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To: CABINET - 7 JULY 2014

Subject:

- (1) REVENUE AND CAPITAL BUDGET OUTTURN FOR 2013-14
- (2) REVENUE BUDGET ROLL FORWARD
- (3) CAPITAL BUDGET ROLL FORWARD
- (4) FINAL KEY ACTIVITY MONITORING FOR 2013-14
- (5) FINAL FINANCIAL HEALTH INDICATORS FOR 2013-14
- (6) FINAL MONITORING OF PRUDENTIAL INDICATORS FOR 2013-14
- (7) IMPACT OF 2013-14 REVENUE BUDGET OUTTURN ON RESERVES

Classification: **Unrestricted**

1. SUMMARY

- 1.1 This report provides the provisional revenue and capital budget outturn position for 2013-14, including a final update on key activity data. There is also a summary of each Directorate's achievements in contributing to a very successful financial outturn for the Council.
- 1.2 The format of this report is:
 - An executive summary which provides a high level financial summary for both revenue and capital and highlights only the most significant issues and movements.
 - [Appendix 1 provides details of proposed Revenue Budget roll forwards](#)
 - [Appendix 2 provides details of Capital re-phasing](#)
 - [Appendix 3 provides final monitoring of key activity indicators for 2013-14](#)
 - [Appendix 4 provides final financial health indicators for 2013-14](#)
 - [Appendix 5 provides final monitoring of prudential indicators for 2013-14](#)

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the provisional outturn position for 2013-14 for both the revenue and capital budgets.
- ii) **Note** that the revenue position reflects all appropriate and previously agreed transfers to reserves including the £4m to support the 2014-15 budget, as approved by County Council on 13 February.
- iii) **Agree** that £5.099m of the 2013-14 revenue underspending is rolled forward to fund existing commitments, as detailed in Appendix 1.
- iv) **Agree** that the £4.766m remainder of the 2013-14 revenue underspending is set aside in the Economic Downturn reserve.
- v) **Agree** that £53.337m of capital re-phasing from 2013-14 will be added into 2014-15 and later years capital budgets, as detailed in Appendix 2.
- vi) **Note** the final monitoring of the 2013-14 key activity indicators, Financial Health Indicators and Prudential Indicators as reported in appendices 3, 4 and 5 respectively; the final staffing numbers for 2013-14 as detailed in section 5 and the impact of the provisional outturn on reserves as detailed in sections 3.8 and 4.4.

3. SUMMARISED PROVISIONAL REVENUE BUDGET OUTTURN POSITION

- 3.1 For the 14th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools). The provisional outturn against the combined directorate revenue budgets is an underspend of -£9.865m (excluding schools). This is a £4.254m reduction in the underspend compared to the projected -£14.119m underspend reported in April, but it is after £4m has been transferred to reserves to support the 2014-15 budget, as agreed by County Council in February. In addition, an estimated £1.2m deterioration of the position was anticipated in the April report in relation to the Waste and Transport budgets within E&E directorate. There may be minor variations to the figures during the final stage of the year end process and the external audit.
- 3.2 Details of the proposals for the use of the -£9.865m revenue budget underspending are provided in Appendix 1. This identifies those projects where there is already a commitment to spend in 2014-15, leaving an uncommitted balance of £4.766m. It is recommended that, in consideration of the significant savings still required to balance the 2015-16 budget and risks around achieving all of the £95m additional income and savings included within the 2014-15 budget, this is set aside in the Economic Downturn reserve.

3.3 The report also provides, in section 3.8, details of the impact of the outturn on our reserves. In addition, the final monitoring of key activity indicators for 2013-14 is detailed in Appendix 3, and Appendix 4 provides the year-end 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).

3.4 **HEADLINE POSITION (EXCL SCHOOLS) (£'000)**

	Cash Limit	Provisional Outturn	Net Variance	Last Report *	Movement
Directorate Totals	+976,391.5	+966,526.3	-9,865.2	-12,919	+3,053.8
Adjustments:					
- Committed roll forward/ re-phasing (see Appendix 1)		+5,099.1	+5,099.1	+4,326	+773.1
Underlying position	+976,391.5	+971,625.4	-4,766.1	-8,593	+3,826.9

* The total variance before adjusting for roll forwards last reported to Cabinet of -£12,919k was made up of an underspend of -£14,119k per table 1 of that report, together with an estimated revision of +£1,200k to the waste and transport forecasts as reflected in the headline position shown in paragraph 3.3 of that report, which was based on the very latest data at the time the report was published.

3.5 **Table 1** Directorate position - provisional net revenue position with comparison to last report

Directorate	Budget £'000	Provisional Outturn £'000	Net Variance £'000	Variance per Last Report £'000	Movement £'000
Education, Learning and Skills (ELS)	38,358.0	+36,530.1	-1,827.9	-977	-850.9
Families & Social Care (FSC):					-
- <i>Specialist Children's Services (SCS)</i>	152,716.4	+155,708.7	+2,992.3	+2,891	+101.3
- <i>Specialist Children's Services - Asylum</i>	280.0	+2,412.0	+2,132.0	+346	+1,786.0
- <i>Adult Social Care</i>	327,918.8	+327,452.6	-466.2	-237	-229.2
TOTAL Families & Social Care (FSC)	480,915.2	+485,573.3	+4,658.1	+3,000	+1,658.1
Enterprise & Environment (E&E) *	151,250.2	+154,580.2	+3,330.0	+2,292	+1,038.0
Customer & Communities (C&C)	76,253.9	+69,935.6	-6,318.3	-4,738	-1,580.3
Business Strategy & Support (BSS):					
- <i>Public Health</i>	384.3	-31.5	-415.8	-415	-0.8
- <i>Regeneration & Economic Development</i>	3,882.2	+3,766.1	-116.1	-	-116.1
- <i>BSS Core Services</i>	75,987.3	+73,019.0	-2,968.3	-1,887	-1,081.3
TOTAL Business Strategy & Support (BSS)	80,253.8	+76,753.6	-3,500.2	-2,302	-1,198.2
Financing Items	149,360.4	+143,153.5	-6,206.9	-10,194	+3,987.1
TOTAL (excl Schools)	976,391.5	+966,526.3	-9,865.2	-12,919	+3,053.8
<i>Schools (ELS)</i>	-	+2,394.0	+2,394.0	+9,252	-6,858.0
TOTAL	976,391.5	+968,920.3	-7,471.2	-3,667	-3,804.2

* The Enterprise & Environment Directorate variance included in the last report to Cabinet was +£2,292k, which was made up of +£1,092k per table 1 of that report together with an estimated +£1,200k revision to the waste and transport forecasts as referred to above.

3.6 Detailed below are the main reasons for the movement in the directorate forecasts since the last monitoring report to Cabinet on 28 April, as shown in table 1:

3.6.1 Education, Learning & Skills:

Within a difficult year, the ELS directorate has delivered the overall savings required as part of the agreed MTFP at the same time as absorbing the financial pressures arising from increased demand on activity around school improvement and intervention, the closure of two schools, pressure on Home to School Transport, as well as the set-up costs incurred on behalf of the whole authority with the establishment of the Kent Integrated Adolescent Support Service (KIASS). Over and above this, the directorate was still able to deliver an underspend of £1,828k to help the Council's overall position and fund roll forward requirements of £1,586k. This was achieved by running a number of vacancies (where appropriate) and delivering higher levels of income from schools trading than initially planned, particularly within the Educational Psychology Service, School Improvement and Governor Services.

The overall position for the directorate has moved by -£850.9k since the 28 April report to Cabinet. The main movements are:

- a) -£220.3k Mainstream Home to School Transport: this movement is mainly due to reduced transport costs, in part due to the finalisation of contract renegotiations and an expected IT project not being undertaken.
- b) -£246.5k SEN Home to School Transport: this movement is mainly due to reduced transport costs, in part this relates to school closure days resulting from teacher training and industrial action; an increase in recoupment income for the transport of other local authority pupils to Kent schools and lower than expected costs for personal transport.
- c) -£128.9k 14-19 year olds: an increase in the underspend for Kent Youth Employment and Vulnerable Learner placements for which roll forward is requested (-£78.5k) and other minor movements across all headings (-£50.4k).
- d) -£99.2k Directorate Management and Support: there is a reduction in bad debt provision required for the directorate of -£155k, an increase in the overspend for the new Kent Integrated Adolescent Support Service +£67.2k and other minor movements of -£11.4k
- e) -£98.5k reduction in Teacher and Education Staff Pension costs.
- f) -£57.5k Other minor variances.

3.6.2 Families & Social Care - Specialist Children's Services:

Although specialist children's services has had a challenging year, and ended with an underlying pressure of £2,992k, significant progress has been made to stabilise the financial position of the division, following the improvement journey the service has been on since 2010.

The children in care numbers have reduced steadily during the year and an overall reduction has been seen, which will contribute to lower costs going forward.

The overall position for Specialist Children's Services (excluding Asylum) has moved by +£101.3k since the 28 April report to Cabinet. The main movements are:

- a) +£353.9k Residential Children's Services: this movement is due to a reduction in income received for residential placements from Health. The service had secured provisional funding agreements and the income had been forecast to be received throughout the year, but no final agreements materialised. The service have already undertaken a review of other agencies contributions through the JRAP process and have introduced a more robust system for 2014-15 which will ensure this year's experiences are not repeated.
- b) +£716.0k Fostering: The main movements are +£387k due to an increase in the number of weeks in IFAs, +£178k due to an increase in the use of supported lodgings and a -£153k reduction in the number of weeks for In House. There is also a net movement of +£114k on staffing.
- c) -£373.8k Children's social care staffing: this movement is due to a reduction in agency spend compared to the forecast and vacancies not filled when anticipated.
- d) -£550.8k Children's Centres: this overall movement is due to various small movements spread across the 97 centres.
- e) -£44k Other minor variances

3.6.3 Families & Social Care - Specialist Children's Services - Asylum:

The overall position on the Asylum budget is a pressure of +£2,132k as shown in table 1 above. The Asylum budget outturn position and movements from the previous reported position were discussed at Cabinet on 2 June 2014. A corresponding -£2,132k underspend is shown within Financing Items (paragraph 3.6.9 d)).

3.6.4 Families & Social Care - Adults Social Care:

The FSC directorate Adults Social Care divisions have delivered the overall savings required as part of the agreed MTFP, which included £18,115k for Adults Transformation Programme, and ended the year with an overall underspend of £466k. Progress has been made within the Adults Transformation Programme, Phase One of which has mainly focused on older person's services. The optimisation part of the Transformation Programme has looked at the staffing structure of the OP/PD service, leading to a new model of working being in place. Alongside this the Directorate has used £22,064k of NHS Support for Social Care funding to invest in a number of initiatives to help achieve the Directorate's strategic objectives and in particular increased joint working with Health.

The overall position for Adult Social Care has moved by -£229k since the 28 April report to Cabinet. The main movements are:

- a) +£314.9k Domiciliary care movements, including increased independent sector usage and increased staffing and related costs linked to activity on the Older People Kent Enablement At Home (KEAH) service due to reduced usage of Independent Sector Enablement and delivery of transformation plans.
- b) +£222.0k Other Adults Services changes including: an increase (+£192k) in the costs of meals due to a revised interpretation of the meals contract, where a minimum level of 150,000 meals must be paid for regardless of take up, (previous forecasts were based on actual take up levels, which have been below 150,000); a reduction in the usage of the NHS Support for Social Care reserve of +£225.2k, release of other reserves and provisions of -£186.5k, following a review of balances and future requirements, and changes to commitments linked to Winter Pressures funding.
- c) -£310.2k Adult Social Care Commissioning & Performance Monitoring - the New Burdens grant, to fund work required to be able to report on a new activity and finance data set from April 2015 following national changes to adult social care data collections by local authorities, was expected to be spent in 2013-14, but some work has re-phased into 2014-15 and is reflected within the committed roll-forward submissions in appendix 1. There has also been a reduction in the overall costs of this project. In addition, there were other minor movements including an increase in vacancies.
- d) -£196.8k Strategic Management & Directorate Support budgets, due to a variety of minor movements including reductions in Operational Support costs.
- e) -£191.9k Direct Payments movements, predominately due to increased recovery of unused client funds and client turnover.
- f) -£177.7k Adult Social Care Staffing reductions, mostly due to vacancy slippage.
- g) +£175.6k Residential Care: due to a variety of movements, including turnover of permanent clients and changes to non-permanent clients, together with the recording and backdating of client care packages on the client database. This is partly offset by the transfer of some clients to Continuing Health Care.
- h) -£168.3k Contributions to Voluntary Organisations, predominately related to part of the overall plan to review/re-negotiate or re-commission schemes to support the transformation agenda.
- i) +£159.6k Supported Accommodation changes, predominately due to an increase in usage of Supported Accommodation and Supporting Independence Service by Mental Health clients.
- j) -£114.5k Day Care changes, including lower usage of independent sector by Older People and Physical Disability clients, offsetting increases in costs within the Learning Disability service.
- k) +£58.3k Other minor movements, including a slight reduction in the safeguarding forecast.

3.6.5 Enterprise & Environment:

Although the directorate has overspent their budget this year by £3,330k, the Find & Fix pothole repair programme put a significant pressure of £4,190k on the budget for E&E, and the Highways & Transportation division in particular. In addition, further pot hole repairs and the emergency response required as a result of the autumn and winter storms and floods put a further combined pressure on the budget of £3,136k. Through management action with all managers in H&T division working together, underspends on other budgets have been achieved to offset a significant proportion of these pressures.

The overall position for the directorate has moved by +£1,038k since the 28 April report to Cabinet. The main movements are:

- a) +£281k Freedom Pass: increase in capacity payments and in operator payments following the final reconciliation of usage.
- b) +£399k Commercial Services: reduction in dividend to be paid, agreed since the January monitoring report.
- c) +£1,104.8k General Maintenance and Emergency Response: the movement is mainly due to an increase in emergency costs as a result of the floods and storms over the winter +£879k together with an increase in the repair of potholes of £102k. In addition there are other minor variances totalling +£123.8k.
- d) +£181.9k Streetlight Maintenance: this movement is mainly due to an unexpected charge from a contractor for work undertaken earlier in the financial year.
- e) -£211.7k Highways Improvements: there are a number of minor movements on this line which include an underspend on consultants for major projects and increase in the capitalisation of staff costs due to the nature of the work undertaken.
- f) -£295.5k Road Safety: reduced costs of speed awareness courses and increase in income due to rebooking fees -£166.6k, plus other minor movements of -£128.9k including an underspend of £41k on the maintenance of speed cameras.
- g) -£203.9k Traffic Management: increase in road closures and enforcement income, permit scheme income and other income -£126.7k plus other minor movements of -£77.2k.
- h) +£148.6k Tree maintenance, grass cutting and weed control: this movement is mainly due to an increase in tree, shrub and hedge works.
- i) -£165.2k Planning & Transport Policy: reduction in spend on lorry park and lower Thames crossing.
- j) -£151.5k Environment Management: movement due to minor variances which individually are all below £100k.
- k) -£49.5k Other minor variances

3.6.6 Customer & Communities:

In order to deliver the underspend of £6,318k reflected in table 1, the majority of services within C&C directorate have generated underspends through extending vacancy management, delivering 2014-15 savings ahead of schedule and ensuring that only core activities/spend were taken forward in the second half of the year, as the authority looked to generate as big an underspend as possible to carry forward to help mitigate future budget reductions. This was particularly true of the Libraries, Registration & Archives service, which delivered a significant underspend (£1.2m), by restricting expenditure, generating additional income which was largely one-off, particularly within the Registration Service and delivering savings ahead of schedule, hence deriving a one-off benefit.

In addition, within Supporting People, the service varied a number of contracts during the year, as well as ceasing the floating support in lieu of accommodation contracts, with a view to ensuring that contracts are varied according to performance outcomes being achieved. These savings have been achieved without a reduction in service levels, as the users benefitting from this service have continued to be supported from existing floating support contracts, which were previously under-utilised.

An underspend has been achieved within the Kent Support and Assistance Service (KSAS), which is often the last available source of funding for those in dire need and the level of applications and awards has been significant across the county. This has been possible because the level of funding for this service was based on demand for the old Department for Work and Pensions Social Fund scheme, which purely provided crisis loans and grants, which was not getting to the nub of the range of issues facing these vulnerable individuals and families, whereas KSAS is primarily concerned with finding longer term solutions to residents issues, providing advice and signposting to alternative appropriate services to receive sustained support, as well as providing shorter term awards.

The overall position for the directorate has moved by -£1,580.3k since the 28 April report to Cabinet. The main movements are:

- a) -£393k Kent Support & Assistance Service: lower than anticipated demand for awards from the Social Fund (-£347k) and lower admin costs (-£46k).
- b) -£160k Supporting People due to further contract variations.
- c) -£443k Libraries Registration & Archives consisting of: (i) -£158k increased registration income including -£98k wedding ceremony income for 2013-14; -£26k in respect of citizenship ceremonies; -£34k licences for wedding venues; (ii) -£110k work not completed and/or lower costs charged for IT project scoping & IT systems within the service; (iii) -£175k other minor variances individually below £100k.
- d) -£162k Coroners due to a backlog of long inquest cases and other minor variances.
- e) -£153k Gateways due to an increase in the underspend against the Gurkha project and various other minor movements.
- f) -£134k KDAAT: -£47k increase in KCC share of the pooled budget underspend, -£65K Local Area Single Assessment and Referral (LASAR) Service; -£22k various other minor movements.
- g) +£78k Community Learning & Skills: +£263k tutor pay & additional agency staff; -£121k better than expected contract drawdown income; -£64k other minor variances.
- e) -£213.3k other minor movements individually below £100k
- f) The provisional outturn position includes a transfer to the Public Health reserve of £1,460k relating to the Kent Drug and Alcohol Service, which is £514k higher than forecast in the last report.

3.6.7 Business Strategy & Support - Public Health:

This year has been very much a year of transition as the Authority gets to grips with the Public Health duties and responsibilities that transferred from the Health Service last April. As a result many of the contracts remain commissioned on a block basis to ensure continuity of services in this transitional period. However the contract for NHS Health Checks does have a performance element within it and due to close scrutiny of this performance, the team managed to ensure that more health checks were carried out at a lower cost than was possible with the previous block contract arrangement. 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; this should realise further savings which can then be re-invested in Public Health services.

The overall position for the Public Health budgets has moved by -£663k since the 28 April report to Cabinet; +£662k of this has been transferred into the Public Health reserve leaving a net movement of -£1k as in Table 1 above. The main movements are:

- a) -£403k of expenditure relating to the Adult Psychiatric Morbidity Survey which has slipped to 2014/15.
- b) -£267k of dispensing costs now funded by KDAAT.
- c) -£264k of contributions from partners; these are contributions towards the Singing for Health and Year of Care projects as well as recharges for Public Health Intelligence and Knowledge Services provided by the team.
- d) -£190k within Drug and Alcohol Services relating to reductions in prescribing costs, Hepatitis B vaccinations and shared care costs (recharged by GPs).
- e) +£180k increase in the NHS Health Check Programme following increased outreach work in February and March.
- f) +£443k of Sexual Health Services as a result of an increase in demand for this service, especially out of county, and late billing from Hospital Trusts; further clarification from the Department of Health of Public Health responsibilities throughout the course of the year has also resulted in a higher than anticipated level of spend.
- g) -£162k of minor movements.
- h) The provisional outturn position includes a transfer to the Public Health reserve of £1,446k which is £662k higher than forecast in the last report.

3.6.8 Business Strategy & Support (exc Public Health):

The core services within the BSS directorate have delivered, through strong management action, an overall underspend of nearly £3m to help with the Authority's overall position. A number of divisions have maximised income where possible, in particular in the areas of teacher recruitment in HR and schools appeals in Democratic Services. Kent Legal Services also generated above budgeted external income for the Council whilst their Evolution programme reduced costs internally. This year has seen the move to a new building at Kings Hill, designed to implement the New Ways of Working standards and reduce overall accommodation costs. Finance actively managed vacancies and reduced use of specialist services to deliver an underspend. Within ICT, the move to a system of unified communications led to reductions in telephony costs to the Authority. ICT operations staff delivered Phase 1 of the new Integrated Children's System, Liberi. Economic Development has attracted significant investment from external sources. A key aspect of this has been successful bids for £55m of Regional Growth Funding for interest free loans to growing businesses across Kent. Furthermore, through the administration of the S106 agreements with developers in 2013/14, the department secured over £16m for schools and community facilities across the county.

