Amber - delayed		
<b>Active Care / Active Lives Strategy:</b>									
PFI - Excellent Homes for All	66,800	0	0	0			Green		
<b>Developing Innovative and Modernising Services:</b>									
Lowfield St (formerly Trinity Centre, Dartford)	1,073	450	-351	-351	Rephasing	Rephasing to 14/15 due to delays in acquiring planning permission - new planning application submitted by developer.	Amber - delayed		
Information Technology Projects e.g. Swift Development / Mobile Working	2,477	2,178	-2,067	-2,067	Rephasing	Projects reprofiled to 14/15	Green		

**ANNEX 3**

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Public Access Development	1,052	727	-727	-364	Real - Prudential		Green	Business case reviewed - no plans to progress - budget no longer required.	Reduce 13/14 cash limits by £727k
				-250	Real - Grant				
				-113	Real -Capital Receipts				
<b>Total</b>	<b>92,858</b>	<b>12,359</b>	<b>-6,942</b>	<b>-6,942</b>					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Directorate Total (£k)</b>	<b>+151,726</b>	<b>+1,667</b>	<b>-</b>	<b>+1,667</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Environment, Highways and Waste portfolio</b>						
Strategic Management & Directorate Support budgets	4,858.5	-21.0	4,837.5	-654	-233	Saving on contractor annual management charge  This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-120	An historic budget for a revenue contribution to capital remains but there is no requirement within the capital programme for 2013-14 for this funding  This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-99	Underspend on Legal costs
					-202	Other minor variances all less than £100k in value
<u>Community Services:</u>						
- Gypsies & Travellers	714.0	-430.0	284.0	-70		
<u>Environment:</u>						
- Environment Management	4,136.0	-1,617.1	2,518.9	-13		
<u>Highways:</u>						
- Highways Maintenance						
- Adverse Weather	3,299.9	0.0	3,299.9	+389	+222	Costs of April salting runs beyond normal winter season
					+159	Balance of 2012-13 costs including snow emergency costs for which insufficient provision was made
					+8	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Bridges & Other Structures	2,588.1	-182.0	2,406.1	+18			
- General maintenance & emergency response	13,616.0	-487.0	13,129.0	+4,037	+4,153	Find and fix repair of pot holes	This underspend is contributing to the 2014-17 MTFP savings target.
					+164	Increase in maintenance on high speed roads, and type of maintenance being undertaken, as a consequence of find and fix activity	
					-207	Underspend on depot maintenance	
					-73	Other minor variances	
- Highway drainage	3,265.8	0.0	3,265.8	0			
- Streetlight maintenance	4,050.3	-154.0	3,896.3	0			
	26,820.1	-823.0	25,997.1	+4,444			
- Highways Management:							
- Development Planning	2,110.9	-1,310.0	800.9	-146	-48	Additional income from developers	
					-98	Other minor variances	
- Highways Improvements	1,875.3	-82.0	1,793.3	-467	-200	Temporary staff no longer required for Member Highway Fund as the backlog has been cleared	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-168	An historic budget for a revenue contribution to capital remains but there is no requirement within the capital programme for 2013-14 for this funding.	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-99	Other minor variances	
- Road Safety	3,257.6	-2,234.0	1,023.6	+45			
- Streetlight energy	4,795.0	0.0	4,795.0	+750	+950	Price increase for 2013-14	This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-200	Rebate on 2012-13 costs following final volume and price reconciliation	
- Traffic management	5,870.7	-3,421.1	2,449.6	-233	-141	Additional income from roadworks and enforcements	
					-92	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Tree maintenance, grass cutting & weed control	3,252.8	0.0	3,252.8	+40	+170 Additional weed control treatment required following complaints from District Councils in particular concerning weeds causing a trip hazard  +162 Removal of tree stumps +120 Additional expenditure in respect of bus route clearance  -192 Savings on the transfer of the contract to a new contractor  -183 Duplicate orders raised and receipted in error in 2012-13  -37 Other minor variances	Part of this saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
	21,162.3	-7,047.1	14,115.2	-11		
<u>Planning &amp; Transport Strategy:</u>						
- Planning & Transport Policy	1,491.9	0.0	1,491.9	-48		
- Planning Applications	1,079.9	-600.0	479.9	+116	+217 Reduction in income for planning applications due to the current economic climate  -84 Staffing underspend  -17 Other minor variances	
	2,571.8	-600.0	1,971.8	+68		
<u>Transport Services:</u>						
- Concessionary Fares	16,672.0	-27.0	16,645.0	-629	-376 Fewer replacement bus passes expected to be issued in 2013-14 than budgeted  -269 Reduced bus operator costs due to reduced journeys being taken  +16 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Freedom Pass	15,643.0	-2,459.0	13,184.0	+97	+97	Higher than budgeted number of journeys travelled using the Freedom Pass (as illustrated in the activity section 2.3 below)	There is an underlying pressure on this budget which will need to be addressed in the 2014-17 MTFP as the £800k funding provided from the 2012-13 roll forward is one-off and there will also be the impact of the change in education transport policy on the next cohort of students transferring to the secondary sector.
- Subsidised Bus Routes	8,960.1	-1,454.0	7,506.1	-231	-415	Funding awarded for price rises has proved to be in excess of what is required and contracts re-tendered in year have generally not increased	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-145	Staff vacancies	
					+200	Additional costs of service provision due to a existing contractor going into liquidation	
					+131	Reduced income from ELS due to fewer entitled scholars using the subsidised bus routes	This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-2	Other minor variances	
- Transport Operations	1,127.4	-214.5	912.9	+12			
- Transport Planning	558.4	-228.0	330.4	-24			
	42,960.9	-4,382.5	38,578.4	-775			
<u>Waste Management</u>							Impact of the current Waste forecast on the 2014-17 MTFP:
- Waste Operations	1,762.0	0.0	1,762.0	-295	-150	Sale of previous year landfill allowances, under the Landfill Allowance Trading Scheme, to another local authority	Until the Joint Waste Projects have been operating for a while it is difficult to predict with any certainty the impact of these on the 2014-17 MTFP. A view will be taken at the time of setting the budget based on the most up to date data available.
					-61	Vacancy management and removal of a post	
					-84	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,240.2	-1,982.0	6,258.2	-599	-380	Forecast lower volumes of materials managed at sites resulting in reduced haulage fees	
					+239	Management and contract fees for Richborough site expected to be closed for 2013-14 but remains open	
					-348	Haulage and management costs associated with the new combined Ashford HWRC and transfer station now included in the Haulage & Transfer Stations A-Z line	
					-102	Reduced recycling bonus payments due to reduced waste volumes at HWRC	
					-57	Additional income from the sale of recyclable materials	
					+49	Other minor variances	
- Partnership & Waste Co-ordination	606.0	-168.0	438.0	-21			
- Payments to Waste Collection Authorities (DCs)	6,068.0	-102.0	5,966.0	-214	-143	Reduced tipping away payments (which are determined by distance travelled) to Waste Collection Authorities due to new arrangements to manage waste closer to where it is collected	
					-96	Reduced recycling credit payments to Waste Collection Authorities	
					+25	Other minor variances	
- Recycling Contracts & Composting	9,030.0	-1,571.0	7,459.0	-423	+524	Price increases for hardcore due to changes in legislation	



Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-504	Forecast reduction of 21,400 tonnes in hardcore, wood, garden waste and other materials offset by an increase in food waste	
					+494	Reduced income from the East Kent Contract due to changes in market prices	
					+207	East Kent Contract: Forecast reduction of 4,600 tonnes of saleable material, (together with an increase of 6,600 tonnes of co-mingled materials due to changes in collected services, at zero cost)	
					+176	Income expected to be generated from the new Mid Kent Contract has not materialised	
					+370	Additional costs of processing mixed materials, including glass at the new Materials Recycling Facility (MRF) for Mid and West Kent	
					-1,692	Savings due to the closure of the MRF and the opening of a Transfer Station at the Allington site to manage materials from the Mid Kent Contract, which offset the pressure on the new Mid and West Kent MRF and additional costs on disposal contracts	
					+2	Other minor variances	
	23,944.2	-3,823.0	20,121.2	-1,257			
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	864.0	-180.0	684.0	-134	-114	Net saving on the termination of the Operation Cubit contract	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-20	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Disposal Contracts	28,836.0	-156.0	28,680.0	-305	-1,285	Forecast reduced tonnage of residual waste to be managed through Allington Waste to energy Facility (-14,000 tonnes)
					-78	Reduced disposal costs due to lower residual waste sent to landfill (-7,400)
					+1,899	Forecast increase of tonnage throughput at the Allington Waste to energy Facility (resulting in reduction sent to Landfill) (+20,100 tonnes)
					-1,859	Saving on contracted payments to Allington Waste to Energy Plant due to 19,700 tonnes less waste being processed via the facility during April-June as a result of extended maintenance
					+1,154	Allington Waste to Energy contractual changes due to the closure of the MRF and the opening of a Transfer Station at the Allington site which has resulted in a pressure which is offset by savings on the Recycling and Composting budget reported above
					-124	Saving on managing hazardous and clinical waste
					-12	Other minor variances
- Haulage & Transfer Stations	9,579.0	-75.0	9,504.0	+1,218	+368	Delays in the closure of the Hawkinge transfer station
					+161	Haulage and management costs associated with the new combined Ashford HWRC and transfer station together with reduced expenditure at the Ashford transfer station due to the delays in the closure of the Hawkinge site

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-327	Forecast reduced tonnage managed at sites
					+220	New arrangements at Allington transfer station to enable the receipt of food and dry recyclable waste
					+628	East Kent Contract Haulage fee budget set only for January to March but payments are being incurred for the whole financial year
					+206	Extra contract payments for managing waste in Thanet and Canterbury under the East Kent Contract as the new service is being rolled out
					-38	Reduced haulage of residual waste from Canterbury and Thanet to Allington due to extended maintenance at the Allington Waste to Energy Facility
- Landfill Tax	7,571.0	0.0	7,571.0	-549	-549	Forecast reduction in the volume of waste sent to landfill due to overall reduction in residual waste of 7,400 tonnes, together with a net reduction of 400 tonnes due to planned diversion of waste to be processed at the Allington Waste to Energy facility (-20,100) offset by an increase in waste diverted to landfill due to extended maintenance at Allington Waste to Energy facility (+19,700 tonnes)
	46,850.0	-411.0	46,439.0	+230		
- Commercial Services	0.0	-4,899.0	-4,899.0			
<b>Total E,H &amp; W portfolio</b>	<b>175,779.8</b>	<b>-24,053.7</b>	<b>151,726.1</b>	<b>+1,667</b>		
<b>Regeneration &amp; Enterprise portfolio</b>						
Development Staff & Projects	656.6	-656.6	0.0	0		

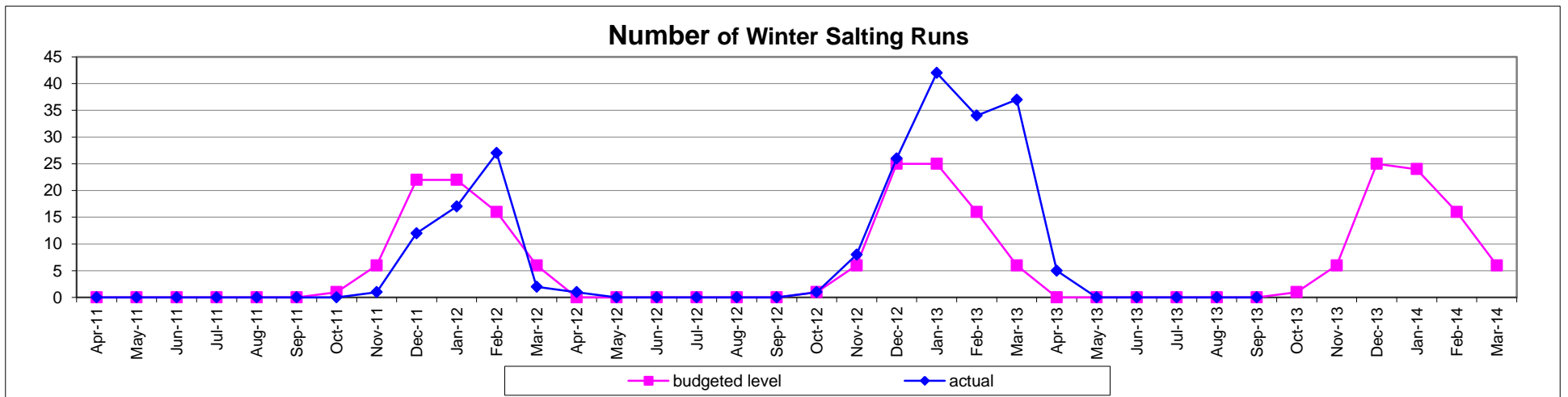
**ANNEX 4**

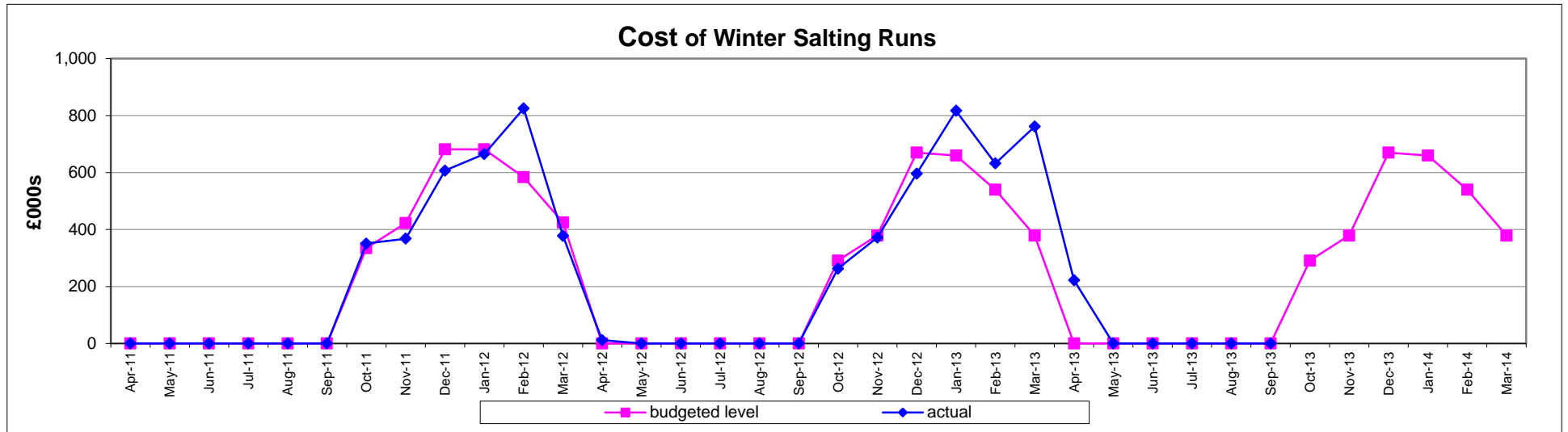
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Total E&amp;E controllable</b>	<b>176,436.4</b>	<b>-24,710.3</b>	<b>151,726.1</b>	<b>+1,667</b>			
<b>Assumed Mgmt Action</b>							
- EHW portfolio							
- R&E portfolio							
<b>Total Forecast <u>after</u> mgmt action</b>	<b>176,436.4</b>	<b>-24,710.3</b>	<b>151,726.1</b>	<b>+1,667</b>			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	2011-12				2012-13				2013-14			
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	-	-	-	-	1	-	12	-	5	-	222
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	335	351	1	1	291	263	1	-	291	-
Nov	6	1	423	368	6	8	379	372	6	-	379	-
Dec	22	12	682	607	25	26	670	596	25	-	670	-
Jan	22	17	682	665	25	42	660	817	24	-	660	-
Feb	16	27	584	825	16	34	540	632	16	-	540	-
Mar	6	2	425	378	6	37	379	762	6	-	379	-
	<b>73</b>	<b>59</b>	<b>3,131</b>	<b>3,194</b>	<b>79</b>	<b>149</b>	<b>2,919</b>	<b>3,454</b>	<b>78</b>	<b>5</b>	<b>2,919</b>	<b>222</b>