The overall position for BSS core services has moved by -£1,081k since the 28 April report to Cabinet. The main movements are:

- a) -£473k within Corporate Landlord: -£200k potential provision for Youth Centre rates had been forecast but in the end was not required; -£161k reduction in rates costs within the Corporate Landlord Estate primarily refunds following reviews; and -£112k reduction in cleaning costs.
- b) -£428k capitalisation of costs within Property and Infrastructure, primarily staff time due to additional support provided to the capital programme (e.g. ELS Basic Need Programme), as well as security costs at non-operational buildings.
- c) -£105k of additional income for Legal Services; this relates to the use of non-ringfenced DfE capital grant to fund revenue expenditure which cannot be capitalised but is within the terms of the grant.
- d) -£75k of other minor movements.
- e) The overall position for BSS Economic Development & Regeneration has moved by -£116k since the 28 April report to Cabinet. There are no significant movements within this to report.

3.6.9 Financing Items:

The overall position for the Financing Items budgets has moved by +£3,987k since the 28 April report to Cabinet. The main movements are:

- a) +£4,000k transfer to an earmarked reserve to support the 2014-15 budget, as agreed by County Council on 13 February.
- b) +£3,706k transfer to the Economic Downturn reserve of additional one-off Government funding awarded since the 2013-14 budget was set. Cabinet agreed on 15 July that should we achieve our £95m savings target in 2013-14, that this would be transferred to reserves to offset future budget savings.
- c) -£957k increased drawdown from the emergency conditions and flood repairs reserves in respect of emergency costs relating to the autumn and winter floods and storms. These increased costs are reflected within E&E and C&C directorates. This leaves a balance of £3,344k in the flood repairs reserve for funding costs in 2014-15 of the existing response to severe wet weather damage.
- d) -£2,132k funding held back to offset the impact of the pressure on the Asylum budget. We had assumed that we would need to make a contribution to the bad debt provision in relation to the invoices raised to the Home Office. So as to reflect the true cost of the Asylum service, this is reflected within the FSC directorate position with a compensating underspend shown against the Financing Items budget.
- e) -£630k other smaller movements, predominately relating to increased interest on cash balances, mainly due to accrued interest on our Icelandic ESCROW accounts, lower interest payments on developer contributions and lower than anticipated bank charges and brokerage fees, together with further savings on our external audit fee.

3.7 DELEGATED SCHOOLS BUDGETS

The previously forecast drawdown from reserves of £9.252m was made up of a drawdown of £1.904m as a result of 26 schools converting to academies and 2 school closures, together with a reduction of £7.348m in reserves for the remaining Kent schools based on the schools nine month monitoring returns. The actual movement in schools reserves for 2013-14 was a reduction of £2.394m, a movement of -£6.858m from the forecast position, which is due to an increase in school reserves, in part due to the delegation of pupil referral units part way through the financial year and a drawdown from the school unallocated reserve. Please see section 3.8 (d) below for further details.

3.8 IMPACT ON RESERVES

- a) The table below reflects the impact of the provisional outturn and activity for 2013-14 on our revenue reserves. These are provisional figures and are subject to change during the final stages of the closing of accounts process.

Account	Balance at 31/3/13 £m	Provisional Balance at 31/3/14 £m	Movement £m
Earmarked Reserves	163.7	163.0	-0.7
General Fund balance	31.7	31.7	-
Schools Reserves	48.1	45.7	-2.4

b) The general reserves position at 31 March 2014 remains unchanged from the position as at 31 March 2013, at £31.7m, which amounts to 3.4% of the 2014-15 net revenue budget, and 2.2% of the 2014-15 gross revenue budget (excluding schools). This is reviewed formally as part of the annual budget process - see Appendix F of the 2014-17 Medium Term Financial Plan for further details.

c) The provisional movement of -£0.7m in earmarked reserves since 31 March 2013 is mainly due to:

	£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
▪ Drawdown of Dedicated Schools Grant reserve	-0.3
▪ Transfer to Economic Downturn reserve of uncommitted 2012-13 rolled forward underspend	+4.9
▪ Transfer to new Public Health reserve	+2.9
▪ Use of NHS Support for Social Care reserve	-6.3
▪ Drawdown of the elections reserve to fund 2013 County Council elections (net of 2013-14 contribution)	-1.4
▪ Transfer to earmarked reserve to support 2014-15 budget	+4.0
▪ Transfer to rolling budget reserve of 2013-14 underspend	+9.8
▪ Transfer to Economic Downturn reserve of one-off additional Government funding approved since the 13-14 budget was set, to assist with future budget savings, in line with July 13 Cabinet	+3.7
▪ Transfer to Kingshill Smoothing reserve of profit distribution from partnership arrangement	+9.5
▪ Contribution to flood repairs reserve of Department of Transport funding following winter flooding &	+5.4
▪ Drawdown of flood repairs and emergency conditions reserves to fund emergency costs following winter flooding and storms	-3.3
▪ Net drawdown of IT asset maintenance reserve (net of 2013-14 contribution)	-2.1
▪ Other movements in various earmarked reserves	+2.8
	-0.7

- d) The £2.394m reduction in schools reserves in 2013-14 is made up of:
- 26 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 2 school closures
 - an underspend for the remaining Kent schools, which now includes 13 Pupil Referral Units who had their budgets delegated to them for the first time during the year.
 - The use of schools unallocated reserves for schools collaboration work £2.5m, revenue contribution to capital for jointly funded capital projects with schools £1.6m, schools broadband £0.9m, schools finance training £0.3m, offset by underspending on growth funding and other minor variances of £1.3m

£m
-1.9
+3.5
-4.0
-2.4

This has reduced total school revenue reserves to £45.730m of which £5.916m relates to unallocated schools budget. Of the remaining £39.814m, the schools returns show that of this balance, £8.195m is committed for specific revenue projects and contributing towards larger capital projects.

4. SUMMARISED PROVISIONAL CAPITAL BUDGET OUTTURN POSITION

4.1 The working budget for the Capital Programme 2013-14 is £256.283m. This has been adjusted to reflect the 2014-17 capital budget set by County Council on 13 February 2014. The provisional outturn against this budget is £203.245m giving a variance of -£53.038m, which is a movement of -£21.735m compared to the projected variance of -£31.303m reported to Cabinet in April. Details of the capital roll forwards are provided in Appendix 2 and the prudential indicators are provided in Appendix 5.

4.2 **Table 2** Directorate position - provisional capital outturn position

Directorate	3 Year Cash Limit £'000	2013-14 Working Budget £'000	2013-14 Variance £'000	Real Variance £'000	Re-phasing Variance £'000
Education, Learning and Skills	210,018	121,185	-25,102	-2,506	-22,596
Families & Social Care: Specialist Children's Services	1,325	1,925	-1,581	-1,113	-468
Families & Social Care: Adult Social Care	92,858	4,398	-809	+139	-948
Enterprise & Environment	193,789	62,193	-6,755	-349	-6,406
Customer & Communities	11,263	4,531	-1,392	+15	-1,407
Business Strategy & Support	149,941	62,051	-17,399	+4,113	-21,512
	-	-	-	-	-
TOTAL	659,194	256,283	-53,038	+299	-53,337

4.3 The 2014-15 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2013-14 Capital Programme that resulted in the £53.038m variance shown in table 2 above. Details of the capital re-phasing are provided in Appendix 2 and will be adjusted in the first full monitoring report of 2014-15. In addition, final details of the capital receipts and Property Enterprise Funds (PEF) for 2013-14 are provided in Appendix 3 and the final prudential indicators for 2013-14 are provided in Appendix 5.

4.4 SCHOOLS DEVOLVED CAPITAL

Capital expenditure incurred directly by schools in 2013-14 was £15.401m. Schools have in hand some £0.416m of capital funding which will be carried forward as part of the overall schools reserves position. This represents a decrease in schools capital reserves of £0.260m.

4.5 EDUCATION, LEARNING & SKILLS DIRECTORATE

4.5.1 The Education, Learning & Skills Directorate has a variance against its working budget of -£25,102k. The main reasons for this variance are as follows:

- a) -£9,065k Basic Need Schemes - rephasing due to additional time being spent on applications to ensure robustness. This will ensure delays are not encountered at a later date.
- b) -£5,115k Annual Planned Enhancement Programme. -£4,073k rephasing due to tendering timescales and the logistics of being unable to complete reactive works in school holidays. -£1,042k real variance due to a transfer of funding from capital to revenue.
- c) -£2,747k Academies (-£965k real variance and -£1,782k rephasing). A review of project costs and timescales have led to real and rephasing variances on a number of the individual academy projects within this programme.
- d) -£2,483k Special School Review Phase 2 - rephasing to reflect the latest forecasts.
- e) -£1,066k Unit Review (-£1,049k rephasing and -£17k real). The variance on the Unit Review is an underspend as a result of good design and cost management. However £732k of this is requested to be rolled forward against a future pressure on Archbishop Courtenay, and the remaining £317k for future known pressures on the ELS capital programme.
- f) -£834k BSF Wave 3 - rephasing relating to the budget for replacement of ICT equipment.
- g) -£698k Goat Lees Primary School - rephasing while awaiting agreement of the final account.
- h) -£670k Special School Review Phase 1 - rephasing due to some unresolved issues on projects.
- i) -£623k BSF Unit Costs - rephasing in line with the Academy build programme.
- j) -£421k One-off Schools Revenue to Capital - rephasing as the remaining projects span financial years - existing works were due for completion in the Easter break.
- k) -£389k St Johns/Kingsmead Primary School. -£237k rephasing due to delays around scheduling works around school holidays. -£152k real variance to move mobile hire costs and funding to revenue.
- l) -£169k Ryarsh Primary School - real variance. This relates to developer contributions received, which will be held until project plans have been drawn up.
- m) -£148k Vocational Education Centre Programme - rephasing whilst awaiting outcome of potential joint venture between Swan Valley vocational centre and Paramount.
- n) -£144k Modernisation Programme. -£178k real variance due to -£2k real underspend and -£176k transfer of grant to revenue to fund demolition costs. The remaining +£34k variance is due to rephasing.
- o) -£140k Specialist Schools - rephasing due to delays in the planning process and lease negotiations for a sports pitch at Ursuline College.
- p) -£139k Repton Park Primary School - rephasing whilst awaiting agreement of final account.

4.6 FAMILIES & SOCIAL CARE DIRECTORATE - CHILDREN'S SERVICES

- 4.6.1 The Families and Social Care Directorate - Children's Services has a variance against its working budget of -£1,581k. The main reason for this variance is as follows:
- a) -£1,554k Transforming Short Breaks (TSB). -£1,123k TSB3 funding used against a related project in ELS Directorate. -£431k rephasing as spend was delayed whilst awaiting outcome of a request to the DfE to roll forward the grant allocation into 2014-15.

4.7 FAMILIES & SOCIAL CARE DIRECTORATE - ADULTS SERVICES

- 4.7.1 The Families and Social Care Directorate - Adult Services has a variance against its working budget of -£809k. The main reasons for this variance are as follows:
- a) -£739k Learning Disability Good Day Programme - Community Hubs. -£527k real underspend to cover project costs in other Directorates (Edenbridge in C&C and New Ways of Working in BSS). -£212k rephasing on various Community Hub schemes.
- b) -£653k Older Persons Strategy. -£650k rephasing due to the Wyllie Court development with Amicus Horizons delayed due to finalisation of legal documentation. -£3k real variance.
- c) +£653k Information Technology Projects. Real variance which reflects the legitimate capitalisation of equipment which is funded by banked grant and developer contributions.

4.8 ENTERPRISE & ENVIRONMENT DIRECTORATE

- 4.8.1 The Enterprise & Environment Directorate has a variance against its working budget of -£6,755k. The main reasons for this variance are as follows:
- a) -£1,300k Commercial Services Vehicles, Plant & Equipment - real variance due to Commercial Services now treated separately from KCC books.
 - b) -£1,142k Members' Highway Fund. -£1,118k rephasing due to scheme commitments made at the latter part of the financial year. -£24k real underspend to fund delivery of schemes in other service areas.
 - c) -£911k Mid Kent Joint Waste Project - underspend. A review of the contract resulted in changes in the type and number of containers to be used at a lower price than originally estimated. The underspend is proposed to be rolled forward to offset anticipated future pressures on the E&E capital programme.
 - d) -£819k Carriageway Collapse Emergency Works - rephasing due to works unable to be carried out as planned due to adverse weather.
 - e) -£554k Street Lighting Column Replacement - rephasing due to an industry shortage of jointers to carry out electrical connection to columns on the UK Power Networks supply.
 - f) -£437k Integrated Transport Schemes. -£600k underspend which is proposed to be rolled forward to offset anticipated future pressures on the E&E capital programme. +£245k real overspend due to completion of additional S106 conditions within the timeframe. -£82k rephasing on the IT programme.
 - g) -£330k Major Scheme Preliminary Design Fees - rephasing as the schemes are dependent on developers.
 - h) -£250k Swale Transfer Station - rephasing due to bad weather and ongoing negotiations with the owner of the access road.
 - i) -£197k East Kent Joint Waste Project - real underspend as a review of the contract resulted in changes to the type and number of containers used and a lower price than originally estimated.
 - j) -£182k Ashford Transfer Station - real underspend. Savings were made due to modifications to design and construction methods.
 - k) -£138k Drovers Roundabout Junction. -£50k rephasing due to assessment of the LCA Part 1 claims being delayed because of time to assess junction operation and noise impacts. -£88k real underspend as a review of the scheme lead to a reduction in signage and road marking.
 - l) -£123k Sittingbourne Northern Relief Road - rephasing due to the tendering of a new contract for negotiating LCA Part 1 claims.
 - m) -£122k Growth Without Gridlock Initiatives - rephasing on Lorry Park as a result of options being assessed and on Thanet Parkway due to Southeastern being unable to release essential data for the business case.
 - n) -£114k East Kent Access Phase 2 - rephasing due to the tendering of a new contract for negotiating LCA Part 1 claims.
 - o) -£102k Land Compensation and Part 1 Claims - rephasing due to the tendering of a new contract for negotiating Part 1 claims.
 - p) -£18k Highway Major Enhancement. -£990k rephasing due to works unable to be carried out as planned due to adverse weather. +£972k real overspend due to additional grant awarded to deal with the severe weather recovery.
 - q) +£121k Old Scheme Residual Works. Real overspend as a result of a review of old TSG major schemes identified some outstanding CPO land liabilities. This is to be funded from additional external funding and from underspends elsewhere within the E&E capital programme.
 - r) +£305k Street Lighting Timing - rephasing caused by survey and analysis work being completed sooner than expected.

4.9 CUSTOMER & COMMUNITIES DIRECTORATE

- 4.9.1 The Customer & Communities Directorate has a variance against its working budget of -£1,392k. The main reasons for this variance are as follows:
- a) -£474k Gateways - rephasing of Swanley Gateway due to delays in planning decisions.
 - b) -£357k Library Modernisation Programme - rephasing projects to 2014-15 whilst awaiting decisions on future direction of service through Facing the Challenge.
 - c) -£256k Public Rights of Way - Structural Improvements. -£188k rephasing due to flooding and needing to reprioritise to allow for bridge works. -£68k real variance comprising +£15k additional funding received and -£83k due to schemes not progressing and therefore funding not achieved.
 - d) -£148k Replacement and Enhancement of Core Website - rephasing due to moving to procuring through the G Cloud route leading to a requirement for additional development and security testing.
 - e) -£103k Kent Library & History Centre - rephasing; £37k on the Kent Library & History Centre and £66k of which is requested to be rolled forward to use against overspends elsewhere on the C&C capital programme.

4.10 **BUSINESS STRATEGY & SUPPORT DIRECTORATE**

4.10.1 The Business Strategy & Support Directorate has a variance against its working budget of -£17,399k. The main reasons for this are as follows:

- a) -£4,301k Regional Growth Fund (Expansion East Kent) - rephasing due to fewer than expected loans being issued.
- b) -£3,361k Modernisation of Assets. -£3,488k rephasing due to the nature and complexity of some projects, linking with the New Ways of Working project plus the implication of the uncertainty of the future use of other premises. +£127k real variance across a number of schemes.
- c) -£3,076k LIVE Margate - rephasing. KCC have decided to undertake a strategic review of the project, shifting away from the redevelopment of existing properties to acquiring key sites and promoting those sites for development.
- d) -£2,296k TIGER - rephasing due to fewer than expected loans being committed.
- e) -£1,567k Broadband - rephasing. Whilst delivery is currently ahead of schedule, the claim payment process means that the supplier is only entitled to the first agreed milestone payment before the end of this financial year.
- f) -£1,054k Sustaining Kent Maintaining the Infrastructure - rephasing due to technical difficulties during the unified communications implementation.
- g) -£1,015k Regeneration Fund Projects - rephasing due to fewer than expected bids received.
- h) -£500k Payers Park (Regeneration Fund) - rephasing due to invoice for capital contribution not received in time for processing in 2013-14.
- i) -£497k Corporate Property Strategic Capital - real underspend due to capital grant being used to cover revenue expenditure, as the grant rules allow us to do this.
- j) -£450k Empty Property Initiative. -£472k rephasing due to fewer loans being issues than expected. +£22k real variance.
- k) -£369k Connecting With Kent - rephasing. ICT has ordered firewalls and back end storage to meet on-going Central Government security Code of Connection regulations. Delivery of these items was not made until the new financial year.
- l) -£344k Rural Broadband Demonstration Project - rephasing due to UK Power Network needing to deploy resources elsewhere.
- m) -£313k No Use Empty - rephasing due to delays in planning, legal and settling financial packages.
- n) -£282k Incubator Development - rephasing due to changes in negotiations with landlords that has led to a review of the proposed property options. KCC are in the process of securing alternative locations which will give the project a stronger strategic position.
- o) -£223k Enterprise Resource Programme. -£209k rephasing due to a procurement exercise for the support of the development of OBI taking longer than anticipated. -£14k real variance.
- p) -£102k Folkestone Heritage Quarter - rephasing to reflect the updated project plan. This has not affected the completion date.
- q) +£107k Seasonal Death Initiative - real. Use of Revenue Public Health grant for the installation of boilers at peoples addresses.
- r) +£429k Disposal Costs - real overspend due to capitalisation of security costs to protect the value of KCC assets.
- s) +£2,067k New Ways of Working. -£1,873k rephasing due to the forecast prepared at the start of the year based on broad, untested assumptions. The rephasing now reflects the NWOW business case timings. +£3,940k real overspend relates to Thin Client (£3,440k funded from IT Asset Maintenance Reserves) and Gravesend Social Education Centre (£500k funded from Adults Services).

5 STAFFING LEVELS

5.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2013, 30 September and 31 December and 31 March 2014 compared to the numbers as at 31 March 2013, based on active assignments. Between 31 March 13, and 31 March 14, there has been a reduction of -1,078.41 FTEs, of which -365.67 FTE were in schools together and -712.74 FTEs were in non-schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies; hence the staff are no longer employed by KCC.

		Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Difference	
							Number	%
KCC	Assignment count	41,201	40,242	40,274	39,849	39,194	-2,007	-4.87%
	Headcount (inc. CRSS)	34,952	34,056	34,151	33,766	33,095	-1,857	-5.31%
	Headcount (excl. CRSS)	30,993	30,160	30,264	29,957	29,456	-1,537	-4.96%
	FTE	22,848.23	22,196.33	22,391.66	22,147.91	21,769.82	-1,078.41	-4.72%
KCC - Non Schools	Assignment count	13,172	12,284	12,169	12,057	11,995	-1,177	-8.94%
	Headcount (inc. CRSS)	12,114	11,259	11,181	11,144	11,061	-1,053	-8.69%
	Headcount (excl. CRSS)	10,360	9,634	9,621	9,597	9,574	-786	-7.59%
	FTE	8,874.66	8,191.65	8,184.28	8,170.83	8,161.92	-712.74	-8.03%
BSS	Assignment count	1,554	1,594	1,617	1,625	1,624	70	4.50%
	Headcount (inc. CRSS)	1,548	1,589	1,613	1,620	1,617	69	4.46%
	Headcount (excl. CRSS)	1,534	1,578	1,601	1,605	1,601	67	4.37%
	FTE	1,430.83	1,462.72	1,484.48	1,486.47	1,483.06	52.23	3.65%
ELS	Assignment count	1,569	1,136	1,096	1,124	1,131	-438	-27.92%
	Headcount (inc. CRSS)	1,514	1,124	1,082	1,110	1,119	-395	-26.09%
	Headcount (excl. CRSS)	1,224	908	888	899	898	-326	-26.63%
	FTE	947.37	674.00	664.11	671.98	676.27	-271.10	-28.62%
C&C	Assignment count	3,660	3,649	3,551	3,410	3,368	-292	-7.98%
	Headcount (inc. CRSS)	3,193	3,174	3,087	3,015	2,995	-198	-6.20%
	Headcount (excl. CRSS)	2,047	2,057	2,009	1,978	1,978	-69	-3.37%
	FTE	1,630.64	1,641.56	1,602.05	1,581.22	1,591.86	-38.78	-2.38%
E&E	Assignment count	1,164	655	659	662	670	-494	-42.44%
	Headcount (inc. CRSS)	1,154	648	654	657	624	-530	-45.93%
	Headcount (excl. CRSS)	1,048	546	554	555	557	-491	-46.85%
	FTE	997.75	517.66	525.20	527.31	529.43	-468.32	-46.94%
FSC	Assignment count	5,225	5,250	5,246	5,236	5,202	-23	-0.44%
	Headcount (inc. CRSS)	4,794	4,841	4,822	4,820	4,784	-10	-0.21%
	Headcount (excl. CRSS)	4,533	4,574	4,589	4,580	4,559	26	0.57%
	FTE	3,868.07	3,895.71	3,908.44	3,903.85	3,881.30	13.23	0.34%
Schools	Assignment count	28,029	27,958	28,105	27,792	27,199	-830	-2.96%
	Headcount (inc. CRSS)	22,966	22,942	23,084	22,731	22,135	-831	-3.62%
	Headcount (excl. CRSS)	20,688	20,587	20,698	20,411	19,928	-760	-3.67%
	FTE	13,973.57	14,004.68	14,207.38	13,977.08	13,607.90	-365.67	-2.62%

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

6. CONCLUSIONS

- 6.1 For the 14th consecutive year the Council is able to demonstrate sound financial management by containing its revenue expenditure within the budgeted level (excluding schools). In the context of a savings requirement of around £95m and on the back of delivering £175m of revenue savings in the previous two years, together with continued high demand for services such as Specialist Children's Services, SEN Home to School Transport, school improvement and intervention and the unbudgeted Find and Fix repair of potholes even prior to the winter flooding, this has been a massive challenge and is a considerable achievement. However, with further savings of £81m required in 2014-15 and a budget gap still to close for 2015-16, we must not be complacent, hence the recommendation to put the uncommitted underspend from 2013-14 into reserves pending future budget decisions.

7. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the provisional outturn position for 2013-14 for both the revenue and capital budgets.
- ii) **Note** that the revenue position reflects all appropriate and previously agreed transfers to reserves including the £4m to support the 2014-15 budget, as approved by County Council on 13 February.
- iii) **Agree** that £5.099m of the 2013-14 revenue underspending is rolled forward to fund existing commitments, as detailed in Appendix 1.
- iv) **Agree** that the £4.766m remainder of the 2013-14 revenue underspending is set aside in the Economic Downturn reserve.
- v) **Agree** that £53.337m of capital re-phasing from 2013-14 will be added into 2014-15 and later years capital budgets, as detailed in Appendix 2.
- vi) **Note** the final monitoring of the 2013-14 key activity indicators, Financial Health Indicators and Prudential Indicators as reported in appendices 3, 4 and 5 respectively; the final staffing numbers for 2013-14 as detailed in section 5 and the impact of the provisional outturn on reserves as detailed in sections 3.8 and 4.4.

8. BACKGROUND DOCUMENTS

None

9. CONTACT DETAILS

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2013-14 REVENUE BUDGET ROLL FORWARD PROPOSALS

	£000s	£000s
1. 2013-14 provisional underspend		-9,865.2
2. Details of Committed/Re-scheduled projects:		
a) Education, Learning & Skills Directorate		
i) <i>re-phasing of Kent Youth Employment programme into 2014-15 and 2015-16</i>		
This represents the re-phasing of Kent Youth Employment Programme, which was launched at the end of the 2011-12 financial year and its purpose is to encourage Kent businesses to recruit unemployed young people who have been unemployed for a significant period. The scheme involves the payment of grants to employers, but as the payments are only made following completion of 6 months and 12 months in placements, a significant amount of the budget has re-phased into 2014-15 to be spent on placements which straddle the financial year, but it should be noted that the scheme will continue to run until 2015-16.	1,399.4	
ii) <i>re-phasing of Vulnerable Learners placements into 2014-15</i>		
This re-phasing is required to cover placements which extend beyond the end of the 2013-14 financial year.	181.1	
iii) <i>Various externally funded projects</i>		
This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	5.7	
		1,586.2
b) Families & Social Care Directorate		
i) <i>re-phasing of Kent Safeguarding Children Board (KSCB) into 2014-15</i>		
This represents KCC's share of the underspend of the KSCB Board. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund.	290.5	
ii) <i>re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee into 2014-15</i>		
This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions is held in a Fund.	22.1	

	£000s	£000s
iii) <i>New Burdens funding (un-ringfenced)</i> This represents re-phasing of work required to be able to report on a new activity and finance data set from April 2015 following national changes to adult social care data collections by local authorities. This has placed additional burdens on local authorities for which the DoH have provided a one-off unringfenced grant. Roll forward of this one-off funding is required in order to be able to fund the completion of this work in 2014-15.	77.9	
iv) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	16.3	
		406.8
c) Enterprise & Environment Directorate		
i) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	106.5	
ii) <i>Re-phasing of Kent Local Flood Risk Management Strategy related projects</i> This represents the re-phasing of funds required to complete work on the flood asset database and Paddock Wood flood alleviation scheme in 2014-15.	29.8	
		136.3
d) Customer & Communities Directorate		
i) <i>underspend on Kent Support & Assistance Service awards budget (Social Fund)</i> This reflects the 2013-14 underspending on the KSAS awards budget which, in accordance with Key Decision 12/01939, is to be rolled forward to 2014-15 as funding for this pilot scheme is to be ring fenced for two years (2013-14 & 2014-15).	1,722.2	
iii) <i>re-phasing of the Gurkha integration project within the Gateways budget</i> This represents re-phasing of the Government funded project to integrate Gurkhas and their dependents into the community and to improve their English language skills	219.1	
iii) <i>re-phasing of Kent Drug & Alcohol Services into 2014-15</i> This represents the share of the KDAAT underspend funded from the base budget and is required to roll forward to fund our commitment to the pooled partnership budget.	103.2	

	£000s	£000s
iv) <i>Member Grants</i> Grants which have been committed in 2013-14 for projects internal to KCC, but where the work was not completed by 31 March 2014. This relates to both the Member Community Grants Scheme and the Local Scheme Grants.	20.5	
v) <i>Coroners</i> A backlog of long inquests will fall into 2014-15 and so as not to place undue pressure on the 2014-15 budget, roll forward is required to fund this re-phasing	65.0	
vi) <i>Various externally funded projects</i> This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects	20.8	
		2,150.8
e) Business Strategy & Support Directorate		
i) <i>re-phasing of Health Reform budget</i> This represents the unspent balance of the roll forward of Health Reform monies from 2012-13, which was due to be spent over the period June 2013 to May 2015, to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups. This is required to roll forward to complete this work in 2014-15.	87.0	
ii) <i>re-phasing of training programmes funded by the Independent Sector</i> This represents the unspent balance of the roll forward of Independent Sector funding from 2012-13, which is due to be spent over the period July 2013 to January 2015. This balance is required to roll forward to fund the completion of the training programmes in 2014-15.	141.0	
iii) <i>re-phasing of Facing the Challenge costs</i> In December, Cabinet agreed a virement of £1.5m from the Modernisation of the Council budget for the initial costs of Facing the Challenge. This represents the unspent balance of that budget which is required to fund further Facing the Challenge costs in 2014-15.	504.2	
iv) <i>Internal Audit</i> This represents re-phasing of a necessary upgrade to the Teammate audit software	7.7	
v) <i>Tackling Deprivation project</i> This represents re-phasing of this joint project with District Councils and Kent Fire & Rescue Service	15.0	

APPENDIX 1

£000s

£000s

vi) *Oakwood Site Users*

This represents KCC's share of the underspend against the Oakwood Site. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the pooled budget. The underspending relating to the other agencies contributions is held in a Fund.

0.5

vii) *Various externally funded projects*

This represents funds required to provide funding to fulfil our obligation to the partnership agreements in relation to various externally funded projects

63.6

819.0

5,099.1

3. Uncommitted balance of underspending

-4,766.1

CAPITAL RE-PHASING

1. The 2014-15 and future years capital programme will be adjusted to reflect the total rephasing of -£53,337k as follows:

Education, Learning & Skills	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Annual Planned Enhancement	-4,073	4,073			0
Future Basic Need Schemes	-9,065	9,065			0
Basic Need - Goat Lees Primary	-698	698			0
Basic Need - Repton Manor	-139	139			0
Modernisation - St Johns/Kingsmead	-237	237			0
Special Schools Review phase 1	-670	670			0
Special Schools Review phase 2	-2,483	-7,008	9,491		0
Academy Unit Costs	-744	511	233		0
John Wallis Academy	-723	723			0
Knole Academy	-1,093	1,093			0
Dover Christchurch Academy	694	-694			0
St Augustines Academy	-405	405			0
Duke of York Academy	144	-144			0
Wilmington Academy	146	-146			0
Isle of Sheppey Academy	200	-200			0
BSF - Wave 3	-834	834			0
BSF Unit Costs	-623	623			0
Specialist Schools - Ursuline College	-140	140			0
One off schools Revenue to Capital	-421	421			0
Unit Review	-1,049	317			-732
Archbishop Courtenay		732			732
Vocational Education Centre Programme	-148	148			0
Total rephasing >£100k	-22,361	12,637	9,724	0	0
Other rephased projects <£100k	-235	235	0	0	0
TOTAL REPHASING	-22,596	12,872	9,724	0	0

Specialist Childrens Services	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
TSB 3 Short Breaks Programme	-431	431			0
Total rephasing >£100k	-431	431	0	0	0
Other rephased projects <£100k	-37	37			0
TOTAL REPHASING	-468	468	0	0	0

Adult Social Services	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Older Persons Strategy - Wyllie Court	-650	650			0
LD Strategy Community Hubs	-212	212			0
Total rephasing >£100k	-862	862	0	0	0
Other rephased projects <£100k	-86	86			0
TOTAL REPHASING	-948	948	0	0	0

Enterprise & Environment	2013-14	2014-15	2015-16	Future Years	Total
	£'000	£'000	£'000	£'000	£'000
Major scheme Preliminary Design	-330	330			0
Highways Major Maintenance	-990	990			0
Member Highway Fund	-1,117	1,117			0
Integrated Transport schemes	-682	82			-600
Future anticipated overspends		600			600
Non TSG Land Part 1	-102	102			0
Sittingbourne Northern Relief Road	-123	123			0
East Kent Access Phase 2	-114	114			0
Swale Transfer Station	-250	250			0
Carriageway Collapse	-819	819			0
Mid Kent Joint Project	-911				-911
Future anticipated overspends		911			911
Street Light Timing	305	-305			0
Street Light Column Replacement	-554	554			0
Total rephasing >£100k	-5,688	5,688	0	0	0
Total rephasing <£100k	-718	717	1		
TOTAL REPHASING	-6,406	6,405	1	0	0

Customer & Communities	2013-14	2013-14	2014-15	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Public Rights of Way	-188	188			0
Kent History & Library Centre	-103	103			0
Library Modernisation	-356	356			0
Web Platform	-148	148			0
Gateways	-474	474			0
Total rephasing >£100k	-1,270	1,270	0	0	0
Other rephased projects <£100k	-137	137			0
TOTAL REPHASING	-1,407	1,407	0	0	0

Business Strategy & Support	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
Connecting with Kent	-369	369			0
Enterprise Resource Programme - Phase 1	-209	209			0
Modernisation of Assets	-3,488	3,488			0
New Ways of Working	-1,873	1,873			0
Sustaining Kent	-1,054	1,054			0
Broadband	-1,567	1,567			0
Capital Regeneration Fund	-1,015	1,015			0
Empty Property Initiative	-472	472			0
Escalate	-100	100			0
Folkestone Heritage Quarter (HLF)	-102	102			0
Incubator Development	-282	282			0
LIVE Margate	-3,076	3,076			0
No Use Empty - Rented Affordable Homes Project	-313	313			0
Payers Park	-500	500			0
Regional Growth Fund	-4,301	4,301			0
Rural Broadband	-344	344			0
TIGER	-2,296	2,296			0
Total rephasing >£100k	-21,361	21,361	0	0	0
Rephasing <£100k	-151	151			
TOTAL REPHASING	-21,512	21,512	0	0	0

	2013-14	2014-15	2015-16	Future years	Total
	£'000	£'000	£'000	£'000	£'000
TOTAL ALL DIRECTORATES	-53,337	43,612	9,725	0	0

2013-14 FINAL MONITORING OF KEY ACTIVITY INDICATORS**1. EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY****1.1 Number of schools with deficit budgets compared with the total number of schools:**

	2010-11	2011-12	2012-13	2013-14	2014-15
	as at 31-3-11	as at 31-3-12	as at 31-3-13	as at 31-3-14	projection
Total number of schools	538	497	463	449	417
Total value of school reserves	£55,190k	£59,088k	£48,124k	£45,730k	£43,153k
Number of deficit schools	17	7	8	18	6
Total value of deficits	£2,002k	£833k	£364k	£2,017k	£5,645k

Note: 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.

Comments:

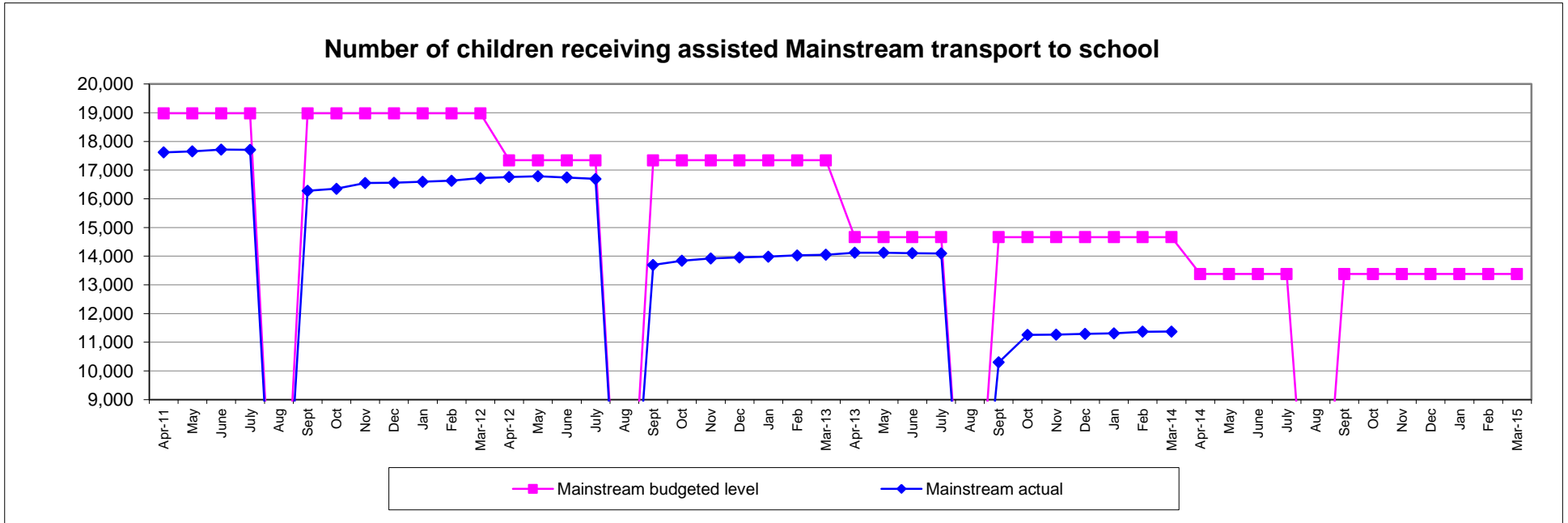
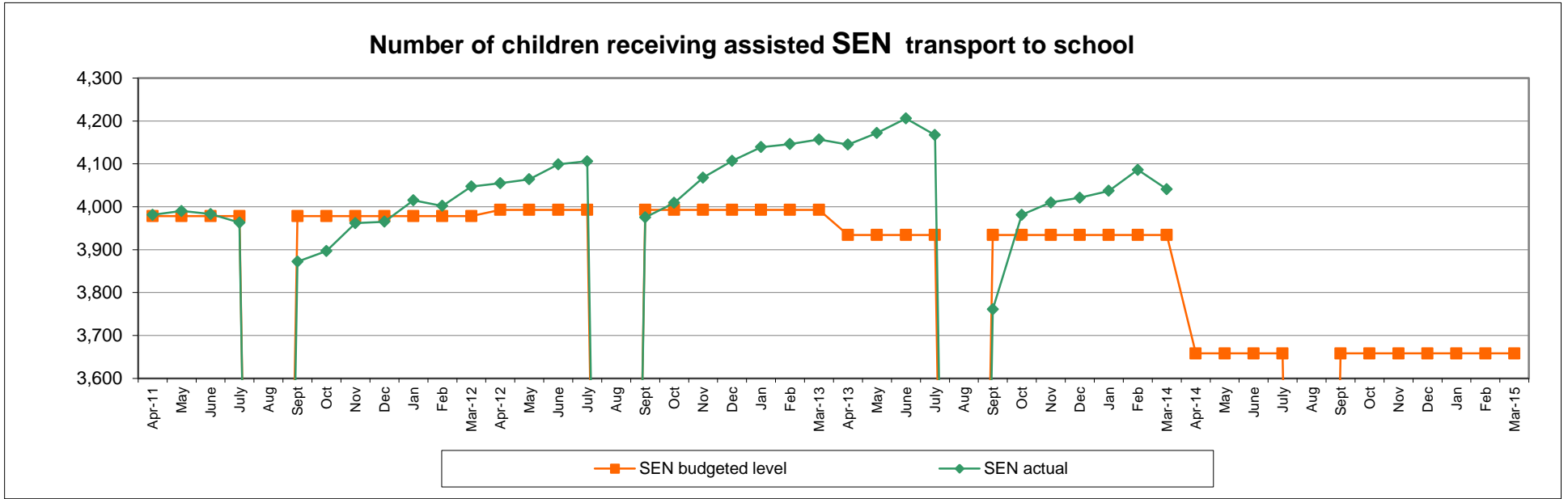
- The information on deficit schools for 2014-15 has been obtained from the schools 3 year plans completed in spring/early summer 2013 and shows 6 schools predicting a deficit at the end of year 2. The Local Authority receives updates from schools through budget monitoring returns from all schools after 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 6 schools to reduce the risk of a deficit in 2014-15 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. The next update on school deficits will be available for the quarter 1 report to Cabinet in September (i.e. from the school 3 year plans completed in spring/early summer 2014).
- 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 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, whilst maintaining or improving standards of attainment. 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.
- The total number of schools has reduced by 14 overall. This movement is made up of 26 schools (6 secondary schools and 20 primary schools) converting to academies during the year, 2 schools are closing, 1 new school is opening and 13 Pupil Referral Units have had their budgets delegated during the year.
- The drawdown from schools reserves of £2,394k includes a drawdown of £1,904k relating to an assumed 26 schools converting to academy status and 2 schools closures. The remaining drawdown of £490k relates to an increase of £3,524k in the balances of the remaining Kent schools and a £4,014k drawdown from the schools unallocated reserve.