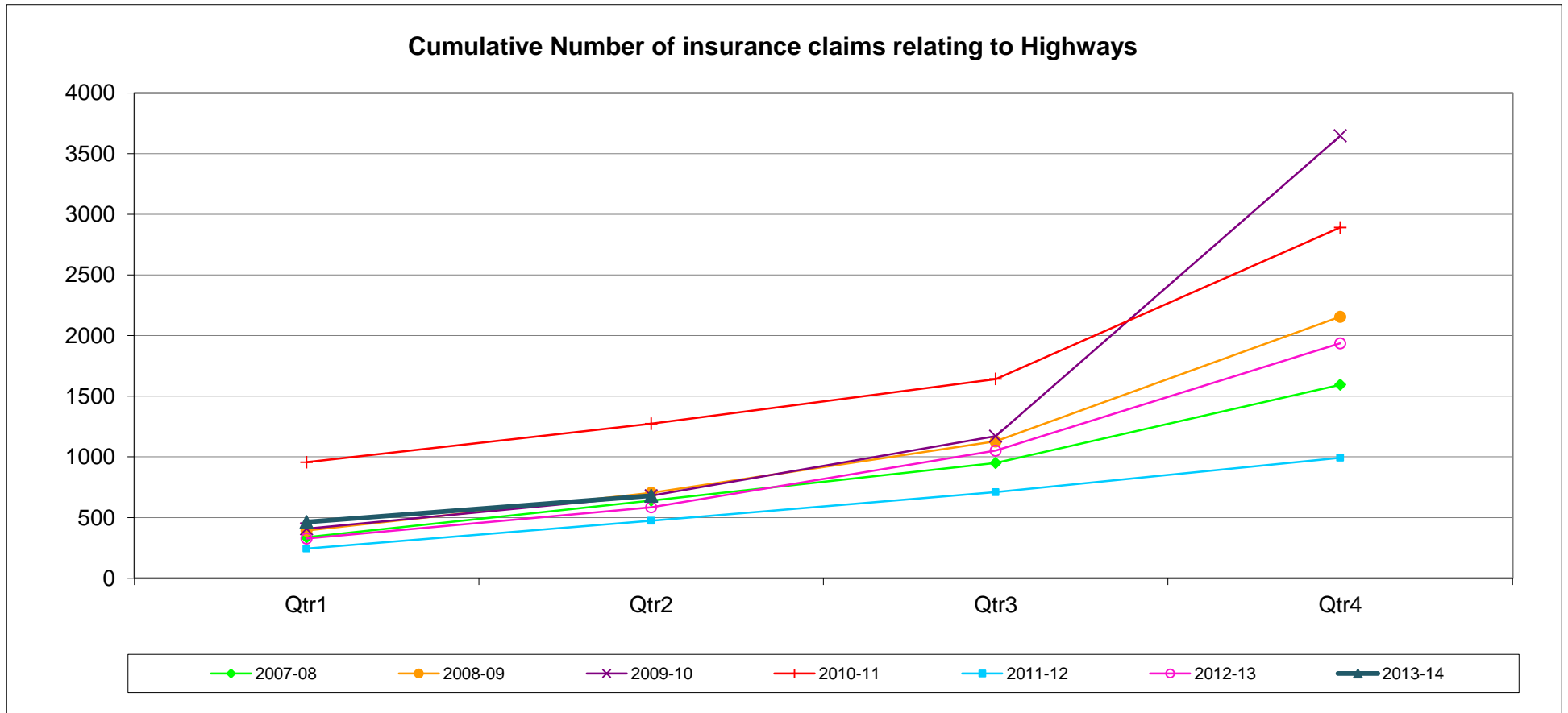


**Comments:**

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of this financial year, resulting in a forecast pressure against the adverse weather budget of £0.222m, as shown above and in table 1.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and 2012-13 included the full year efficiency savings, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs were incurred as part of the new Winter Policy introduced for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, despite the number of salting runs being below the budgeted level.
- The actual number of salting runs in 2012-13 was above the budgeted levels, however, the budgeted cost of salting runs was calculated using the worst case scenario in terms of the rate of spread of salt. As the actual spread of salt was at a lower rate than assumed, this resulted in the costs of salting runs not being as high as the number of salting runs may suggest. Overall there was a net overspend of £1.669m on the adverse weather budget in 2012-13, which was due to an overspend of £0.535m on winter salting runs (as shown in the table above) and an overspend of £1.134m of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	327	462
Jul to Sep	640	704	680	1,273	473	584	679
Oct to Dec	950	1,128	1,170	1,642	709	1,051	
Jan to Mar	1,595	2,155	3,647	2,891	993	1,936	



## Comments:

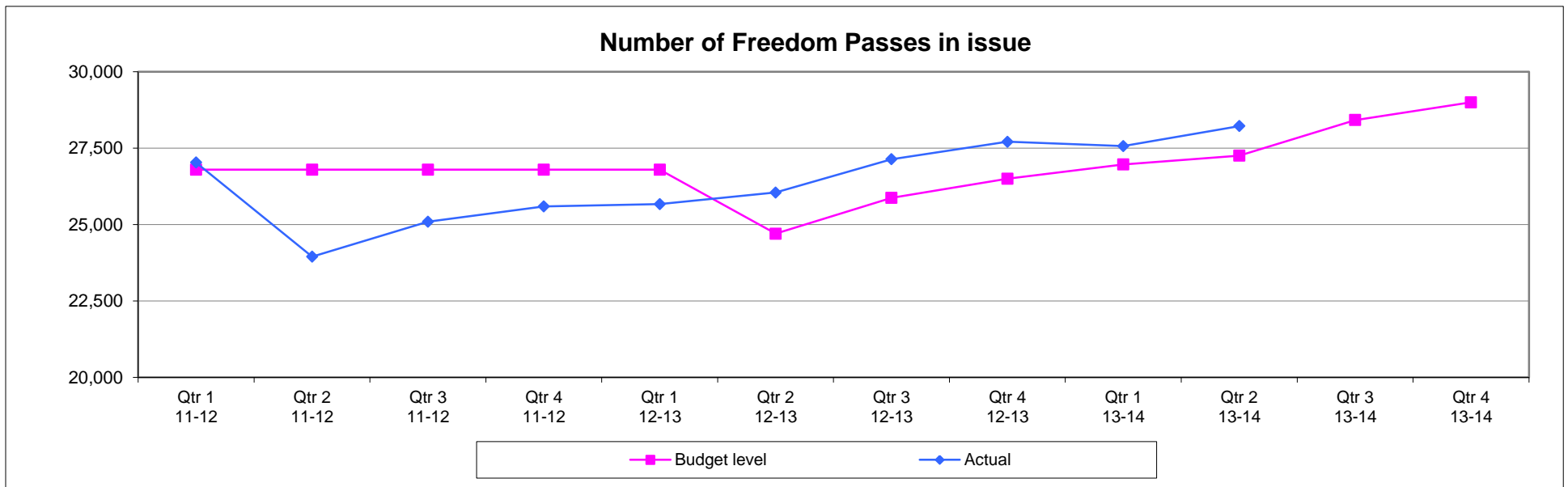
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30th September 2013.
- Claims were high in each of the years 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 which could have been due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. However, claim numbers increased again in 2012-13, which was likely to be due to the prolonged hard winter and the consequent damage to the highway, but claim numbers did not increase to the levels experienced during 2008-09 to 2010-11, probably due to the continuation of the find and fix programmes of repair. It is likely that claim numbers for both 2011-12 and 2012-13 will increase as new claims are received relating to incidents occurring during these two years, as explained above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2013-14 claims where it is considered that we do not have any liability, of about 86%.

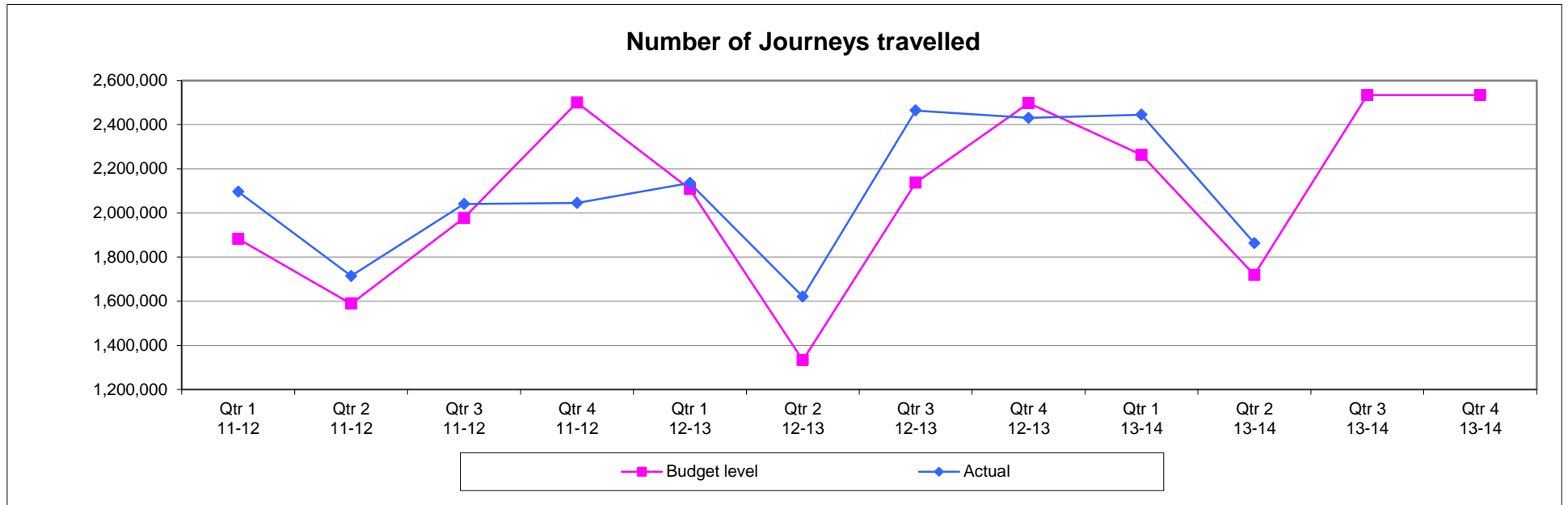


2.3 Freedom Pass

	2011-12				2012-13				2013-14			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)
Qtr 1	26,800	27,031	1,882	2,096	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,445
Qtr 2	26,800	23,952	1,589	1,714	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,864
Qtr 3	26,800	25,092	1,977	2,041	25,877	27,141	2,137	2,464	28,420		2,534	
Qtr 4	26,800	25,593	2,499	2,045	26,500	27,711	2,498	2,431	29,000		2,534	
			<b>7,947</b>	<b>7,896</b>			<b>8,076</b>	<b>8,652</b>			<b>9,050</b>	<b>4,309</b>

The data for this activity indicator is only provided on a quarterly basis from our external provider MCL Transport Services.





**Comments:**

- As predicted the number of Kent Freedom Passes was lower in the first quarter of 2012-13 compared to the same quarter in 2011-12 probably due to the fee increase. Applications have steadily increased since Q1 2012-13, due in part to changes in education transport policy, and the continued popularity of the scheme, resulting in a pressure on this budget in 2012-13, hence Cabinet, at the 15 July 2013 meeting, agreed to allocate £0.8m of rolled forward 2012-13 underspending to support this budget in 2013-14.
- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so may be subject to change. There is a forecast pressure of £97k on the Freedom Pass budget due to the higher than budgeted number of journeys, as reflected in table 1 of this annex.
- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