1.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2011-12				2012-13				2013-14				2014-15	
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream		SEN	Mainstream
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
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	3,658	13,382
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	3,658	13,382
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	3,658	13,382
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	3,658	13,382
Aug	0	0	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	3,658	13,382
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	3,658	13,382
Nov	3,978	3,962	18,982	16,553	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,658	13,382
Dec	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,658	13,382
Jan	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,658	13,382
Feb	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,658	13,382
Mar	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,658	13,382

Comments:

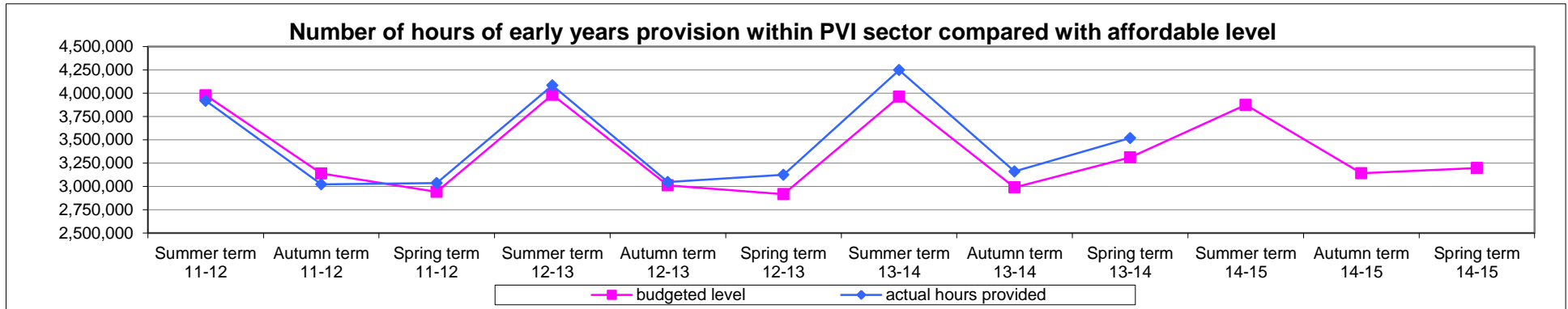
- SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel, resulting in a pressure of +£2,865k, which is offset by £969k recoupment income from other local authorities for the transport of their pupils to Kent schools. The budgeted level for 2014-15 has reduced from the 2013-14 budgeted level to reflect the higher average unit cost per pupil in 2014-15 (as adjusted for prices increase and transformation savings)
- Mainstream HTST** – The number of children receiving transport is lower than the budgeted level resulting in an underspend of -£1,274k.



1.3 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		2014-15
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *	Budgeted number of hours
Summer term	3,976,344	3,917,710	3,982,605	4,082,870	3,961,155	4,247,348	3,873,794
Autumn term	3,138,583	3,022,381	3,012,602	3,048,035	2,990,107	3,160,070	3,141,448
Spring term	2,943,439	3,037,408	2,917,560	3,125,343	3,310,417	3,517,958	3,196,743
TOTAL	10,058,366	9,977,499	9,912,767	10,256,248	10,261,679	10,925,376	10,211,985

* 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 2013-14 activity has resulted in a pressure of £2.737m, 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 has been funded from a drawdown from the schools unallocated DSG reserve.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- It is likely that a realignment of this budget will take place in the 2014-15 quarter 1 full monitoring report to reflect changes in funding where the use of more up to date early years census data is likely to result in increased funding levels and as a consequence the budgeted number of hours will change.

2. FAMILIES & SOCIAL CARE DIRECTORATE - CHILDREN'S SERVICES SUMMARY

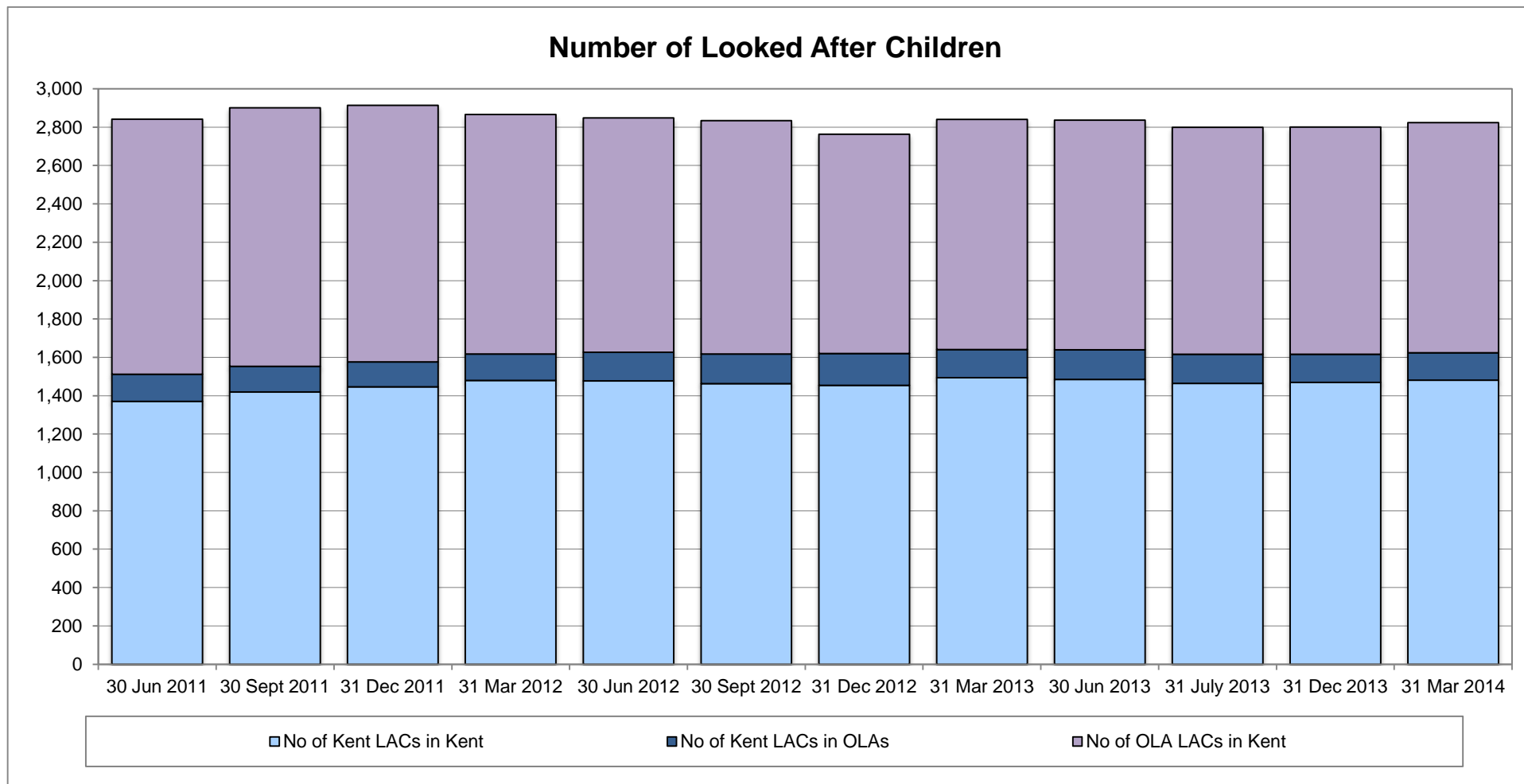
2.1 Number of Looked After Children (LAC) :

		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	1,512	1,330	2,842
	30-Sep	1,419	135	1,554	1,347	2,901
	31-Dec	1,446	131	1,577	1,337	2,914
	31-Mar	1,480	138	1,618	1,248	2,866
2012-13	30-Jun	1,478	149	1,627	1,221	2,848
	30-Sep	1,463	155	1,618	1,216	2,834
	31-Dec	1,455	165	1,620	1,144	2,764
	31-Mar	1,494	147	1,641	1,200	2,841
2013-14	30-Jun	1,485	155	1,640	1,197	2,837
	30-Sep	1,465	152	1,617	1,182	2,799
	31-Dec	1,470	146	1,616	1,185	2,801
	31-Mar	1,481	143	1,624	1,200	2,824

Comments:

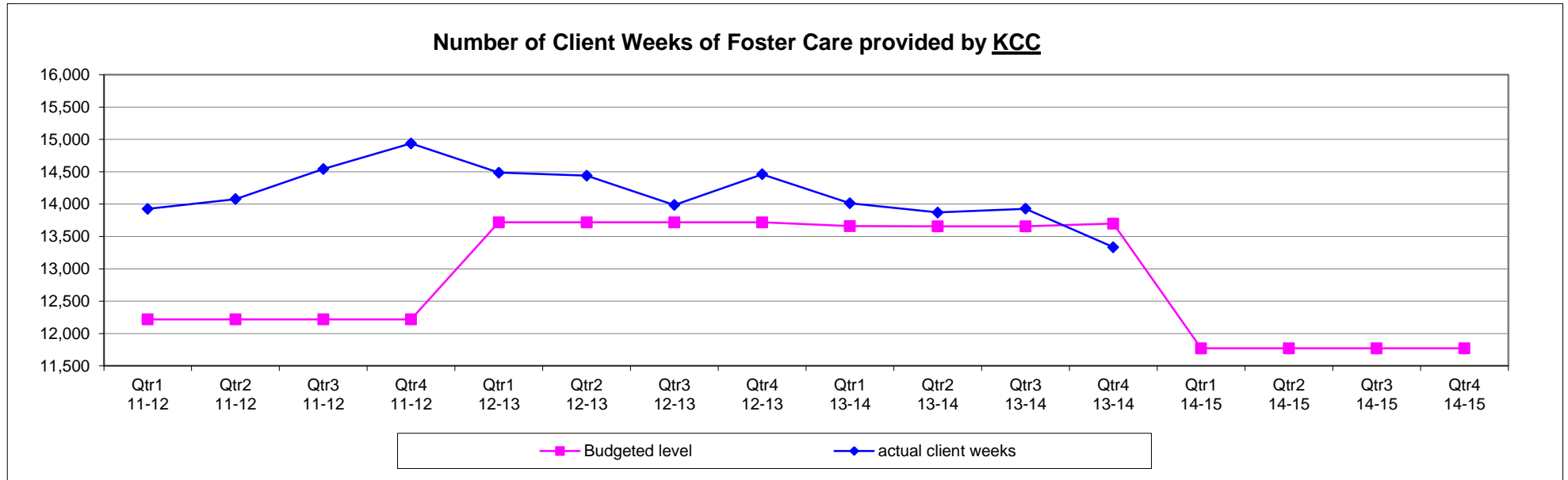
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a 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 increased by 8 in the latest quarter, and reduced by 17 over the financial year, there could have been more (or less) during the period.
- 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.

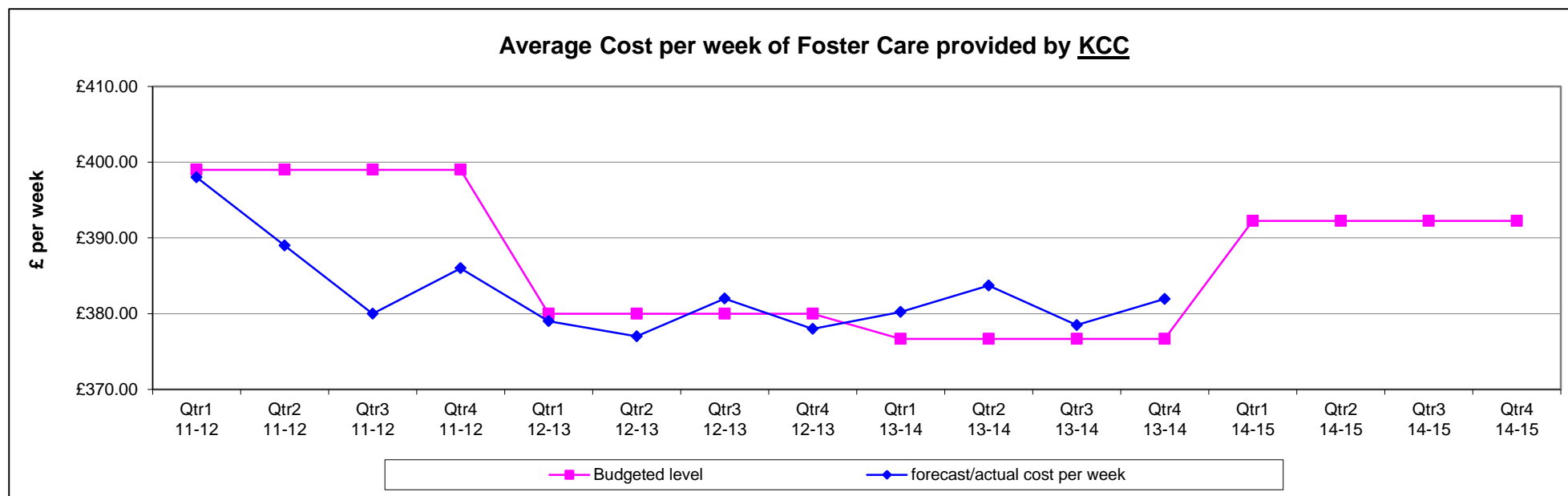
- The OLA LAC information has a confidence rating of 45%-50% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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				2014-15	
	No of weeks		Average cost per client week		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	actual	Budget level	Budget level
Apr to	12,219	13,926	£399	£398	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	11,771	£392
Jul to	12,219	14,078	£399	£389	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	11,771	£392
Oct to	12,219	14,542	£399	£380	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	11,770	£392
Jan to	12,219	14,938	£399	£386	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	11,770	£392
	48,876	57,484	£399	£386	54,872	57,375	£380	£378	54,675	55,148	£376.67	£381.94	47,082	£392



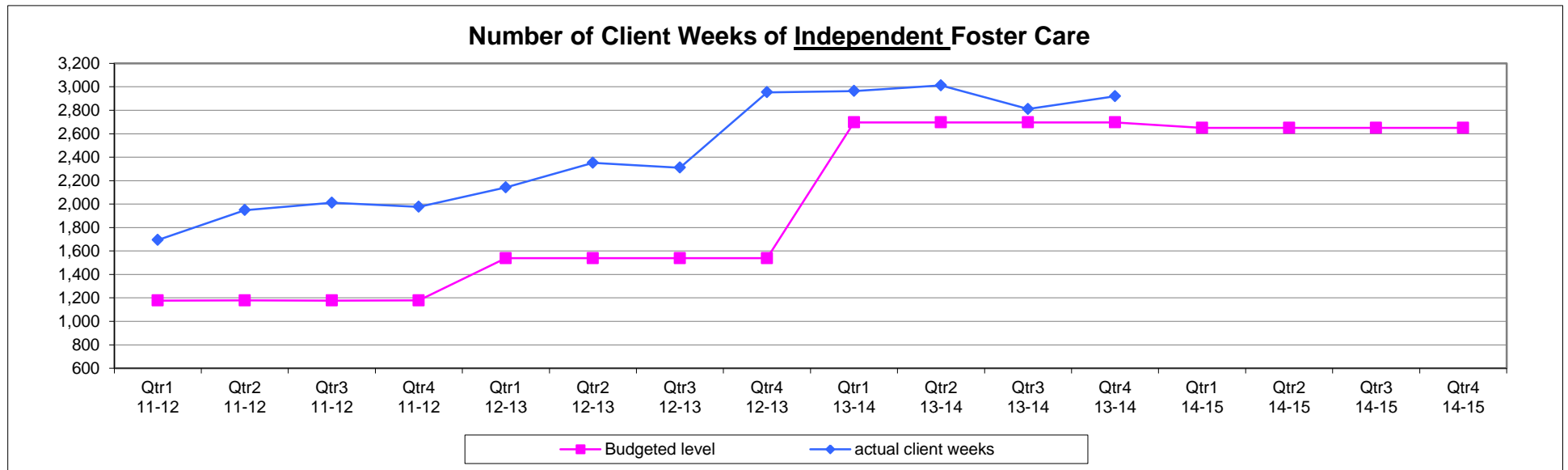


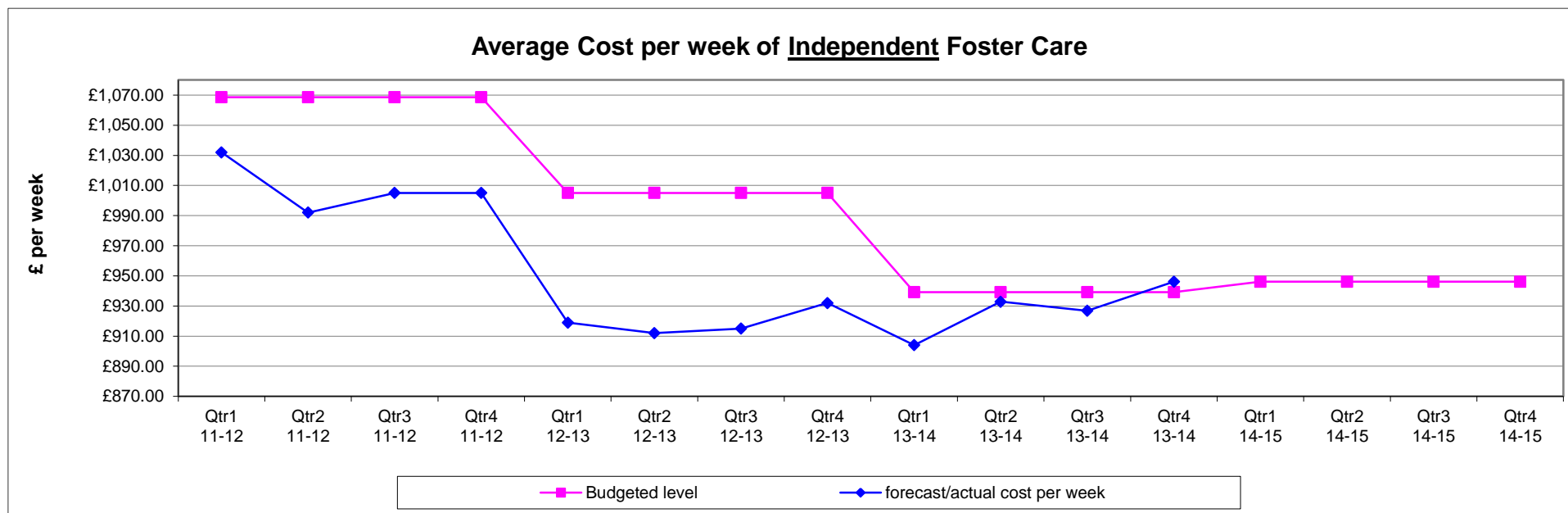
Comments:

- 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 actual number of weeks is 55,148 (excluding asylum), which is 473 weeks above the affordable level. At the actual unit cost of £381.94 per week, this increase in activity gives a pressure of £181k.
- The actual unit cost of £381.94 is +£5.27 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£288k.
- Overall therefore, the combined gross pressure on this service is £469k (£181k for additional weeks + £288k for higher unit cost).

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

	2011-12				2012-13				2013-14				2014-15	
	No of weeks		Average cost per client week		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	actual	Budget level	Budget level
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	2,650	£946
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	2,650	£946
Oct to Dec	1,177	2,011	£1,069	£1,005	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,650	£946
Jan to Mar	1,178	1,977	£1,069	£1,005	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,650	£946
	4,710	7,629	£1,069	£1,005	6,152	9,756	£1,005	£932	10,786	11,705	£939.19	£946.08	10,600	£946





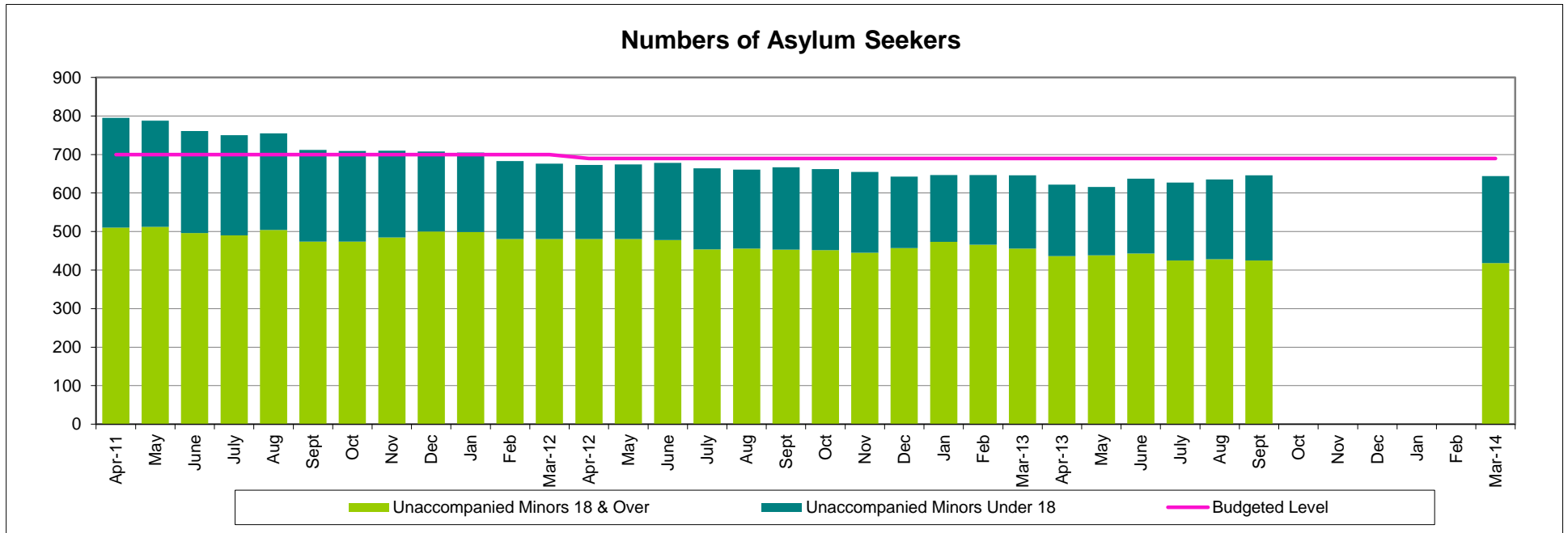
Comments:

- 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 actual number of weeks is 11,705 (excluding asylum), which is 919 weeks above the affordable level. At the actual unit cost of £946.08 per week, this increase in activity gives a pressure of £869k.
- The actual unit cost of £946.08 is £6.89 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£74k.
- Overall therefore, the combined gross pressure on this service is £943k (£869k for additional weeks + £74k for higher unit cost).
- The actual unit cost of £946.08 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 were expected to reduce as a result of this, which is evidenced by the lower unit cost for October - December. In January the average unit cost has risen again, this is due to a number of lower cost IFA placements moving to In House and the higher need placements remaining in IFA resulting in a higher average unit cost for IFA placements.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2011-12			2012-13			2013-14		
	Under 18	18 & Over	Total Clients	Under 18	18 & Over	Total Clients	Under 18	18 & Over	Total Clients
Apr	285	510	795	192	481	673	186	436	622
May	276	512	788	193	481	674	178	438	616
Jun	265	496	761	200	478	678	194	443	637
Jul	260	490	750	210	454	664	202	425	627
Aug	251	504	755	205	456	661	207	428	635
Sep	238	474	712	214	453	667	221	425	646
Oct *	235	474	709	210	452	662			
Nov*	225	485	710	210	445	655			
Dec*	208	500	708	186	457	643			
Jan*	206	499	705	174	473	647			
Feb*	202	481	683	181	466	647			
Mar	195	481	676	190	456	646	226	418	644

} see note below



Note:

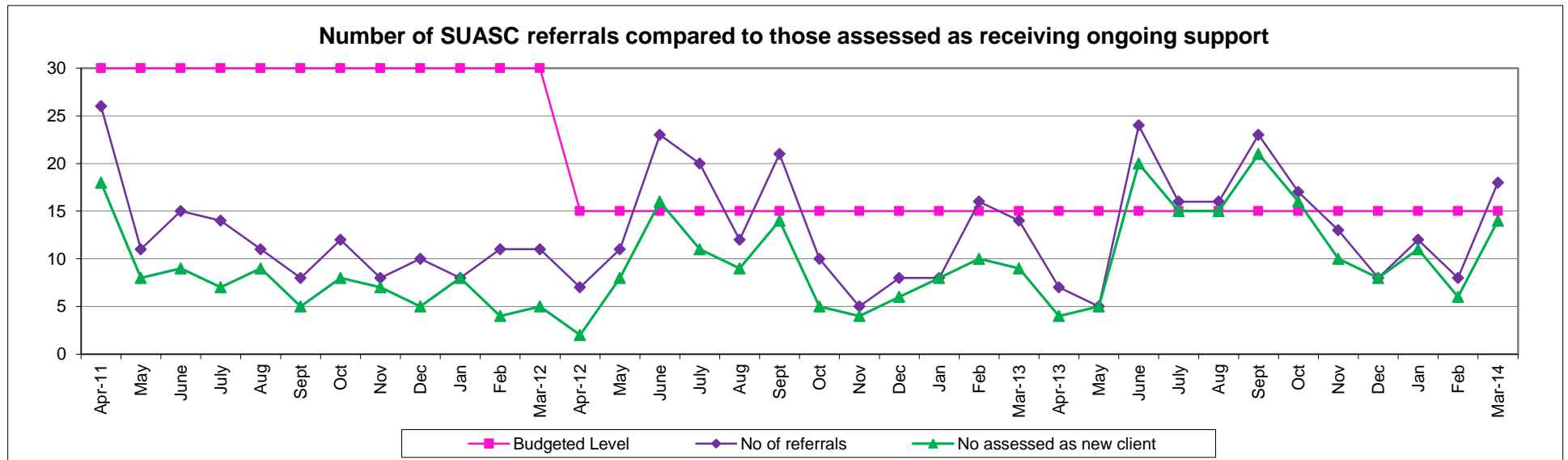
- * This data is not available for the Outturn report. Numbers of Care Leavers for the Unaccompanied Asylum Seeking Service are pending validation following the migration of data onto the new IT system for Children's Social Care (Liberi). The calculation for this status is automatically generated within the system but some further data cleansing work is required to ensure that all young people have the appropriate status. This work is expected to be completed in time for the 1st quarters monitoring report of 2014-15 which is being presented to Cabinet in September.

Comments:

- The overall number of children remained fairly static in the first half of this year, with a small increase in September. Although the data for October to February is currently unavailable, the figure for March shows very little movement from September position. The 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%	17	16	94%
Nov	8	7	88%	5	4	80%	13	10	77%
Dec	10	5	50%	8	6	75%	8	8	100%
Jan	8	8	100%	8	8	100%	12	11	92%
Feb	11	4	36%	16	10	63%	8	6	75%
Mar	11	5	45%	14	9	64%	18	14	78%
	145	93	64%	155	102	66%	167	145	87%

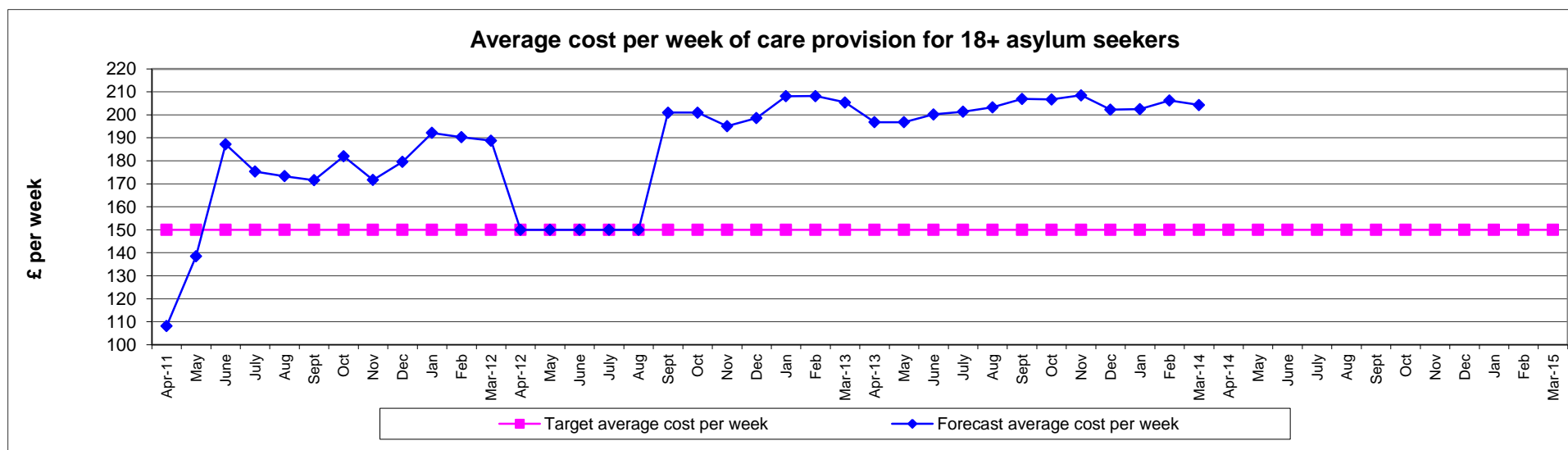


Comments:

- The average number of referrals per month is 13.9 which is slightly below 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 87%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 12.1 i.e. 34% higher than the budgeted level.
- 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.

2.6 Average monthly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2011-12		2012-13		2013-14		2014-15
	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £	Average weekly cost £p	Target average weekly cost £
Apr	150	108.10	150	150.00	150	196.78	150
May	150	138.42	150	150.00	150	196.78	150
Jun	150	187.17	150	150.00	150	200.18	150
Jul	150	175.33	150	150.00	150	201.40	150
Aug	150	173.32	150	150.00	150	203.29	150
Sep	150	171.58	150	200.97	150	206.92	150
Oct	150	181.94	150	200.97	150	206.74	150
Nov	150	171.64	150	195.11	150	208.51	150
Dec	150	179.58	150	198.61	150	202.25	150
Jan	150	192.14	150	208.09	150	202.49	150
Feb	150	190.25	150	208.16	150	206.24	150
Mar	150	188.78	150	205.41	150	204.27	150



Comments:

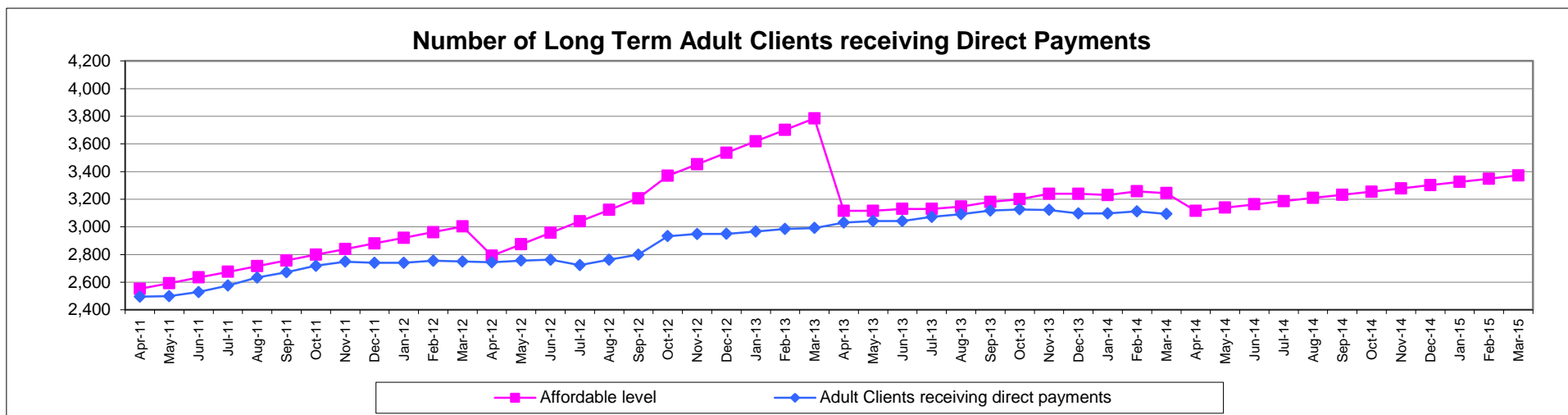
- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the 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 average weekly cost for 2013-14 is £204.27, £54.27 above the £150 claimable under the grant rules. This excludes infrastructure and staffing costs.

3. **FAMILIES & SOCIAL CARE DIRECTORATE - ADULTS SERVICES SUMMARY**

The affordable levels included for 2014-15 are based on the approved budget. However, Adults services will be reviewing the split of their budget across service groups in light of the outturn position and revisions to the allocations of 2014-15 transformation savings, based on the latest plans within the directorate. Any changes will be requested in the first full monitoring report for 2014-15 to be reported to Cabinet in September. The 2014-15 affordable levels of activity will, therefore, change as a result of this exercise.

3.1 **Direct Payments - Number of Adult Social Services Clients receiving Direct Payments:**

	2011-12			2012-13			2013-14			2014-15
	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	Affordable level for long term clients
Apr	2,553	2,495	137	2,791	2,744	169	3,116	3,032	164	3,116
May	2,593	2,499	89	2,874	2,756	147	3,116	3,043	169	3,139
Jun	2,635	2,529	90	2,957	2,763	133	3,130	3,042	120	3,163
Jul	2,675	2,576	125	3,040	2,724	156	3,130	3,072	173	3,186
Aug	2,716	2,634	141	3,123	2,763	167	3,147	3,092	158	3,209
Sep	2,757	2,672	126	3,207	2,799	147	3,181	3,118	134	3,232
Oct	2,799	2,719	134	3,370	2,933	185	3,201	3,127	179	3,255
Nov	2,839	2,749	122	3,453	2,949	119	3,240	3,123	144	3,278
Dec	2,881	2,741	111	3,536	2,950	109	3,240	3,098	159	3,302
Jan	2,921	2,741	130	3,619	2,967	117	3,231	3,097	176	3,325
Feb	2,962	2,755	137	3,702	2,986	127	3,257	3,112	135	3,348
Mar	3,003	2,750	117	3,785	2,992	105	3,244	3,093	121	3,372
			1,459			1,681			1,832	

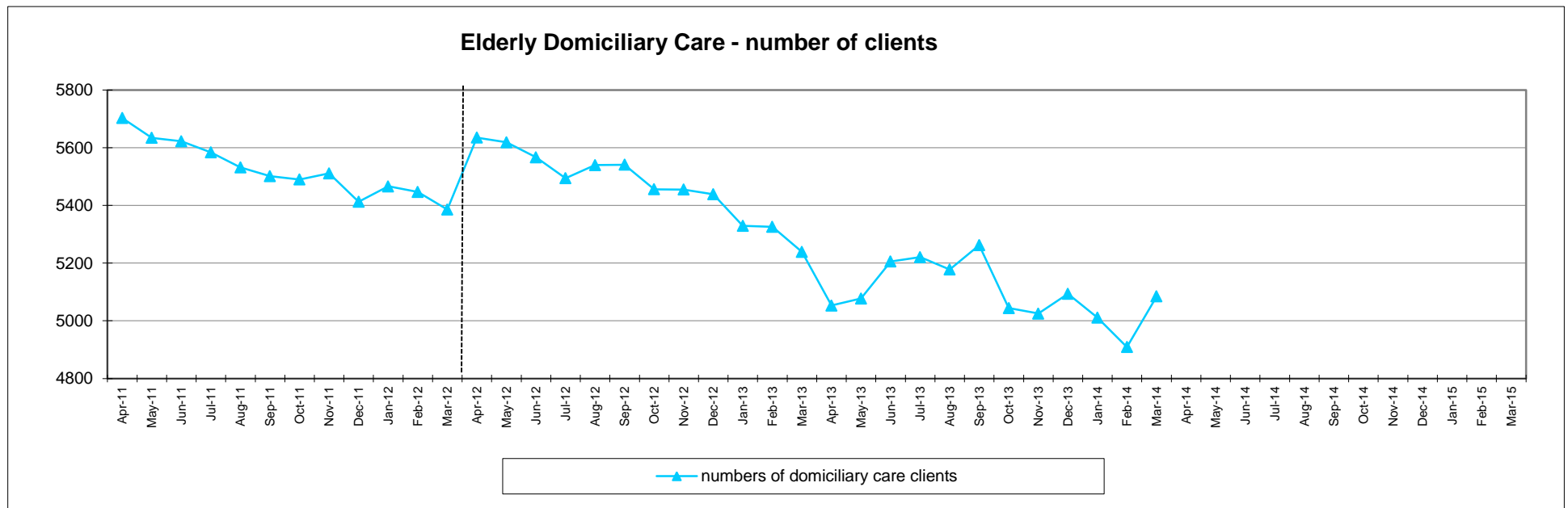


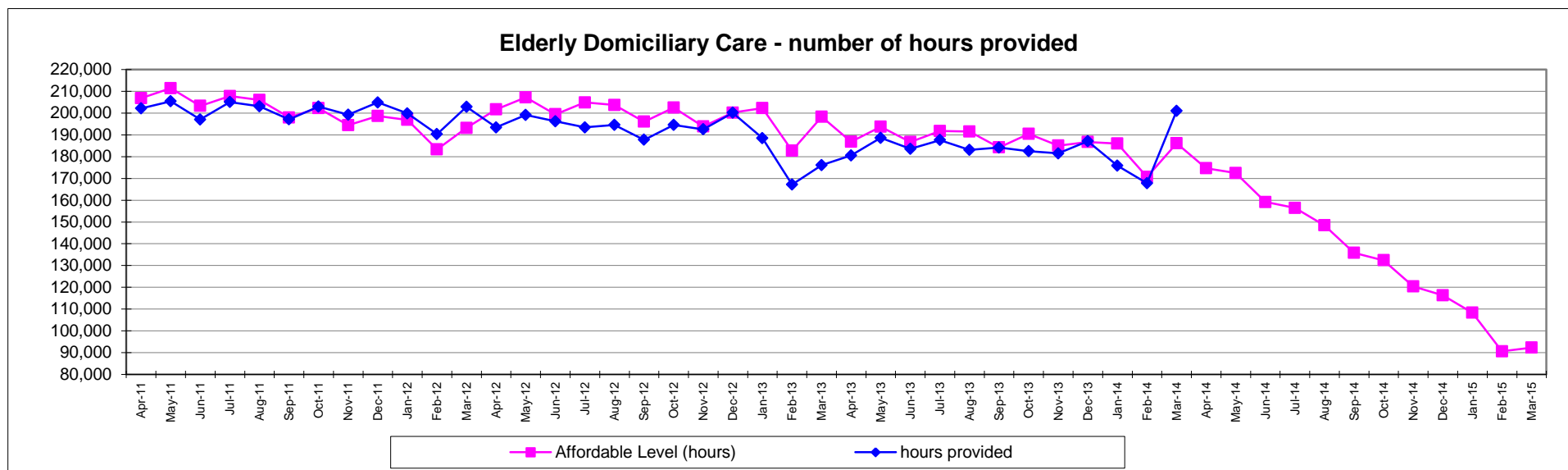
Comments:

- 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. This accounts for the differences to previous reports, with the increase in one-off payments for January (previously shown as 92, now shown as 176) being a particular case in point.
- The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. However, growth has now slowed with activity levels across 2013-14 remaining relatively stable. The current level of activity would suggest an underspend on this service, but increased unit costs have negated the impact of this. The overall effect of this is spread across individual client groups, with an overall outturn pressure of £756k on the Direct Payments budget.