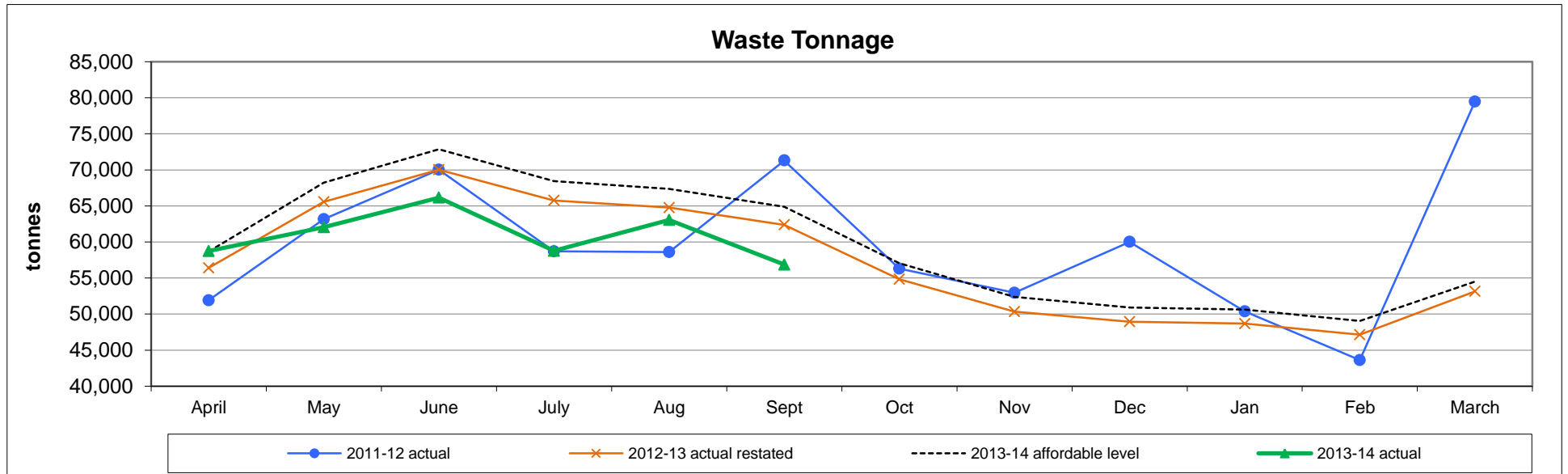
2.4 Waste Tonnage

	2011-12	# 2012-13 restated	2013-14	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	51,901	56,390	58,673	58,726
May	63,168	65,562	68,216	62,037
Jun	70,006	70,033	72,869	66,138
Jul	58,711	65,764	68,426	58,772
Aug	58,581	64,760	67,381	63,060
Sep	71,296	62,377	64,902	56,857
Oct	56,296	54,837	57,057	
Nov	52,942	50,344	52,382	
Dec	60,009	48,925	50,906	
Jan	50,366	48,668	50,638	
Feb	43,607	47,135	49,043	
Mar	79,468	53,150	54,507	
	<b>716,351</b>	<b>687,945</b>	<b>715,000</b>	<b>365,590</b>

^ Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. From April 2013, due to changes in managing waste contracts, all service providers have transferred on to a calendar month basis and this is reflected in the monthly affordable levels for 2013-14, hence why the line on the graph representing the affordable level for 2013-14 reflects a different profile to the actuals for 2011-12.

# The 2012-13 actual waste tonnage data has been restated on a calendar month basis to ease comparison with 2013-14.

\* Note: waste tonnages are subject to slight variations between quarterly reports as figures are refined and confirmed with Districts



## Comments:

- 2013-14 data has been restated in this report to reflect tonnage based on waste outputs from transfer stations rather than waste inputs to our facilities. This is necessary due to the changes in how waste is being presented to KCC by the waste collection authorities, where several material streams are now being collected by one refuse collection vehicle utilising split body compaction. These vehicles are only weighed in once at our facilities, where they tip all of the various waste streams into the separate bays, and then the vehicle is weighed out when empty. The separate waste streams are stored separately at our transfer stations, where these materials are bulked up for onward transfer to various processing plants/facilities. The bulked loads are weighed out, providing data for haulage fees and then are weighed in at the relevant processing plant, providing data for processing fees. 2012-13 data and the 2013-14 affordable level have also been restated on this output basis in order to enable comparison.
- These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- To date, the cumulative tonnage activity for the first six months of the year is approximately 34,900 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in table 1 of this annex.
- Overall waste volumes are currently 5% lower for the first six months when compared with the same period for last year (based on the restated 2012-13 figures). Waste volumes at Household Waste Recycling Centres continue to show a reduction in waste volumes as a result of implementing new operating policies at these sites.
- Based on the actual waste tonnage for April to September of 2013-14 and forecasts for October to March, the overall volume of waste to be managed this financial year is expected to be approximately 674,200 tonnes, which is 40,800 tonnes below the affordable level and equates to a saving of £3.018m. However this saving on waste volumes is offset by other pressures within the service, as detailed in table 1, giving an overall saving against the waste management budget of £1.322m.
- The figures in Table 1 of section 1.2 are based on actual activity between April and August. The September activity figure suggests the underspend will increase and if verified, this will be reflected in the next monitoring report.

### 3. CAPITAL

3.1 The Enterprise & Environment Directorate has a working budget for 2013-14 of £77,144k. The forecast outturn against the 2013-14 budget is £60,558k giving a variance of - £16,586k.

3.2 **Table 2** below details the EE Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Commercial Services Vehicles Plant and Equipment	3,900	1,300	0	0			Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	94,872	38,909	-3,400	-3,400	Rephasing	Highways capital funding to be reviewed in detail as part of 2014-17 MTFP process. The maintenance programme is currently being reviewed to achieve the expected target of £3,400k.	Green		
Integrated Transport Schemes under £1m	12,513	5,295	-6	388	Real - DfT grant	Additional grant has been awarded to carry out Sustainable transport schemes.	Green		
				-394	Rephasing	Some of the s106 schemes are at outline design stage with programmed delivery in 14-15.			
Land compensation and Part 1 claims arising from completed projects	2,834	2,348	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Major Schemes - Preliminary Design Fees	400	350	0	0			Green		
Old Schemes Residuals	0	0	-41	-41	Real - Creditor provisions	Reversal of surplus creditors for old major schemes. This will be used to fund the overspend on Rushenden Relief Road.	Green		
Members' Highway Fund	6,600	2,472	0	0			Green		
<b>Individual Projects</b>									
<b>Planning &amp; Environment:</b>									
Coldharbour Gypsy Site	672	888	0	0			Amber	Delays due to significant utility problems during construction period, adverse weather conditions and increased site security.	
Energy and Water Efficiency Investment Fund - External	481	328	-75	-75	Rephasing		Green		
Energy Reduction and Water Efficiency Investment - KCC	241	140	-29	-29	Rephasing		Green		
Growth without Gridlock initiatives	5,000	2,750	-2,620	-2,620	Rephasing	Rephasing due to delay in development works for Thanet Parkway & lorry park.	Green		
Sandwich Sea Defences	2,328	656	-203	-203	Rephasing	Contribution profile has been revised.	Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):</b>									
East Kent Joint Waste Project	1,576	1,593	-511	-511	Real - Prudential	Review of the contract resulted in changes to the type and number of containers used and a lower price than originally estimated.	Green		
HWRC - Tonbridge and Malling	1,300	0	0	0			Green		
HWRC - Site Improvements - Herne Bay	0	0	22	22	Real - Prudential (from underspend on East Kent Waste Facilities)				
HWRC - West Kent	600						Green		
Mid Kent Joint Waste Project - Invest to Save	4,440	4,440	-812	-812	Real - Prudential / Revenue	Funding for infrastructure improvements as originally planned at local Borough Council depot no longer required because alternative arrangements to manage waste streams have now been put in place.	Green		
TS/HWRC - Ashford	500	1,715	-50	-50	Rephasing		Green		
TS - North Farm			69	69	Real - Prudential (from underspend on East Kent Waste Facilities)				
TS/HWRC - Swale	3,530	1,880	-1,630	-1,630	Rephasing	Site search completed; study to redevelop existing site is underway. Contract work is expected to start in 14-15	Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Highways &amp; Transportation:</b>									
Ashford Ring Road - Major Road Scheme	91	93	0	0			Green		
East Kent Access Phase 2 - Major Road Scheme	3,958	1,316	-920	-920	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
Cyclopark initiative	0	176	0	0			Green		
North Farm Development	3,000	125	600	600	Rephasing	The award of grant and the funding deadline has accelerated the spend on scheme development and detailed design.	Green		
Kent Thameside Strategic Transport Programme	11,764	2,243	-1,866	-1,866	Rephasing	The design and development of the Rathmore Road link has been extended whilst further traffic assessment work for the determination of the planning application submitted in April 2012. Also, work will be rephased to account for the development of the transport strategy for Dartford Town Centre and the completion of the S106 Agreement for the Lowfield Street development.	Green		



Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Kent Highway Partnership - Co-location Depots	40	48	0	0			Green		
Rushenden Link (Sheppey) - major road scheme	635	490	-395	-436	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
				41	Real - Creditor provisions	Footway remedial works to be carried out for safety reasons. Funded from release of creditor provisions from old residual schemes.			
Sittingbourne Northern Relief Road - major road scheme	2,799	814	-687	-687	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standards.	Green		
Street Lighting Column - Replacement Scheme	3,750	1,250	0	0			Green		
Street Lighting Timing - Invest to Save	2,906	2,131	-1,042	-1,042	Rephasing	Police liaison with longer and wider public consultation resulting in implementation being re-scheduled.	Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0			Green		
A228 Leybourne & West Malling Corridor	0	0	0	0					
South East Maidstone Strategic Link - Major Road Scheme	0	0	0	0					
<b>Ashford's Future Schemes:</b>									
A28 Chart Road	7,600	1,800	-1,800	-1,800	Rephasing	Original budget profile assumed Growing Places funding which has not materialised. Project will only proceed if external funding is secured.	Green		
Drovers Roundabout junction	220	370	-280	-192	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
				-88	Real - Grant	Review of the scheme has recommended minor sign and road marking changes.			
Orchard Way Railway	15,000	0	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Victoria Way	239	424	-405	-405	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
Westwood Relief Strategy-Poorhole Lane	0	800	-505	-505	Rephasing	Rephasing to reflect revised profiling of project.	Green		
<b>Total</b>	<b>193,789</b>	<b>77,144</b>	<b>-16,586</b>	<b>-16,586</b>					