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

	2011-12			2012-13			2013-14			2014-15
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
Apr	206,859	202,177	5,703	201,708	193,451	5,635	186,809	180,585	5,053	174,712
May	211,484	205,436	5,634	207,244	199,149	5,619	193,717	188,656	5,077	172,512
Jun	203,326	197,085	5,622	199,445	196,263	5,567	186,778	183,621	5,206	159,182
Jul	207,832	205,077	5,584	204,905	193,446	5,494	191,791	187,621	5,221	156,465
Aug	206,007	203,173	5,532	203,736	194,628	5,540	191,521	183,077	5,178	148,441
Sep	198,025	197,127	5,501	196,050	187,749	5,541	184,242	184,208	5,262	135,887
Oct	202,356	203,055	5,490	202,490	194,640	5,456	190,446	182,503	5,044	132,393
Nov	194,492	199,297	5,511	193,910	192,555	5,455	185,082	181,521	5,025	120,357
Dec	198,704	204,915	5,413	200,249	200,178	5,439	186,796	187,143	5,094	116,346
Jan	196,879	199,897	5,466	202,258	188,501	5,329	186,006	175,916	5,011	108,322
Feb	183,330	190,394	5,447	182,820	167,163	5,326	170,695	167,774	4,909	90,592
Mar	193,222	202,889	5,386	198,277	176,091	5,239	186,184	201,069	5,085	92,275
	2,402,516	2,410,522		2,393,092	2,283,814		2,240,067	2,203,694		1,607,484





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 outturn position is 2,203,694 hours of care against an affordable level of 2,240,067, a difference of -36,373 hours. Using the outturn unit cost of £14.95 this reduction in activity shows a variance of -£544k.
- The outturn position for 2013-14 includes backdated increases as the difference between the activity system hours and hours actually supplied (due to breaks in service and variations to supplied hours which are generally updated later) was smaller than previously assumed. This accounts for the higher than average hours of service provided shown in the March 2014 figures.
- 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 outturn average hours per client per week was 8.3.

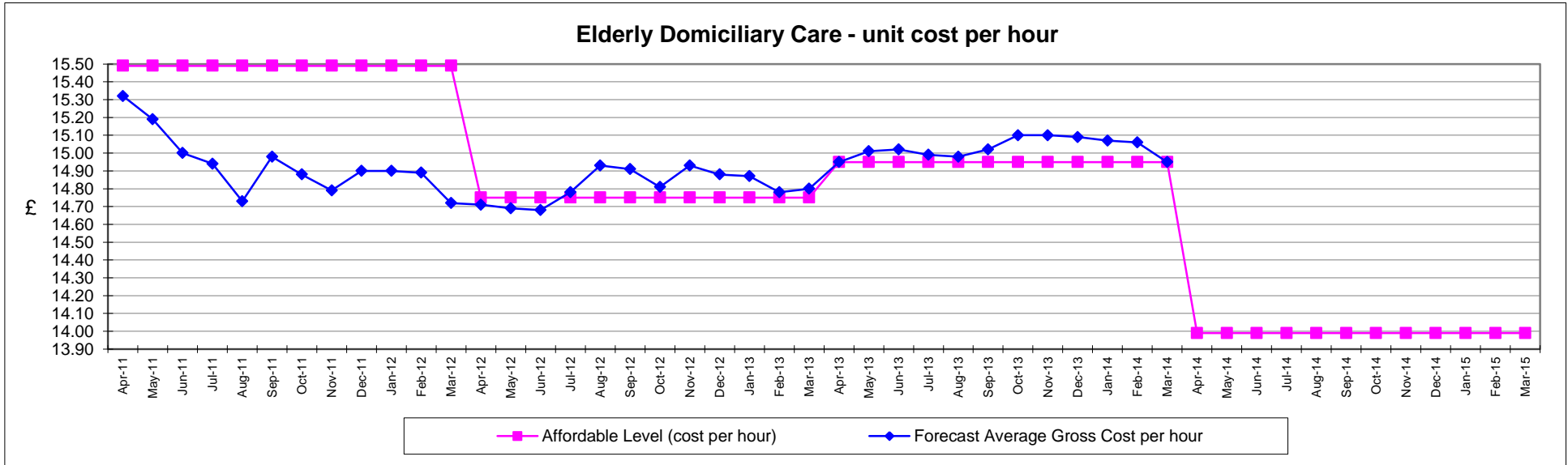
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, independent sector domiciliary clients and clients supported in Extra Care Sheltered Housing (ECSH) will be amalgamated (previously only independent sector domiciliary clients were included here). As a result, the 2014-15 affordable hours are not directly comparable with those reported up to this point.
- The sharp reduction in the affordable level for 2014-15 reflects the allocation of savings to this service for 2014-15 in line with the transformation programme. Due to the scale of the change it is possible that revisions to this profile could be required in order to best reflect the most up to date information on the progress of changes within transformation plans. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

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

	2011-12		2012-13		2013-14		2014-15
	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	Affordable Level (Cost per Hour) £p
Apr	15.49	15.32	14.75	14.71	14.95	14.95	13.99
May	15.49	15.19	14.75	14.69	14.95	15.01	13.99
Jun	15.49	15.00	14.75	14.68	14.95	15.02	13.99
Jul	15.49	14.94	14.75	14.78	14.95	14.99	13.99
Aug	15.49	14.73	14.75	14.93	14.95	14.98	13.99
Sep	15.49	14.98	14.75	14.91	14.95	15.02	13.99
Oct	15.49	14.88	14.75	14.81	14.95	15.10	13.99
Nov	15.49	14.79	14.75	14.93	14.95	15.10	13.99
Dec	15.49	14.90	14.75	14.88	14.95	15.09	13.99
Jan	15.49	14.90	14.75	14.87	14.95	15.07	13.99
Feb	15.49	14.89	14.75	14.78	14.95	15.06	13.99
Mar	15.49	14.72	14.75	14.80	14.95	14.95	13.99

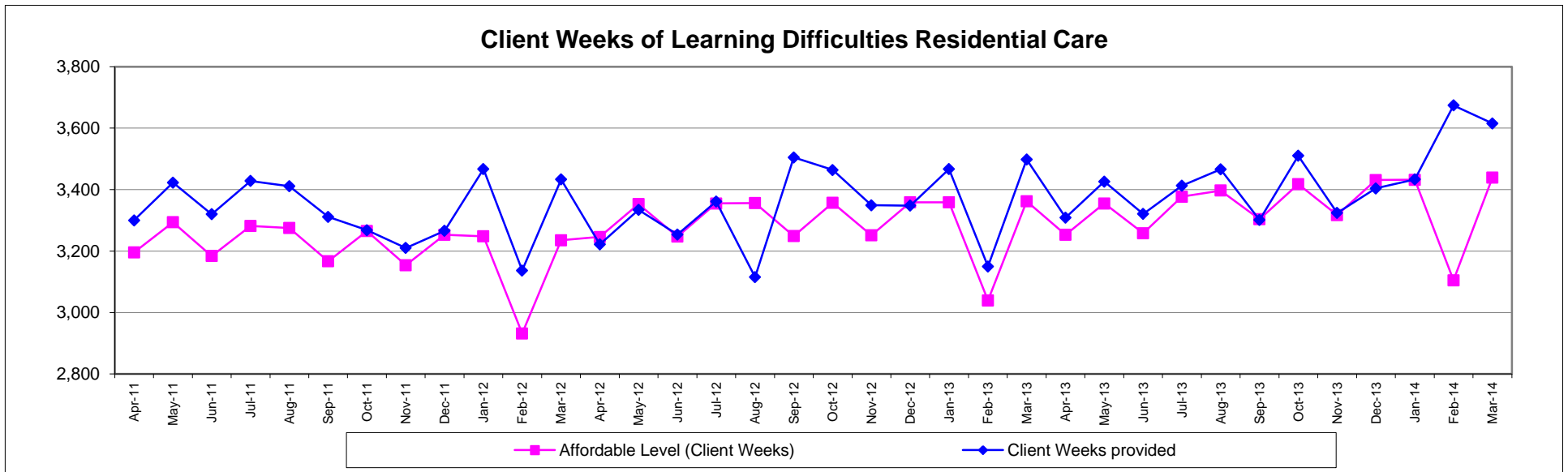
Comments:

- The unit cost is dependent on the intensity of the packages required, so is subject to variations. The affordable unit cost for 2014-15 assumes that the implementation of transformation plans will bring the average cost down.
- The outturn unit cost of +£14.95 matches the affordable cost of +£14.95. The large change in unit cost between February and March 2014 is due to backdated activity increases representing a narrowing gap between activity system hours and hours actually supplied as detailed in section 3.2.



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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	3,196	3,300	3,246	3,222	3,253	3,309	This indicator is changing for 2014-15 hence no affordable level supplied
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	3,510	
Nov	3,154	3,210	3,251	3,349	3,317	3,324	
Dec	3,253	3,266	3,359	3,348	3,431	3,404	
Jan	3,248	3,467	3,359	3,467	3,432	3,433	
Feb	2,932	3,137	3,039	3,150	3,105	3,674	
Mar	3,235	3,433	3,362	3,498	3,439	3,615	
	38,485	39,974	39,533	40,067	40,086	41,196	

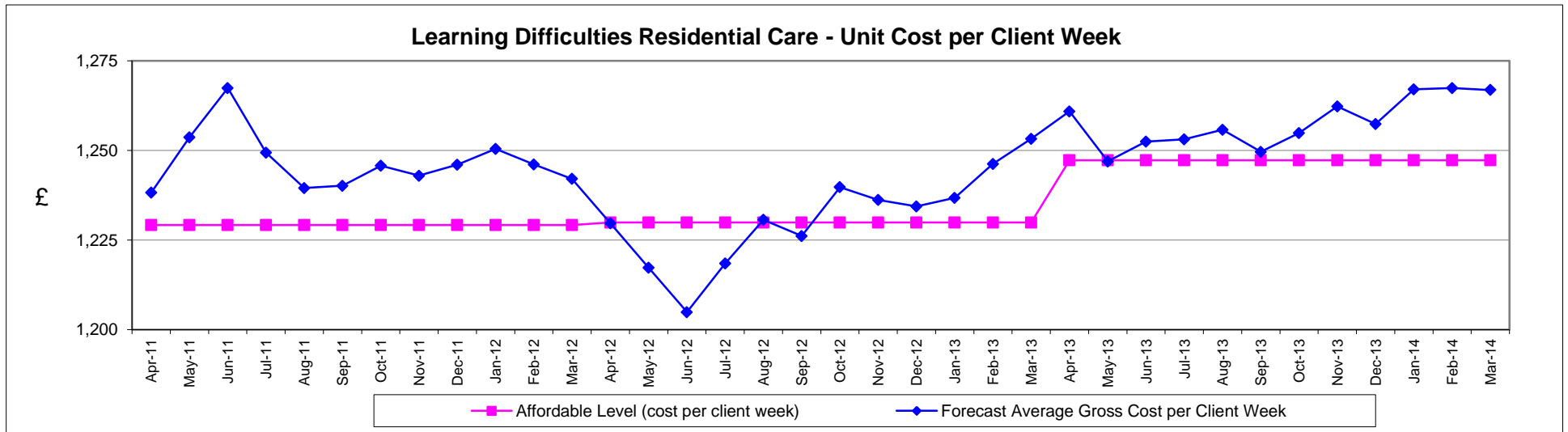


Comments:

- 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 2013-2014 it was 784. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The outturn position is 41,196 weeks of care against an affordable level of 40,086, a difference of +1,110 weeks. Using the outturn unit cost of £1,266.89, this additional activity caused a variance of +£1,406k.
- The activity for the final quarter showed a higher level of activity than previously recorded, but was in line with the forecast. This was mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity was understated. In addition, this increase included a number of transitional and provisional clients with associated backdated activity. Activity for these clients, by necessity, needed to be backdated due to bespoke contracts that had to be agreed individually with providers.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

3.5 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		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	1,229.19	1,238.24	1,229.93	1,229.69	1,247.27	1,260.92	This indicator is changing for 2014-15 hence no affordable level supplied
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	1,254.86	
Nov	1,229.19	1,242.97	1,229.93	1,236.19	1,247.27	1,262.27	
Dec	1,229.19	1,246.05	1,229.93	1,234.39	1,247.27	1,257.40	
Jan	1,229.19	1,250.44	1,229.93	1,236.77	1,247.27	1,267.08	
Feb	1,229.19	1,246.11	1,229.93	1,246.23	1,247.27	1,267.43	
Mar	1,229.19	1,242.08	1,229.93	1,253.27	1,247.27	1,266.89	

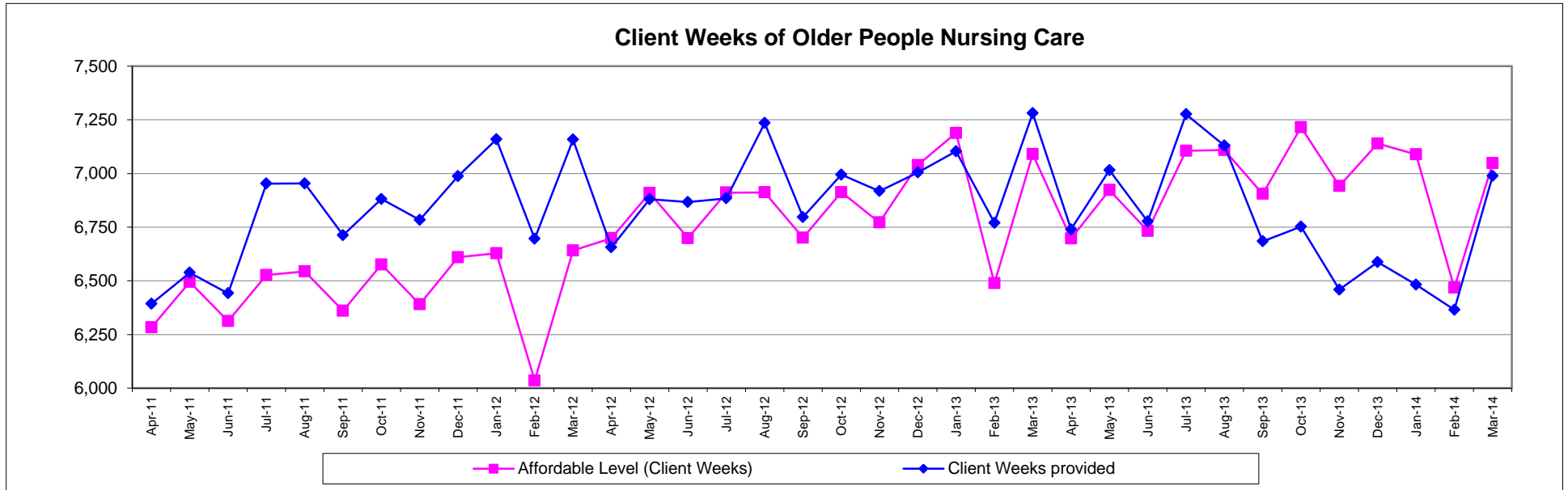


Comments:

- 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 outturn unit cost of +£1,266.89 is higher than the affordable cost of +£1,247.27 and this difference of +£19.62 added +£786k to the position when multiplied by the affordable weeks.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	6,283	6,393	6,698	6,656	6,697	6,740	This indicator is changing for 2014-15 hence no affordable level supplied
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	7,215	6,752	
Nov	6,391	6,784	6,772	6,918	6,942	6,459	
Dec	6,610	6,988	7,039	7,005	7,139	6,587	
Jan	6,628	7,159	7,189	7,103	7,089	6,482	
Feb	6,036	6,696	6,489	6,770	6,468	6,365	
Mar	6,641	7,158	7,090	7,281	7,048	6,989	
	77,405	81,659	82,322	83,391	83,374	81,256	

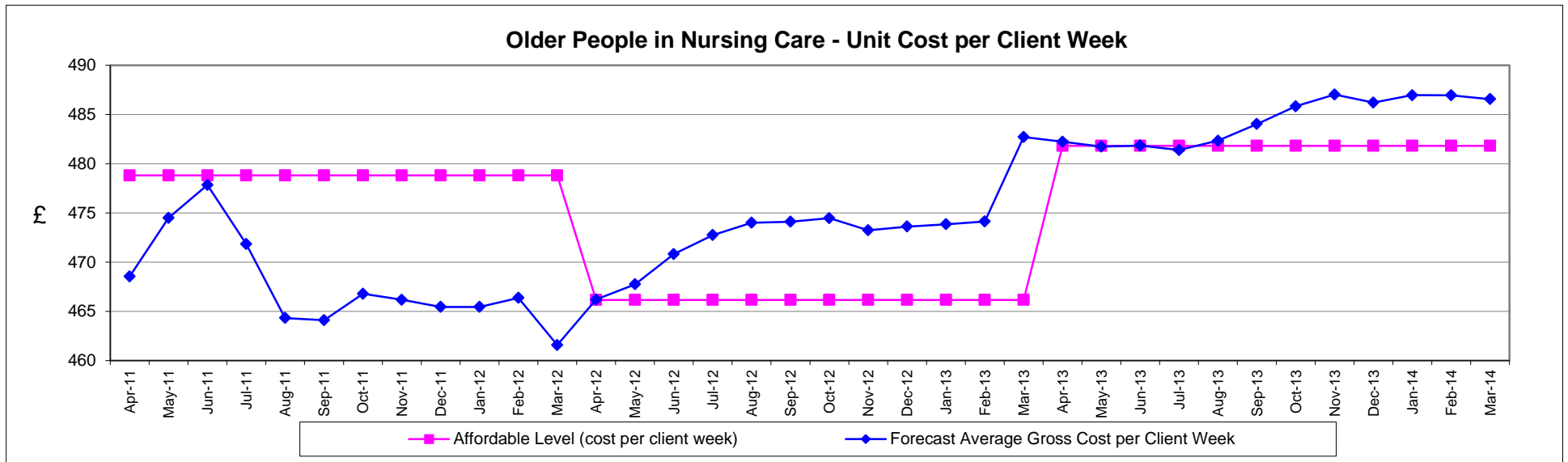


Comments:

- 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 2013-14 it was 1,412.
- The outturn position is 81,256 weeks of care against an affordable level of 83,374, a difference of -2,118 weeks. Using the outturn unit cost of £486.55, this reduced activity caused a variance of -£1,031k.
- The activity for the final quarter showed a higher level of activity than previously forecast. This included a turnover of clients, with slight timing differences between clients commencing or ending nursing care resulting in some backdated activity from earlier parts of the year.
- We are now making contributions under the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

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

	2011-12		2012-13		2013-14		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	478.80	468.54	466.16	466.20	481.80	482.22	This indicator is changing for 2014-15 hence no affordable level supplied
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	485.82	
Nov	478.80	466.17	466.16	473.23	481.80	487.02	
Dec	478.80	465.44	466.16	473.61	481.80	486.21	
Jan	478.80	465.44	466.16	473.84	481.80	486.95	
Feb	478.80	466.36	466.16	474.13	481.80	486.93	
Mar	478.80	461.58	466.16	482.71	481.80	486.55	

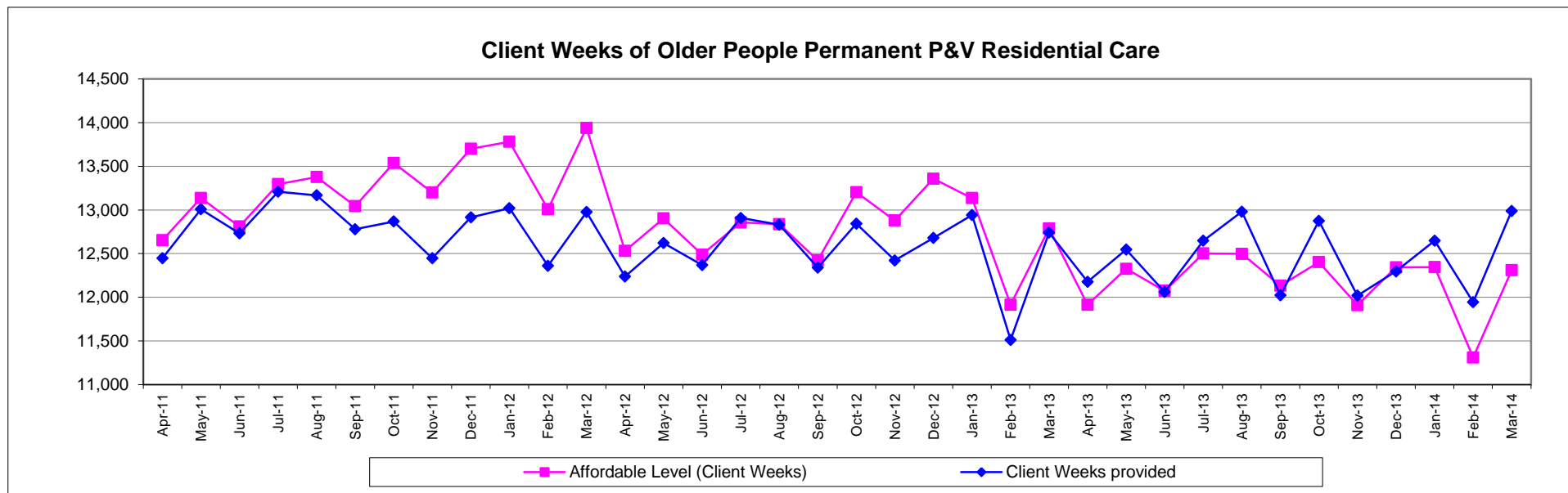


Comments:

- 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 outturn unit cost of +£486.55 is higher than the affordable cost of +£481.80 and this difference of +£4.75 is represented by +£396k variance when multiplied by the affordable weeks. The general increase in the unit cost since August is primarily due to the forecast weeks reflecting the actual level of usage of short term block bed contracts, rather than assuming full occupancy.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

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

	2011-12		2012-13		2013-14		2104-15
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)
Apr	12,655	12,446	12,532	12,237	11,914	12,176	This indicator is changing for 2014-15 hence no affordable level supplied
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	12,875	
Nov	13,200	12,448	12,880	12,422	11,910	12,019	
Dec	13,700	12,914	13,358	12,679	12,341	12,296	
Jan	13,782	13,019	13,135	12,941	12,345	12,649	
Feb	13,007	12,361	11,916	11,512	11,310	11,943	
Mar	13,940	12,975	12,786	12,741	12,310	12,989	
	159,487	153,925	153,320	150,443	146,064	149,202	

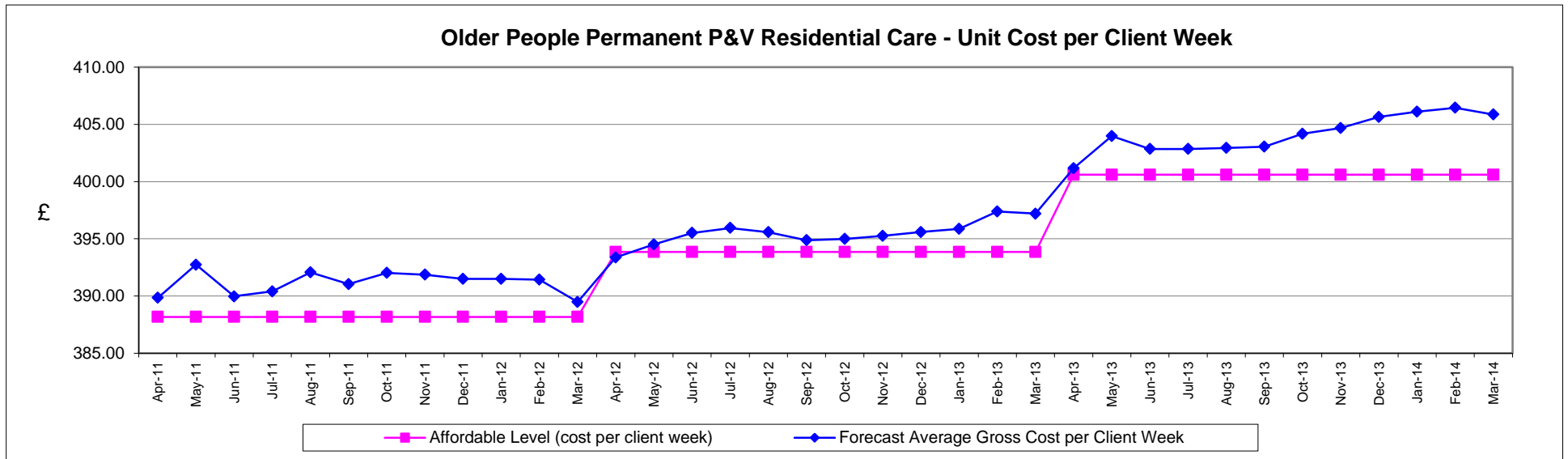


Comments:

- 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 2013-14 it was 2,633. 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 outturn position is 149,202 weeks of care against an affordable level of 146,064, a difference of +3,138 weeks. Using the outturn unit cost of £405.86, this additional activity increases the outturn position by +£1,274k.
- The activity for the final quarter showed a higher level of activity than previously forecast. This included a turnover of clients, with slight timing differences between clients commencing or ending residential care resulting in some backdated activity from earlier parts of the year.
- Previously forecast contributions to the Health and Social Care Village model for health commissioning of short-term beds, in order to support step down from acute hospital to reduce demand for this service, have been deferred to 2014-15.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable weeks are not directly comparable with those reported up to this point.

3.9 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		2014-15
	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p
Apr	388.18	389.85	393.85	393.37	400.60	401.17	This indicator is changing for 2014-15 hence no affordable level supplied
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	404.18	
Nov	388.18	391.87	393.85	395.26	400.60	404.68	
Dec	388.18	391.50	393.85	395.59	400.60	405.65	
Jan	388.18	391.50	393.85	395.88	400.60	406.12	
Feb	388.18	391.44	393.85	397.38	400.60	406.46	
Mar	388.18	389.48	393.85	397.20	400.60	405.86	

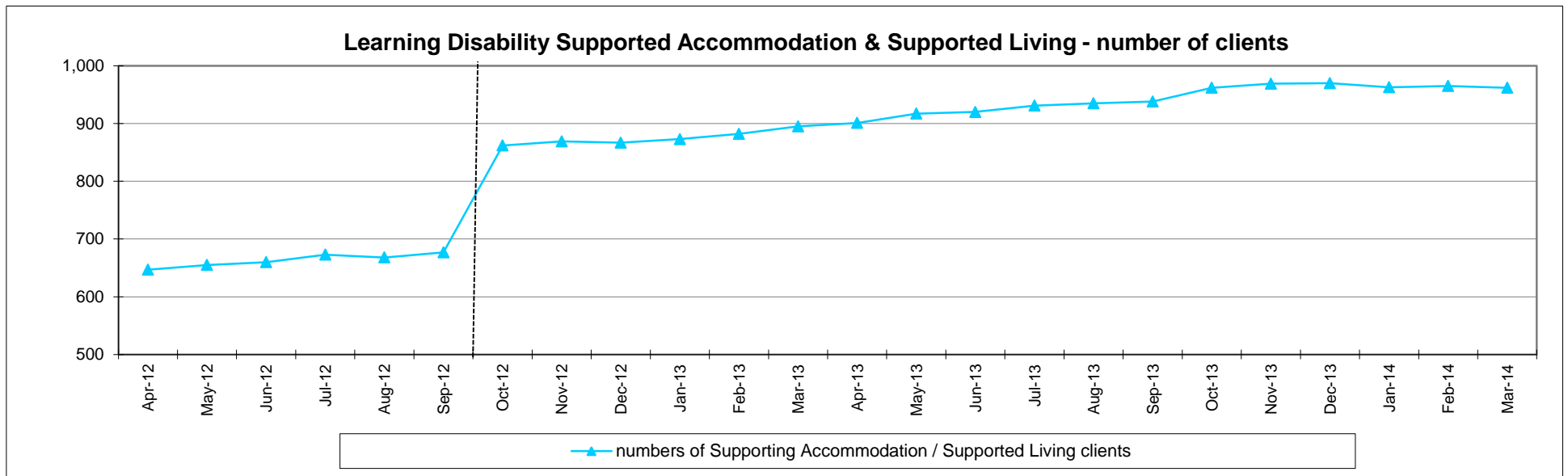


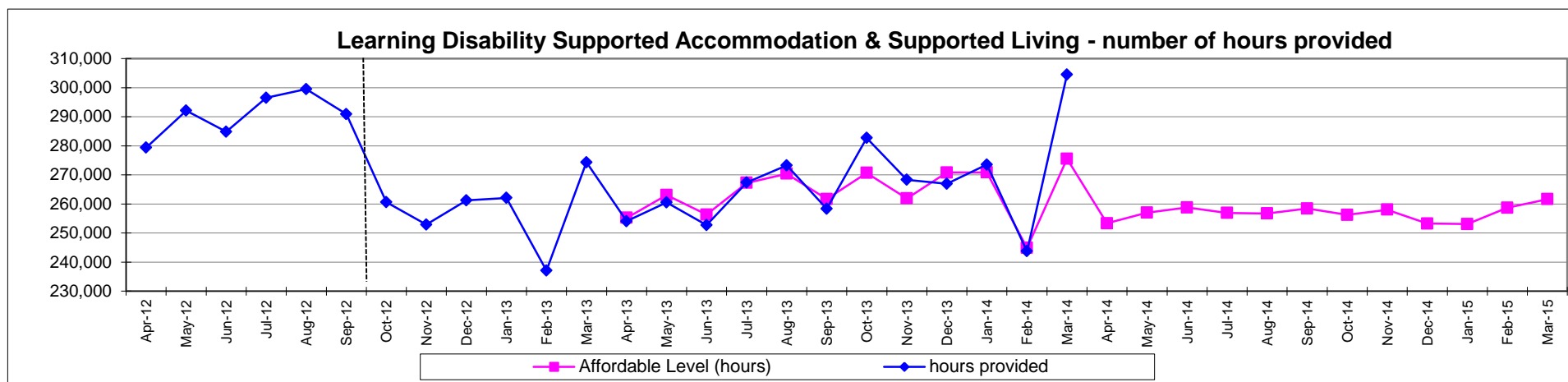
Comments:

- The outturn unit cost of +£405.86 is higher than the affordable cost of +£400.60 and this difference of +£5.26 added +£768k to the variance when multiplied by the affordable weeks. 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. The general increase in unit costs is partly due to the increasing trend for new cases to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.
- From April 2014-15 a number of changes are taking place in order to meet financial and activity reporting requirements. As part of these, preserved rights and non-preserved rights clients will be amalgamated (previously only non-preserved rights clients were included in this indicator). In addition, respite care will no longer be reported on this line. As a result, the 2014-15 affordable unit cost is not directly comparable with those costs reported up to this point.

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

	2012-13			2013-14			2014-15
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
Apr		279,365	647	255,228	254,067	901	253,351
May		292,122	655	263,089	260,503	917	256,998
Jun		284,835	660	256,321	252,761	920	258,791
Jul		296,532	673	267,255	267,384	931	256,922
Aug		299,521	668	270,414	273,259	935	256,764
Sep		290,914	677	261,697	258,323	938	258,405
Oct		260,574	862	270,697	282,706	962	256,261
Nov		252,932	869	261,922	268,324	969	258,032
Dec		261,257	867	270,798	266,913	970	253,249
Jan		262,070	873	270,874	273,530	963	253,068
Feb		237,118	882	244,883	243,730	965	258,680
Mar		274,334	895	275,556	304,457	962	261,640
		3,291,574		3,168,734	3,205,957		3,082,161





Comments:

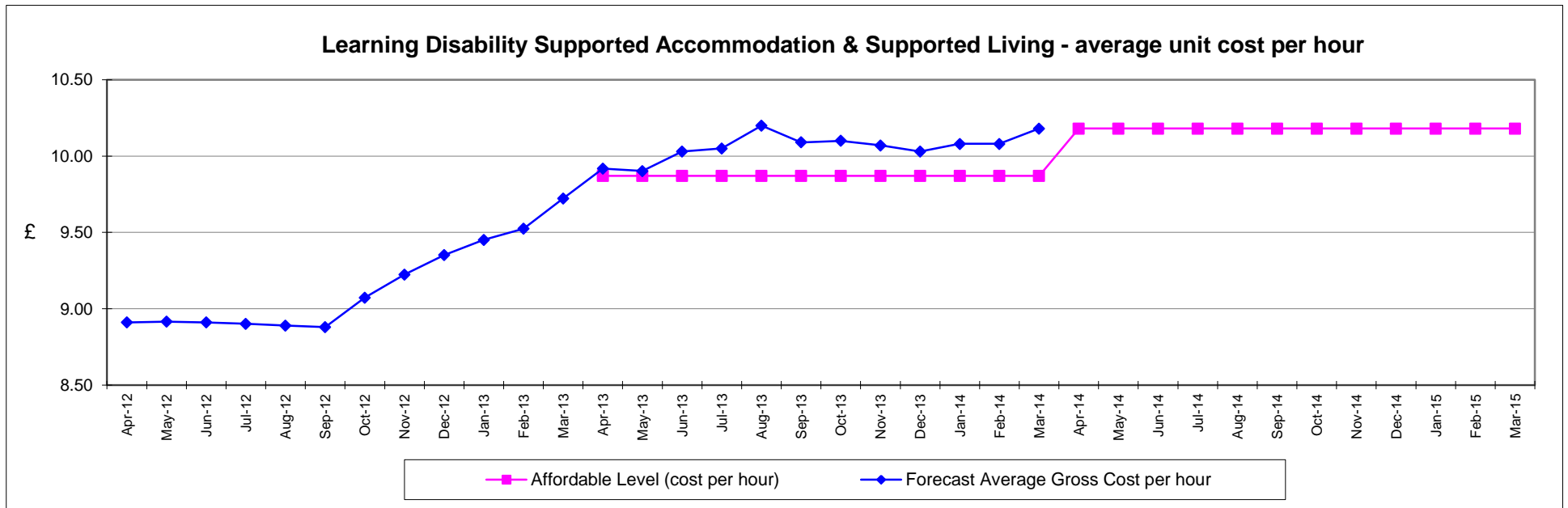
- This indicator has changed from 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The 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 outturn position is 3,205,957 hours of care against an affordable level of 3,168,734, a difference of +37,223 hours. Using the outturn unit cost of £10.18, this additional activity increased the position by +£379k.
- The activity for March 2014 showed a higher level of activity than previously recorded, but was in line with the forecast. This was mainly due to a delay in the recording of care services on the activity database, meaning the year to date activity was understated. Such delays are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.
- The difference between the 2013-14 outturn weeks and the 2014-15 affordable level of weeks is likely to necessitate revisions in order to best reflect the current usage of this service. Any such changes will be requested in the first full monitoring report to Cabinet in September and consequently the affordable levels will be amended accordingly.

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

	2012-13		2013-14		2014-15
	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
Apr		8.91	9.87	9.92	10.18
May		8.92	9.87	9.90	10.18
Jun		8.91	9.87	10.03	10.18
Jul		8.90	9.87	10.05	10.18
Aug		8.89	9.87	10.20	10.18
Sep		8.88	9.87	10.09	10.18
Oct		9.07	9.87	10.10	10.18
Nov		9.22	9.87	10.07	10.18
Dec		9.35	9.87	10.03	10.18
Jan		9.45	9.87	10.08	10.18
Feb		9.53	9.87	10.08	10.18
Mar		9.72	9.87	10.18	10.18

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 outturn unit cost of +£10.18 is higher than the affordable cost of +£9.87 and this difference of +£0.31 added +£982k to the position when multiplied by the affordable hours.



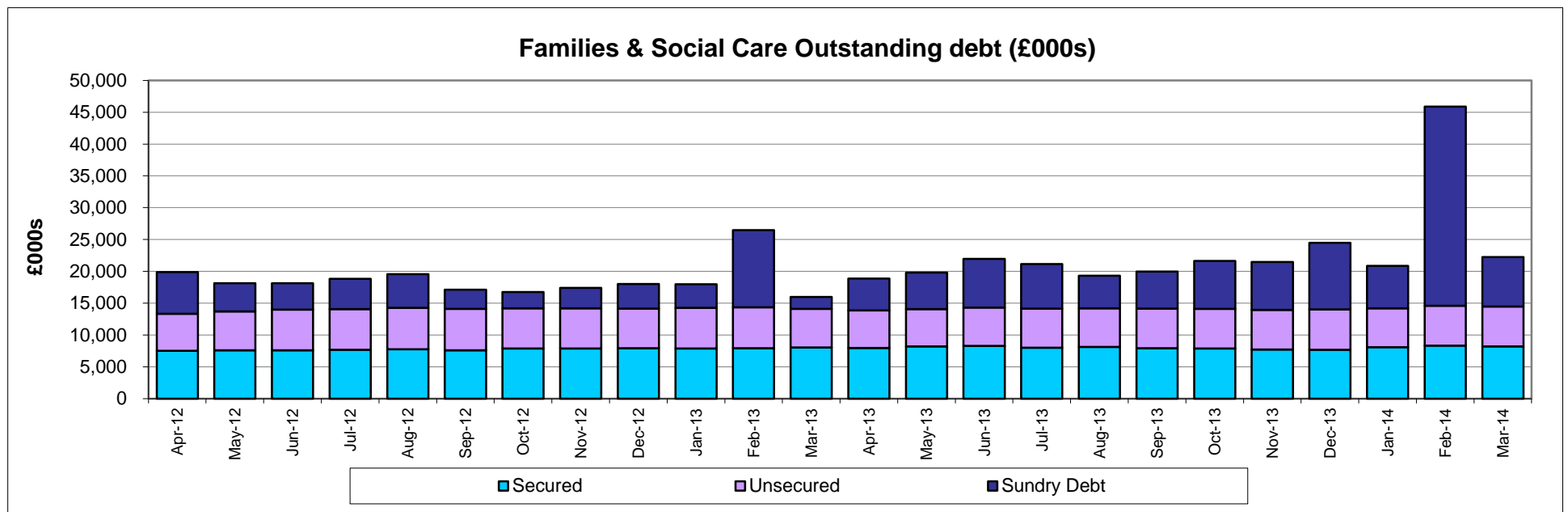
3.12 SOCIAL CARE DEBT MONITORING

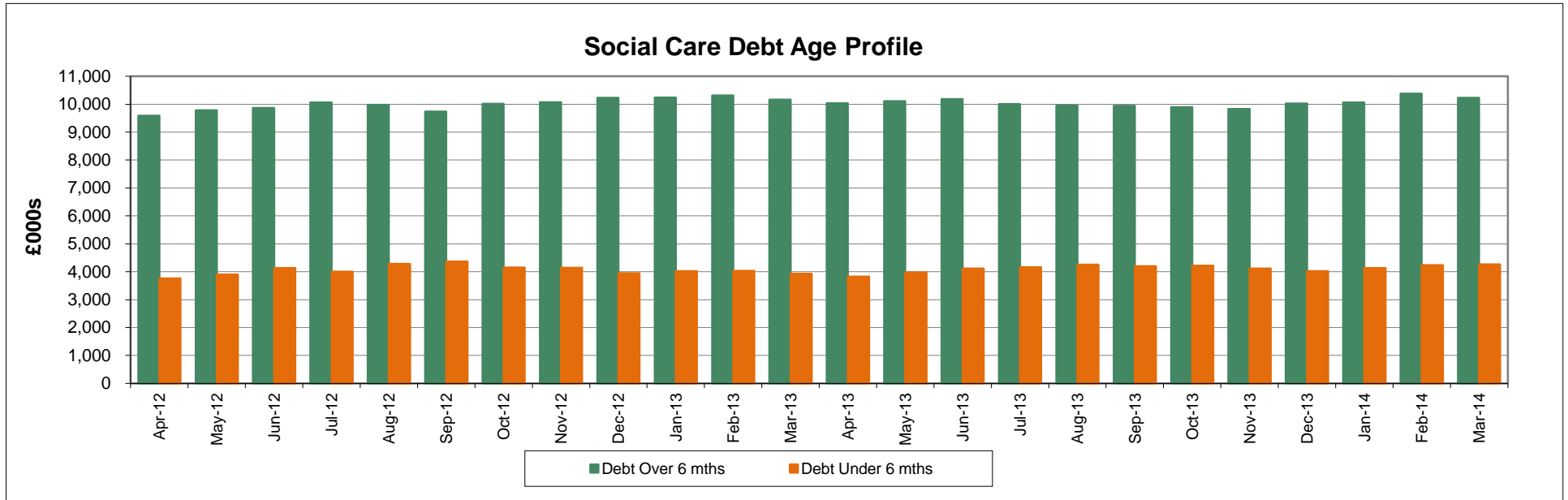
The outstanding debt as at the end of February was £45.888m compared with January's figure of £20.879m (reported to Cabinet in March) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £31.278m of sundry debt compared to £6.685m in January. This increase is almost entirely due to three large invoices to Health which had only just become overdue at the end of February, however these three invoices have now been settled so will not show in the March outstanding debt figures. It is not uncommon for the amount of sundry debt to fluctuate for large invoices to Health. Also within the outstanding debt is £14.610m relating to Social Care (client) debt which is a small increase of £0.416m from the last reported position to Cabinet in March. 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.