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**CUSTOMER & COMMUNITIES DIRECTORATE SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Directorate Total (£k)</b>	<b>+75,996</b>	<b>-2,395</b>	<b>-</b>	<b>-2,395</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Customer &amp; Communities portfolio</b>							
Strategic Management & Directorate Support budgets	3,112.8	-978.0	2,134.8	-55			
<u>Support to Frontline Services:</u>							
- Communication & Consultation	3,004.6	-11.0	2,993.6	-33			
<u>Other Services for Adults &amp; Older People</u>							
- Social Fund (Kent Support & Assistance Service - KSAS)	3,469.0	-3,469.0	0.0	-1,001	-1,001	Lower than anticipated demand for awards since inception of this new pilot scheme. In accordance with Key Decision 12/01939, funding for KSAS awards is to be ring fenced for two years (2013-14 & 2014-15), therefore committed roll forward will be requested for any underspend at year end.	
- Supporting People	24,856.5	0.0	24,856.5	-1,385	-1,067	Primarily due to effective contract management, with variations negotiated with providers where contracts were under-utilised or demand was lower than anticipated	Demand and capacity will be reviewed throughout the year to ensure they remain sufficient and with a view to achieving a permanent reduction/saving.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-376	A realignment of the profile and regularity of contract payments, differing to the initial budget assumptions, which results in a lower cost in 2013-14.	This saving is expected to be ongoing and the full year effect will be reflected in the 2014-17 MTFP
					-608	Cessation of Floating Support in Lieu (FSIL) of Accommodation contracts in November 2013.	
					+516	Following the cessation of FSIL above, additional one-off Floating Support Services were commissioned until March 2014 to align with the Troubled Families Programme	
					+150	New one-off commission in relation Severe Weather Emergency Provision (SWEPE) support for rough sleepers.	
	28,325.5	-3,469.0	24,856.5	-2,386			
<u>Children's Services:</u>							
- Youth Service	8,611.0	-2,365.8	6,245.2	+68	-127	Staff vacancies	
					+195	Other minor variances which are individually below £100k	
- Youth Offending Service	5,419.7	-2,424.6	2,995.1	+64			
	14,030.7	-4,790.4	9,240.3	+132			
<u>Community Services:</u>							
- Arts Development (incl Turner Contemporary)	2,128.8	0.0	2,128.8	-34			
- Community Learning Services	14,444.3	-14,673.6	-229.3	+2			
- Community Safety	659.2	-284.9	374.3	+12			
- Community Wardens	2,652.4	0.0	2,652.4	-69			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Contact Centre & Citizen's Advice Help Line	3,816.1	-1,411.4	2,404.7	+456	+573 -117	The integration of new services into the Contact Centre was due to deliver savings of £573k in 2013-14. This has been re-phased to align with the replacement of the Web Platform and the implementation of the Customer Service Strategy and is now expected to be delivered in 2014-15. Offsetting savings within the directorate have been identified to mitigate the impact of this in the current year.  Other minor variances which are individually below £100k	This saving is already reflected within the base budget for 2014-15.
- Gateways	2,515.1	-370.0	2,145.1	-2			
- Libraries, Registration & Archives Services (LRA)	18,850.0	-5,204.5	13,645.5	-154	-120 +61 -95	Increased Registration income for both wedding ceremonies conducted in 2013/14 & from premises' licences  Scoping costs for replacement of a number of LRA computer systems, which may result in a capital programme bid if a viable project solution is found.  Other minor variances which are individually below £100k	Income cash limits and national trends will be reviewed and taken into account in setting future years' budgets.
- Local Healthwatch & Complaints Advocacy	1,340.6	-766.0	574.6	0			
- Other Community Services	5,319.1	-5,319.1	0.0	0			
- Sports Development	1,881.3	-1,093.0	788.3	-45			
- Supporting Employment	1,085.9	-335.0	750.9	-1			
	54,692.8	-29,457.5	25,235.3	+165			
<u>Environment:</u>							
- Country Parks	1,493.8	-990.7	503.1	-17			
- Countryside Access (incl PROW)	2,718.3	-1,062.1	1,656.2	+6			
	4,212.1	-2,052.8	2,159.3	-11			

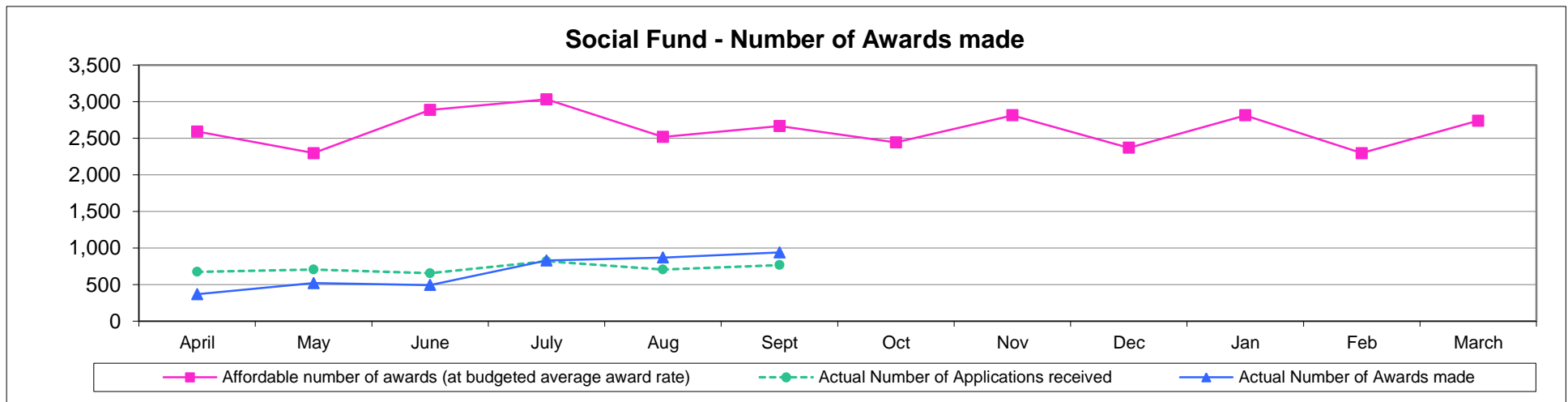
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Local Democracy:</u>						
- Community Engagement	735.3	0.0	735.3	0		
- Local Scheme & Member Grants	1,256.0	0.0	1,256.0	0		
	1,991.3	0.0	1,991.3	0		
<u>Public Health:</u>						
- Drug & Alcohol Services	19,027.3	-17,775.5	1,251.8	-1,228	<p>Delay in commencement of some of the pooled partnership projects. These underspends are treated differently depending on how they are funded, as shown below:</p> <p>-1,140 - Public health funded element (see transfer to reserves below)</p> <p>-68 - KCC funded element, for which roll forward will be required to fund our obligation to the partnership</p> <p>-20 Local Area Single Assessment &amp; Referral (LASAR) Service</p>	
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+1,140	+1,140	<i>transfer to Public Health reserve of underspending against public health grant</i>
- Drug & Alcohol Services base funded variance				-88		
<u>Regulatory Services:</u>						
- Coroners	2,867.3	-475.0	2,392.3	-14		
- Emergency Planning	778.5	-169.0	609.5	-33		
- Trading Standards (incl Kent Scientific Services)	3,916.9	-785.8	3,131.1	-72	-154	Staffing vacancies
					+82	Other minor variances
	7,562.7	-1,429.8	6,132.9	-119		
<b>Total C&amp;C portfolio</b>	<b>135,959.8</b>	<b>-59,964.0</b>	<b>75,995.8</b>	<b>-2,395</b>		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

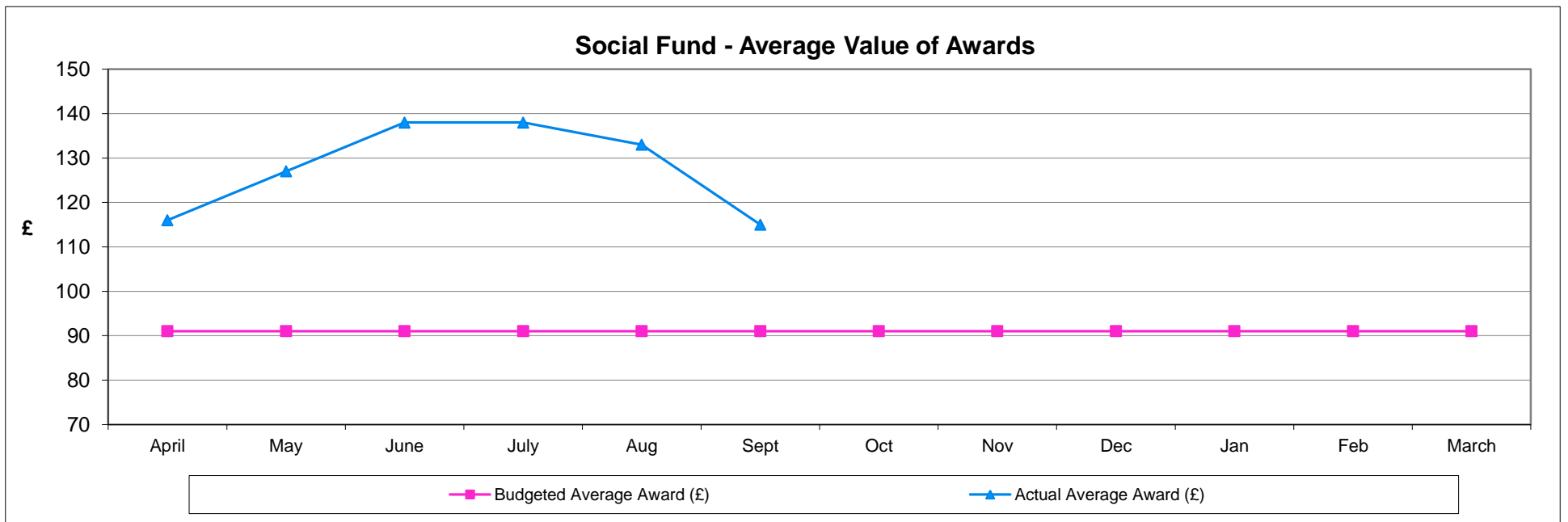
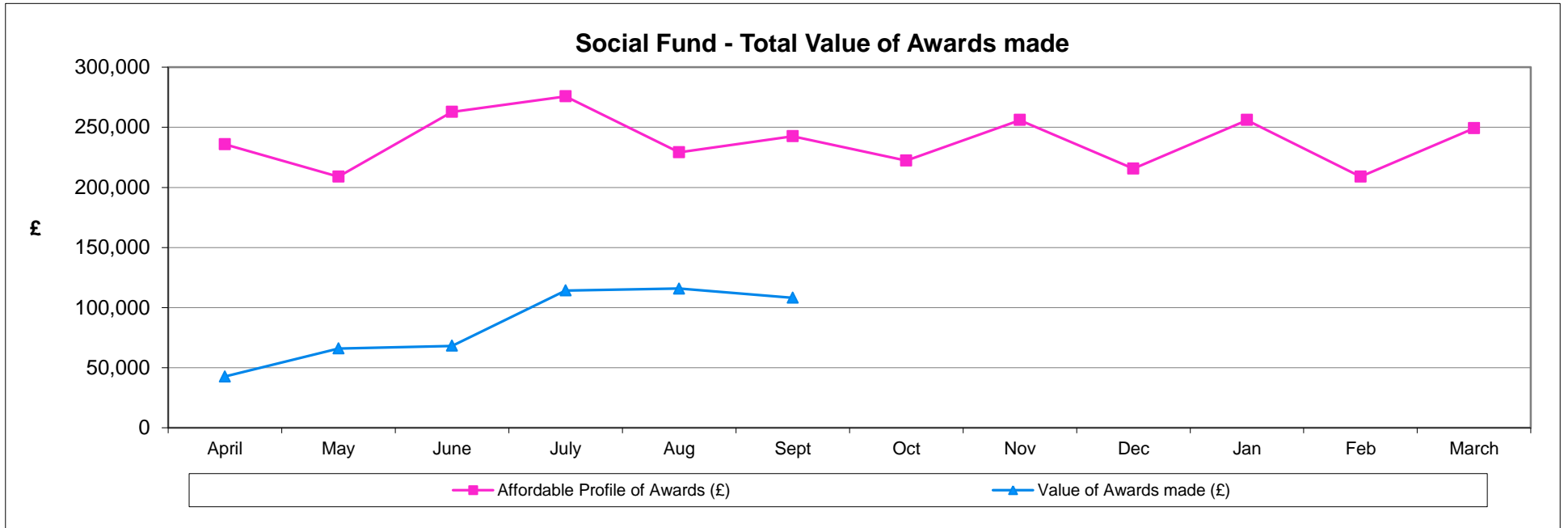
2.1 Number and Value of Social Fund awards made

	(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
Apr	2,591	673	368	235,800	42,620	91	116
May	2,296	704	520	208,900	65,907	91	127
Jun	2,887	655	494	262,700	68,201	91	138
Jul	3,031	818	828	275,800	114,188	91	138
Aug	2,518	704	869	229,100	115,811	91	133
Sep	2,666	766	939	242,600	108,237	91	115
Oct	2,443			222,300		91	
Nov	2,813			256,000		91	
Dec	2,369			215,600		91	
Jan	2,813			256,000		91	
Feb	2,296			208,900		91	
Mar	2,739			249,300		91	
	<b>31,462</b>	<b>4,320</b>	<b>4,018</b>	<b>2,863,000</b>	<b>514,964</b>	<b>91</b>	<b>128</b>

\* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this new pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the new pilot scheme (as demand is unknown), but represents the maximum affordable level should sufficient applications be received which meet the criteria. One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).







## Comments:

- This is a pilot scheme that commenced in Kent on 1 April 2013 and differs from the Social Fund scheme, previously administered by DWP, in that cash awards are only given in very extreme circumstances e.g. where an individual may be at risk. This scheme offers 4 types of award including food & clothing, white goods, energy vouchers and furniture & equipment and more importantly signposts the individual, whether an award is given or not, to the appropriate service so that they can receive ongoing support. This is an emergency fund to help support the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- Applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. However, approval of awards for lower priority cases e.g. applications for furniture from low risk households may be slower. Therefore, actual awards made in any month can exceed the number of applications for the month, either due to the processing of low priority cases from previous months, or as a result of individual applications resulting in multiple awards being granted, as referred to above.
- The last monitoring report to Cabinet stated the number of applications received for July as 820. Following a review of data this figure has been revised in the table above to 818.
- **Graph 1** above represents the number of individual awards granted, e.g there could be multiple awards arising from an individual application, compared to (i) the number of applications received and (ii) the affordable number of awards, as calculated using the budgeted average award rate, which is the maximum number of awards that can be afforded, not the anticipated level of demand. To date the number of applications received is higher than the number of awards made, which predominately reflects that applications for cash awards are being received in line with the old DWP scheme, but this type of award is not generally offered as part of this pilot scheme. Initially there were also a number of inappropriate referrals being made whereby the applicant did not qualify. There is an admin cost involved in assessing the applications received, irrespective of whether they result in an award being made. The budget for this service, as shown in table 1 is £3.469m, with £0.606m being the cost of administering the scheme including signposting applicants to alternative appropriate services, and £2.863m available to award where appropriate (column d in the table above).  
Given the uncertainty about both future levels of demand and government funding, there is a need to ring-fence this funding for the period of the pilot scheme (2013-15) to provide some stability to the service.
- **Graph 2** represents the value of awards made against the maximum profiled funding available. The number and value of awards made is significantly lower than the affordable level and reflects the initial take up of this new scheme being low in comparison to the old scheme (which is what the funding, and affordable level, is based upon). The value of awards made is expected to increase as the scheme matures, communication increases about what the new scheme provides and as a result of the potential impact of changes to welfare reform. Some evidence of this is already visible in the figures in the table above. However, if applicants are successfully signposted to alternative appropriate services to receive sustained support, and an award is not made, then this will be beneficial to the applicant and would result in an underspend against this scheme, which is still a positive outcome for the pilot.

- **Graph 3** compares the budgeted average award value, based on the anticipated mix and value of awards, to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this pilot would be for food & clothing, high volume & low value, and therefore the budgeted average award was set with this in mind. Whilst this has transpired and 50% of the number of awards has been for food & clothing, there has been a higher than expected number of awards for furniture & equipment which have a higher award value, given the nature of the goods. The number of awards for furniture & equipment (incl white goods) accounts for 22% of the number of awards but 57% of the value of awards. Therefore, the actual average award is higher than budgeted due to the apportionment of the award types being different to what was anticipated. The data collected in the current year will inform the allocation of funds to each type of award in future years, should the scheme continue and will provide a meaningful comparison. In September there is a reduction in the average value of awards, although this still remains in excess of the budgeted average value, but the number of awards has increased. This is the impact of a lower proportion of the high value equipment & cooker awards being made whilst there has been an increase in the proportion of lower value energy and food & clothes awards.

### 3. CAPITAL

3.1 The Customer & Communities Directorate has a working budget for 2013-14 of £7,382k. The forecast outturn against the 2013-14 budget is £4,545k giving a variance of - £2,837k.

3.2 **Table 2** below details the C&C Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Country Parks Access and Development	0	193	0	0			Green		
Library Modernisation Programme - adaptations and improvements to existing facilities	1,380	840	-335	-335	Rephasing	Rephasing to 14/15 due to review of Service	Amber - delayed		
Management and Modernisation of Assets - Vehicles	380	292	0	0			Green		
Public Rights of Way - Structural Improvements	2,449	928	102	4	Real - Dev Cons	Additional developer contributions received for additional work. Natural England grant received for additional schemes	Green		Increase cash limit by £102k
				98	Real - Grant				
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Small Community Projects - Capital Grants	1,500	500	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Village Halls and Community Centres - Capital Grants	600	321	0	0			Green		
<b>Individual Projects</b>									
Community Learning and Skills Service Reprovision	457	482	-482	-482	Rephasing	Project has been deferred to 14/15 pending decision on lease extension.	Amber - delayed		
Gateways - Continued Rollout of Programme	2,192	1,138	-602	-602	Rephasing	Customer Relationship Manager (CRM) - rephasing to 14/15 & 15/16 - delays due to the ICT infrastructure investment and the need to align requirements to the single customer record. Swanley Gateway - approval to spend recently received hence spend realigned to 14/15.	Amber - delayed		
Libraries Invest to Save	0	5	-5	-5	Real - prudential		Green		
New Community Facilities at Edenbridge	0	69	0	0			Green		
Tunbridge Wells Library	0	288	0	0			Green		
Web Platform	0	266	-266	-266	Rephasing	Project merged with Enhancement of Core Website after approval from the Leader to proceed.	Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Replacement and Enhancement of Core Website	455	355	-46	-46	Rephasing		Green		
Gravesend Library	0	5	-5	-5	Real - prudential		Green		
Ashford Gateway Plus	0	1	0	0			Green		
Kent Library and History Centre	0	188	-148	-148	Real -underspend	Underspend on Public Realm work	Green		
Youth Reconfiguration	0	83	0	0			Green		
Cheesemans Green Library, Ashford	350	0	0	0			Green		
Dartford and Gravesham NHS Trust Capital	0	128	0	0			Green		
Winter Gardens Rendezvous Site - Prelim Works	100	100	0	0			Green		
Integrated Youth Service - Youth Hub Re-provision	1,100	1,100	-1,050	-948	Rephasing	Deal Youth hub to be delivered during 2014/15 in accordance with approved project plan	Green		
				-102	Real - underspend	Underspend on Public Realm work			
<b>Total</b>	<b>11,263</b>	<b>7,382</b>	<b>-2,837</b>	<b>-2,837</b>					

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY**  
**PUBLIC HEALTH SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
	<b>Total (£k)</b>	<b>+384</b>	<b>-815</b>	<b>+450</b>	<b>-365</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Adult Social Care &amp; Public Health portfolio</b>						
<u>Public Health:</u>						
- Public Health Management & Support	441.3	-57.0	384.3	-365	-365	Underspend against KCC budget as costs are reflected against the grant in the service lines below, mainly Public Health Staffing & Related Costs
- Children's Public Health Programmes	6,346.4	-6,346.4	0.0	0		
- Drug & Alcohol Services	662.7	-662.7	0.0	0		
- Healthy Weight	2,516.4	-2,516.4	0.0	0		
- NHS Health Check Programme	2,321.8	-2,321.8	0.0	0		
- Other Public Health Services	5,746.1	-5,746.1	0.0	0		
- Public Health Staffing & Related Costs	4,585.5	-4,585.5	0.0	-450	-450	<i>PH grant variance: slippage on recruitment and vacancy savings</i>
- Sexual Health Services	12,538.6	-12,538.6	0.0	0		
- Stop Smoking Services & Interventions	2,688.0	-2,688.0	0.0	0		
- Tobacco Control	600.0	-600.0	0.0	0		
	<b>38,446.8</b>	<b>-38,062.5</b>	<b>384.3</b>	<b>-815</b>		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- <i>tr to(+)/from(-) Public Health reserve</i>				<b>+450</b>	<b>+450</b>	<i>Transfer of underspend on staffing to reserve</i>	
<b>Total ASC&amp;PH portfolio (Public Health)</b>	<b>38,446.8</b>	<b>-38,062.5</b>	<b>384.3</b>	<b>-365</b>			

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

- 2.1 As the majority of services are commissioned from providers on a block contract basis there will be little or no variation in terms of actual expenditure during 2013-14. The decision to commission on a block contract basis was taken to ensure continuity of services in this transitional period. It is expected that the use of block contracts next year will be significantly reduced as services are re-commissioned based on activity and payment by results; the experience gained within the Division during 2013-14 will also inform this process. Until that time no activity indicators are reported for Public Health.



**BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY**  
**BUSINESS STRATEGY AND SUPPORT (EXCL. PUBLIC HEALTH) SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+79,277</b>	<b>+280</b>	<b>-367</b>	<b>-87</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Regeneration &amp; Enterprise portfolio</b>						
Directorate Management & Support	172.2	0.0	172.2	+3		
Development Staff & Projects	5,043.7	-1,333.7	3,710.0	-3		
<b>Total R&amp;E portfolio</b>	<b>5,215.9</b>	<b>-1,333.7</b>	<b>3,882.2</b>	<b>0</b>		
<b>Finance &amp; Business Support portfolio</b>						
Finance & Procurement	18,707.1	-7,375.8	11,331.3	-359	-585 Appointments to the structure made last year at bottom of grade, budget set at mid-point of grade; the Division is also carrying a number of vacancies.  +145 Under-recovery of income by Schools Financial Services  +81 Other minor variances	These budgets will be realigned in the 2014-17 MTFP
- <i>Transfer to(+)/from(-) DSG reserve</i>				0		
Local Democracy:						
- Grants to District Councils	703.0	0.0	703.0	0		
- Other Local Democracy costs incl. County Council Elections	741.2	0.0	741.2	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Support for Local Council Tax Support Schemes	1,253.0	0.0	1,253.0	-3			
<b>Total F&amp;BS portfolio</b>	<b>21,404.3</b>	<b>-7,375.8</b>	<b>14,028.5</b>	<b>-362</b>			
<b>Business Strategy, Performance &amp; Health Reform portfolio</b>							
Strategic Management & Directorate Support budgets	3,093.3	-4,520.0	-1,426.7	0			
Governance & Law	10,245.1	-12,407.9	-2,162.8	0			
Business Strategy	3,254.1	-56.7	3,197.4	-199	-87	Rolled forward funding from 12-13 for Health Reform to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups is to be spent over the period June 2013 to May 2015, therefore roll forward will be required.	
					-112	Other minor variances	
Property & Infrastructure	30,749.7	-5,074.8	25,674.9	+1,420	+1,665	New external property opportunities together with the need to protect and respond to the requirements of front line services and new service pressures, have resulted in a revised New Ways of Working programme plan. The revised plan, recognising service pressures, encompasses changes to the previously assumed timelines for moving out of some of our larger leasehold buildings, hence creating a pressure within the Corporate Landlord estate.	The revised timelines to the New Ways of Working programme plan including service pressures, have been costed and the related savings will need to be re-phased in the 2014-17 MTFP.
					+918	Statutory testing (primarily legionella, asbestos and electrical) and additional maintenance costs due to the poor state of repair of the buildings transferred across to Corporate Landlord.	This will need to be addressed as a pressure in the 2014-17 MTFP.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-750	Use of non-ringfenced DFE capital grant to fund revenue expenditure which cannot be capitalised	The use of this grant will need to be quantified each year dependent on expected eligible spend. The current year assumes £750k and any expected future variations from this will need to be addressed in the MTFP.  This saving will be reflected in the 2014-17 MTFP
					-400	Additional income from Kent Commercial Services for leasing of property at commercial rates	
					-252	Additional demands to support the capital programme have resulted in additional capitalisation of staff time (eg ELS Basic Need Programme)	
					-107	Savings realised from the Park and Ride ticket scheme	
					+346	Other minor variances, incl. spend on utilities, cleaning, grounds maintenance & agency staff.	
Human Resources	16,883.1	-6,197.0	10,686.1	-352	-185	Underspend against training budget following approval of all directorate workforce development plans.	
					-112	Additional income generated through providing recruitment services to schools	
					-55	Other minor variances	
Information & Communication Technology	35,540.9	-16,399.1	19,141.8	-56	+1,875	Costs associated with the Integrated Children's System (ICS)	
					-1,875	Drawdown from the IT Asset Maintenance Reserve to fund the costs of ICS	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+400	Pressure resulting from expenditure on Thin Client. Thin client computing essentially moves the point of processing from the end user device to a central server enabling users to access applications via any device capable of displaying an internet browser.
					-400	Drawdown from IT Asset Maintenance Reserve for Thin Client costs.
					-419	One off rebate from BT for changes to circuit use.
					+400	Alternative provision of telephony through unified communications.
					-37	Other minor variances
- <i>Transfer to(+)/from(-) DSG reserve</i>				0		
<b>Total BSP&amp;HR portfolio</b>	<b>99,766.2</b>	<b>-44,655.5</b>	<b>55,110.7</b>	<b>+813</b>		
<b>Democracy &amp; Partnerships portfolio</b>						
Finance - Internal Audit	1,175.9	-34.0	1,141.9	-74	-104	Taking time to recruit to staffing vacancies due to specialist nature of posts.
					+30	Other minor variances
Business Strategy - International & Partnerships	854.1	-173.0	681.1	-57		
Democratic & Member Services	3,865.9	-3.0	3,862.9	-40		
Local Democracy:				0		
- Other Local Democracy costs: County Council Elections	570.0	0.0	570.0	0		
<b>Total D&amp;P portfolio</b>	<b>6,465.9</b>	<b>-210.0</b>	<b>6,255.9</b>	<b>-171</b>		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Total BSS Controllable (excl. Public Health)</b>	<b>132,852.3</b>	<b>-53,575.0</b>	<b>79,277.3</b>	<b>+280</b>		
<b>Assumed Management</b>						
- R&E portfolio						
- F&BS portfolio						
- BSP&HR portfolio				-367	The Directorate is wholly committed to delivering a small underspend by the end of the financial year, to allow for the roll-forward within Business Strategy, and will continue to consider all options to ensure this happens. This includes Property Group Managers being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure within the division.	
- D&P portfolio						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>132,852.3</b>	<b>-53,575.0</b>	<b>79,277.3</b>	<b>-87</b>		

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Capital Receipts

The total forecast receipts expected to come in during 2013-14 is £17.047m. This is broken down between the various “pots” as detailed in the tables below.

### 2.2 Capital Receipts Funding Capital Programme

	<b>2013-14</b>
	£'000
Capital receipt funding required for capital programme	26,895
Banked in previous years and available for use	30,786
Receipts from other sources*	2,439
Requiring to be sold this year	0
Forecast receipts for 2013-14	<u>7,506</u>
Potential Surplus/(Deficit)	13,836

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2013-14 totals £26.895m. Taking into account receipts banked in previous years which are available for use and receipts from other sources\* (such as loan repayments from the Empty Property Initiative), there is already enough in the bank to fund the requirement from this year's capital programme.

2.2.2 Current forecasts show receipts expected in during 2013-14 will total £7.506m, which leaves a potential surplus on capital receipt funding in the capital programme of £13.836m. This will continue to be monitored over the remainder of the year. The three year capital programme is reliant on £71m of capital receipt funding, therefore any “surplus” receipts achieved in 2013-14 will be needed to fund projects in the future years capital programme.

## PEF1

2.2.3 County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

2.2.4 Any temporary deficit will be offset as the disposal of assets are realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

2.2.5 Forecast 2013-14 position

	<b>2013-14</b>
	£000
Opening deficit balance 1 April 2013	-5,560
Planned receipts	3,590
Costs	-210
Planned acquisitions	0
Reimbursement - Eurokent Access	5,092
Closing balance	<u>2,912</u>

2.2.6 The previous table shows the opening balance on the fund as being £5,560k deficit. With forecast PEF1 receipts of £3,590k, reimbursement re Eurokent Access of £5,092k and associated costs of £209.7k, this results in a forecast closing surplus balance of £2,912k.

### Revenue Position

2.2.7 The deficit balance brought forward at the 1st April 2013 was £3,285k. The anticipated net income from managing the properties held within the fund is estimated at £0.045k, but with the need to fund costs of borrowing of £315k against the overdraft facility, the PEF1 is forecasting a £3,555k deficit on revenue, which will be rolled to be met from future income streams.

**PEF2**

2.2.8 County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

2.2.9 Overall Forecast Position on the Fund:

	<b>2013-14</b>
<u>Capital</u>	£000
Opening deficit balance	-6,159
Properties to be agreed into PEF2	0
Purchase of properties	0
Forecast sale of PEF2 properties	5,951
Disposal costs	-108
Closing deficit balance	<u>-316</u>
 <u>Revenue</u>	
Opening balance	-4,787
Net interest payments on borrowing	-270
Holding costs	-55
Closing deficit balance	<u>-5,112</u>
 Overall deficit closing balance	<u><u>-5,428</u></u>

2.2.10 The forecast closing deficit balance on the fund is £5.428m, which is within the overdraft limit of £85m.

2.2.11 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.



### 3. CAPITAL

3.1 The working budget for the Business Strategy & Support Directorate for 2013-14 is £71,622k. The forecast outturn against the 2013-14 budget is £69,507k giving a variance of - £2,115k.

3.2 **Table 2a** below details the Business Strategy, Performance & Health Reform Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Corporate Property Strategic Capital	7,950	2,530	-750	-750	Real - Grant	Property group has used £750k of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.	Green		
Disposal Costs	910	250	0				Green		
Modernisation of Assets	9,521	4,888	0				Green		
<b>Individual Projects</b>									
Connecting with Kent	532	361	0	0			Green		
HR Recruitment Management System	125	125	0	0			Green		
HR System Development	226	113	-47	-47	Rephasing		Green		
Innovative Schemes Fund	3,000	1,000	0	0			Green		
New Ways of Working	24,000	19,934	0	0			Green		
Sustaining Kent - Maintaining the Infrastructure	270	1,917	0	0			Green		

**ANNEX 7**

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
ORACLE Release 12	0	230	0	0			Green		
ORACLE Self Service Development	0	44	0	0			Green		
Property Asset Management System	0	297	0	0			Green		
Enterprise Resource Programme	0	877	35	35	Real - Prudential	To be funded from underspend in E&E capital programme.	Amber	Synchronised sign on and (elements of) remote access work streams cannot be delivered until server refresh has completed.	
Integrated Children's Systems	0	748	0	0			Green		
<b>Total</b>	<b>46,534</b>	<b>33,314</b>	<b>-762</b>	<b>-762</b>					

3.3 **Table 2b** below details the Regeneration and Economic Development Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Dover Priory Station Approach Road	0	-3	0	0			Green		
Broadband	23,500	2,650	0	0			Green		
Empty Property Initiative	7,500	3,710	0	0			Green		
Eurokent Road (East Kent)	65	84	-69	-69	Rephasing		Green		
Folkestone Heritage Quarter	380	402	-300	-300	Rephasing	Re-alignment of budget to agree with updated project plan, this has not affected the completion date.	Green		
Incubator Development	0	262	0	0			Green		
LIVE Margate	6,800	6,508	0	0			Green		
Managed Work Space - The Old Rectory	160	174	0	0			Green		
Marsh Million	0	100	0	0			Green		
No Use Empty - Rented Affordable Homes	750	750	0	0			Green		
Old Town Hall	94	25	0	0			Green		
Regeneration Fund Projects	5,061	3,555	0	0			Green		
Regional Growth Fund, including Expansion East Kent	37,200	14,384	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Rural Broadband Demonstration Project	1,897	1,568	-984	-984	Re-phasing	Spend will be incurred on four or five local schemes this year with the remainder of the funding being kept as a contingency. The rephasing is not expected to impact on the completion date of the overall project.	Green		
Swale Parklands	0	65	0	0			Green		
TIGER	20,000	4,000	0	0			Green		
Tram Road/Tontine Street Road Works	0	74	0	0			Green		
<b>Total</b>	<b>103,407</b>	<b>38,308</b>	<b>-1,353</b>	<b>-1,353</b>					

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FINANCING ITEMS SUMMARY**  
**SEPTEMBER 2013-14 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+124,606</b>	<b>-6,312</b>	<b>-</b>	<b>-6,312</b>

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Finance &amp; Business Support Portfolio</b>						
Carbon Reduction Commitment Levy	400.0	0.0	400.0	-190	-190	Anticipated underspend in line with 2012-13 outturn
Contribution to/from Reserves	-6,430.0	0.0	-6,430.0	-1,023	+1,870	Council Tax Transitional Support Grant was expected to be received in 2012-13 and transferred to reserves for use in 2013-14, however it was not received until 2013-14, hence shows as income against Other Financing Items below and not a transfer from reserves.
					-2,275	Drawdown from Prudential Equalisation - Minimum Revenue Provision (MRP) Smoothing Reserve to cover the increase in MRP as a result of more assets being completed in 2012-13 than expected (see net debt charges below).
					-618	Drawdown from Insurance Reserve to cover forecast overspend against the Insurance Fund.
Underspend rolled forward from previous years	-5,000.0	0.0	-5,000.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Insurance Fund	4,679.0	0.0	4,679.0	+618	+618	An increase in the outstanding claims provision for new reserved losses in the first quarter of the year, together with an anticipated shortfall in corporate and premium income compared to claims expenditure and premium costs.	
Modernisation of the Council	3,500.0	0.0	3,500.0	0		£1.5m of this budget is requested to be vired to Business Strategy to cover the initial costs of Facing the Challenge. If other Modernisation of the Council costs in year exceed the remaining budget, these will be met from the Workforce Reduction reserve, in line with usual practice.	
Net Debt Charges (incl Investment Income)	128,568.2	-8,648.0	119,920.2	+1,068	+1,553	Shortfall in interest on cash balances in view of lower than anticipated interest rates expected on future deposits	A change to the treasury strategy to expand the range of types of investment which can be made was approved by Cabinet in September, which is expected to increase investment income.
					-2,760	Savings on debt charges as no new borrowing in first six months or in foreseeable future	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+2,275	Increase in MRP. In recent years, we have adopted the asset life method of calculating MRP, which provides authorities with the option of applying MRP over the life of the asset once it is in operation. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation has recently been completed and this increase is due to a number of projects being completed earlier than anticipated, which has increased the percentage of MRP to be charged. This includes a number of aborted capital costs which had to be written off last year as there was no asset life to apportion the costs over.
Other	1,231.8	-36.0	1,195.8	-2,183	-1,870	Council Tax Transitional Support Grant as mentioned above
					-313	Underspending following a review of local authority subscriptions & centrally held allocations, together with small underspends on items such as levies.
						-£293k of this is a permanent saving and will be reflected in the 2014-17 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Unallocated	3,675.0	0.0	3,675.0	-4,506	Additional unexpected government funding announced since the budget was set, as follows: -1,491 refund in respect of 2012-13 academies funding transfer -1,391 New Homes Bonus adjustment grant -1,791 Extended Rights to Free Travel +167 Other smaller changes in funding levels including Council Tax Freeze grant and Education Services Grant (ESG). A shortfall against the revised allocation of ESG is now anticipated as a result of schools converting to academies during the financial year.	The majority of this funding is one-off, with the exception of Extended Rights to Free Travel, where we have been notified of an allocation of £1,518k for 2014-15. Cabinet agreed that this funding is held centrally to offset any potential shortfall in meeting our savings target this year and if we do achieve a balanced position that this is transferred to reserves to help offset anticipated funding cuts in 2014-15.
<b>Total F&amp;BS portfolio</b>	<b>130,624.0</b>	<b>-8,684.0</b>	<b>121,940.0</b>	<b>-6,216</b>		
<b>Business Strategy, Performance &amp; Health Reform portfolio</b>						
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0		
<b>Democracy &amp; Partnerships portfolio</b>						
Audit Fees	314.0	0.0	314.0	-96	-96	Forecast based on anticipated fees as notified by our external auditors
<b>Total Controllable</b>	<b>133,290.0</b>	<b>-8,684.0</b>	<b>124,606.0</b>	<b>-6,312</b>		



2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Price per Barrel of Oil - average monthly price in dollars:

	Price per Barrel of Oil		
	2011-12	2012-13	2013-14
	\$	\$	\$
Apr	109.53	103.32	92.02
May	100.90	94.65	94.51
Jun	96.26	82.30	95.77
Jul	97.30	87.90	104.67
Aug	86.33	94.13	106.57
Sep	85.52	94.51	106.29
Oct	86.32	89.49	
Nov	97.16	86.53	
Dec	98.56	87.86	
Jan	100.27	94.76	
Feb	102.20	95.31	
Mar	106.16	92.94	

Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.