	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
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

	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
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
Oct-13	21,646	7,533	14,113	9,896	4,217	7,867	6,246
Nov-13	21,471	7,524	13,947	9,830	4,117	7,728	6,219
Dec-13	24,480	10,436	14,044	10,026	4,018	7,694	6,350
Jan-14	20,879	6,685	14,194	10,060	4,134	8,103	6,091
Feb-14	45,888	31,278	14,610	10,380	4,230	8,321	6,289
Mar-14	22,238	7,753	14,485	10,226	4,259	8,213	6,272

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.





With regard to Social Care debt, the tables below show the current breakdown and movement since the last report of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

Social Care debt by Customer Credit Status	February £000s	March £000s	Movement £000s
Secured	8,321	8,213	-108
Unsecured - Deceased/Terminated Service	1,721	1,783	62
Unsecured - Ongoing	4,570	4,491	-79
Health (Unsecured)	-2	-2	0
TOTAL	14,610	14,485	-125

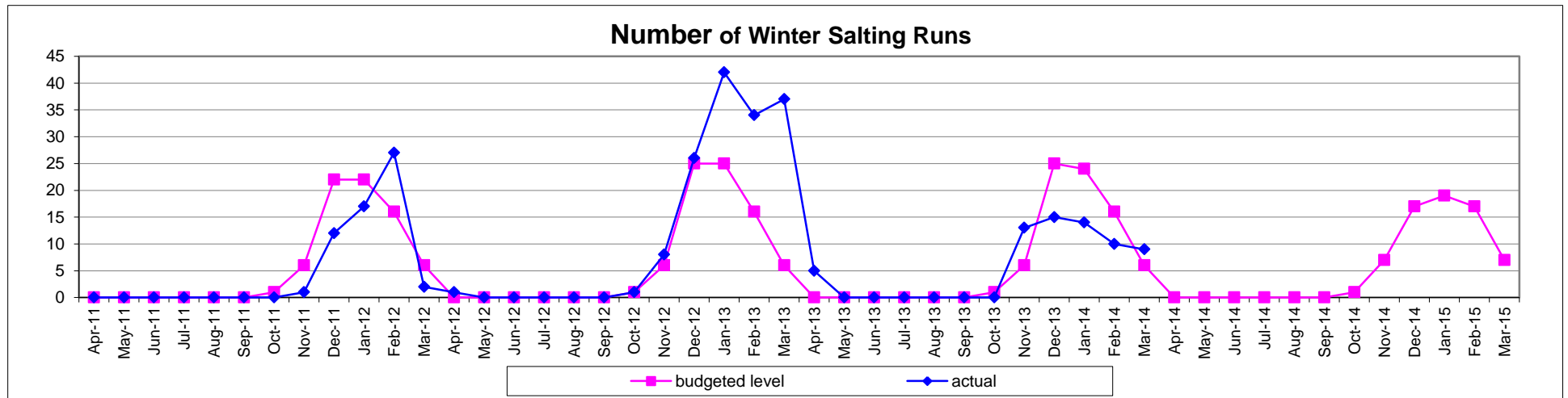
Unsecured debt by Client Group	February £000s	March £000s	Movement £000s
Older People/Physical Disability	5,879	5,890	11
Learning Disability	296	284	-12
Mental Health	116	100	-16
Health	-2	-2	0
TOTAL	6,289	6,272	-17

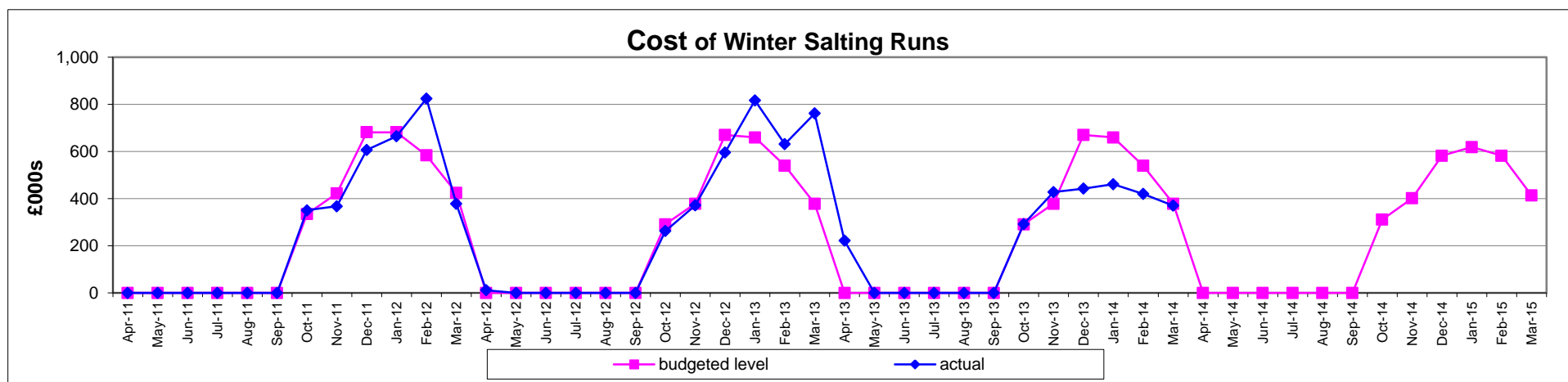
4. ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY

4.1 Number and Cost of winter salting runs

	2011-12				2012-13				2013-14				2014-15	
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. 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	Budgeted level	Budgeted level £'000
Apr	-	-	-	-	-	1	-	12	-	5	-	222	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	335	351	1	1	291	263	1	-	291	293	1	311
Nov	6	1	423	368	6	8	379	372	6	13	379	428	7	402
Dec	22	12	682	607	25	26	670	596	25	15	670	443	17	583
Jan	22	17	682	665	25	42	660	817	24	14	660	462	19	619
Feb	16	27	584	825	16	34	540	632	16	10	540	421	17	583
Mar	6	2	425	378	6	37	379	762	6	9	379	371	7	414
	73	59	3,131	3,194	79	149	2,919	3,454	78	66	2,919	2,639	68	2,911

The budgeted number of salting runs assumes county wide coverage but in some cases, the actual number includes salting runs for which only part county coverage was required.



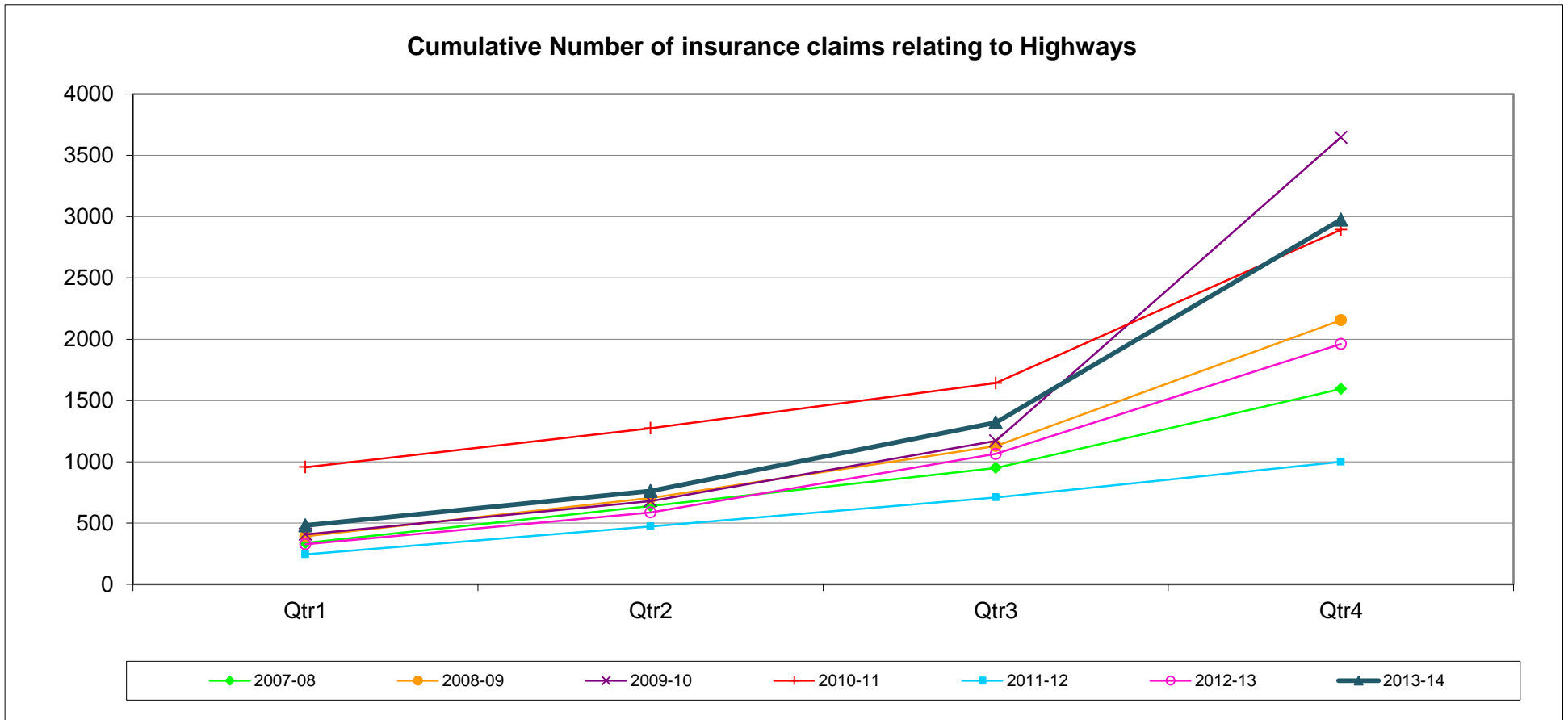


Comments:

- 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. However the actual number of salting runs was below budgeted levels due to the mild winter of 2013-14. Overall there was a net underspend of -£176k on the adverse weather budget in 2013-14 which is due to an underspend of -£280k on winter salting runs (as shown in the table above), an overspend of £146k due to insufficient provision being made for 2012-13 salting costs and an underspend of £42k of other costs associated with adverse weather, not directly attributed to salting runs.
- Although the budgeted number of salting runs was higher in 2012-13 than in 2011-12, the budgeted cost was 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.

4.2 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	480
Jul to Sep	640	704	680	1,273	473	587	761
Oct to Dec	950	1,128	1,170	1,643	709	1,064	1,320
Jan to Mar	1,595	2,155	3,647	2,893	1,000	1,962	2,976



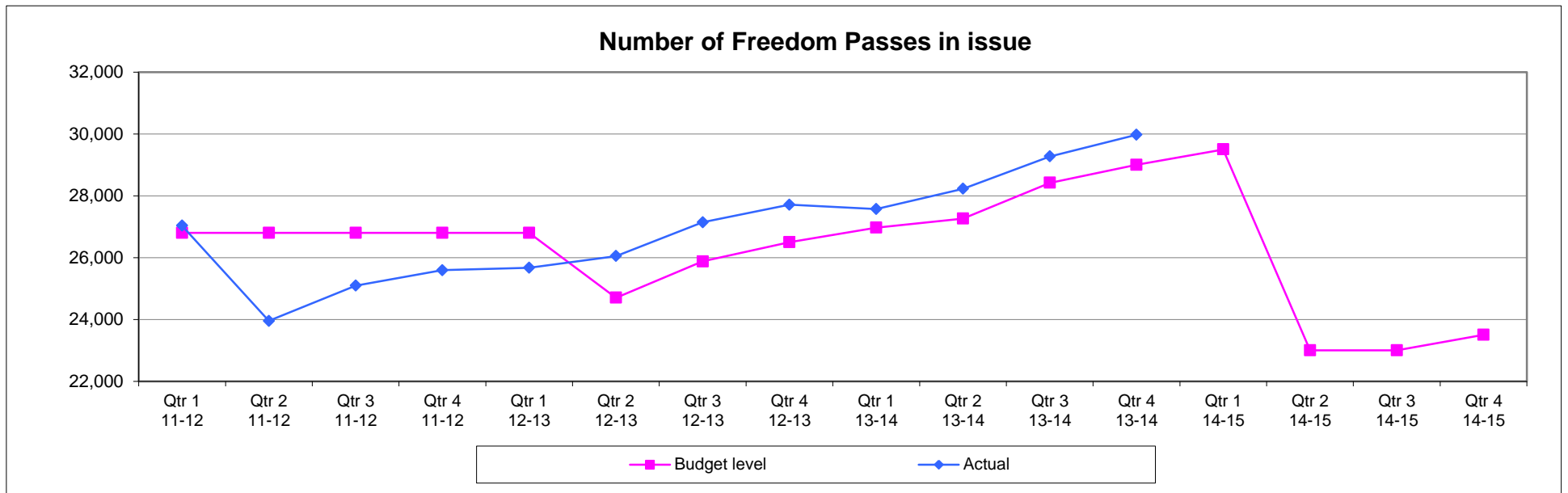
Comments:

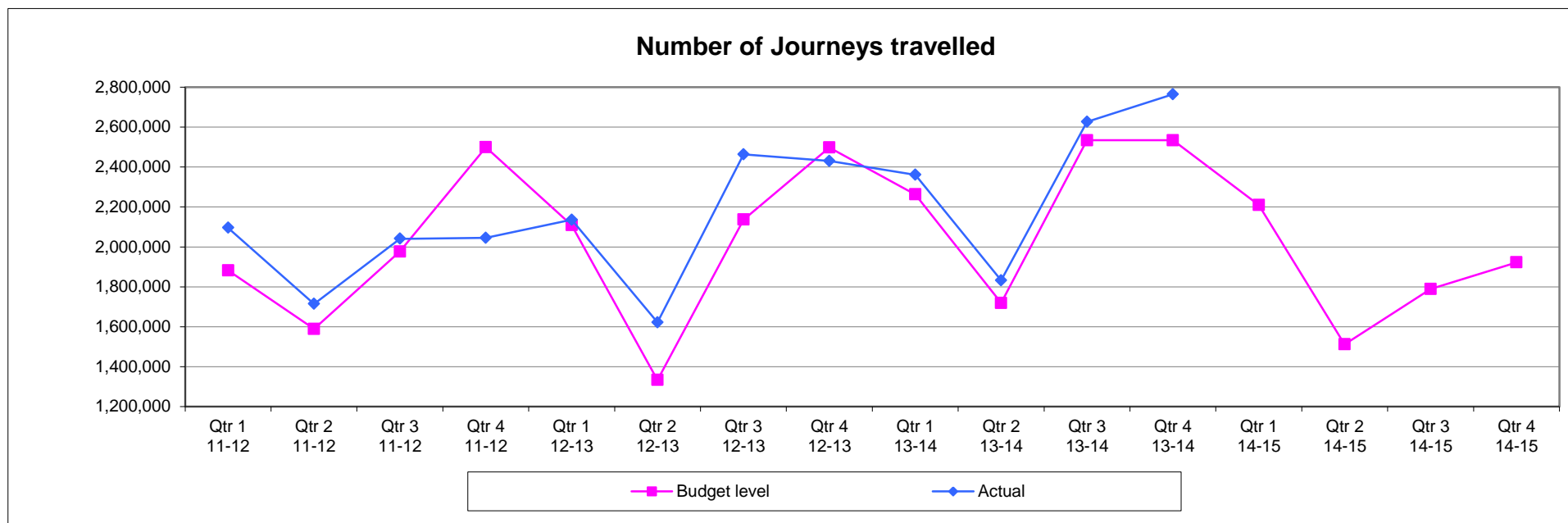
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31st March 2014.
- 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. Claim numbers are again high in 2013-14, which is probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. However, additional funding has been made available to in order to address this.
- 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 89%.

4.3 Freedom Pass

	2011-12				2012-13				2013-14				2014-15	
	Passes		Journeys travelled		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)	Budget level	Budget level (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	2,361	29,500	2,210
Qtr 2	26,800	23,952	1,589	1,714	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	23,000	1,512
Qtr 3	26,800	25,092	1,977	2,041	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	23,000	1,789
Qtr 4	26,800	25,593	2,499	2,045	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	23,500	1,922
			7,947	7,896			8,076	8,652			9,050	9,585		7,433

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 quarter one of 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. The 2013-14 actual journey numbers for quarters 1 and 2 have been adjusted as they had previously included journeys funded from the Home to School Transport budget. The number of journeys is higher than budgeted resulting in a gross pressure of £851k.
- 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.
- The 2014-15 budgeted levels from quarter 2 onwards are lower than previous years and reflect the anticipated reduction in the demand for passes and journey's travelled following the change in policy from Freedom Pass to Young Person's Travel Pass.

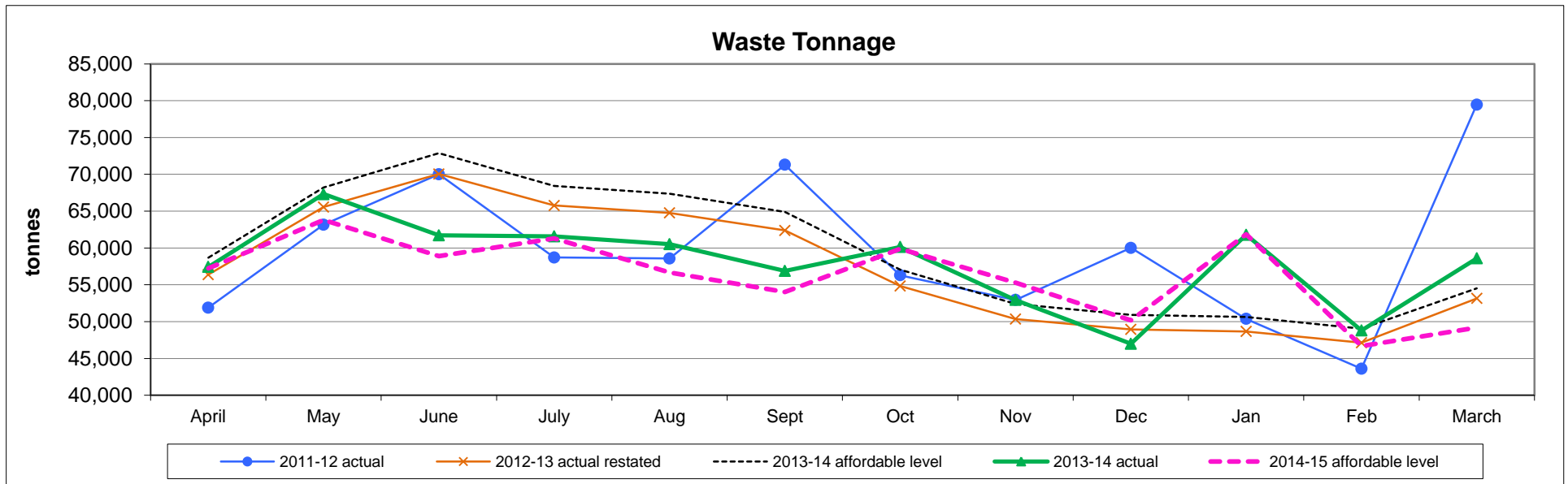
4.4 Waste Tonnage

	2011-12	# 2012-13	2013-14		2014-15
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* ^ Waste Tonnage	Affordable Level
Apr	51,901	56,390	58,673	57,423	57,246
May	63,168	65,562	68,216	67,314	63,802
Jun	70,006	70,033	72,869	61,701	58,899
Jul	58,711	65,764	68,426	61,563	61,282
Aug	58,581	64,760	67,381	60,519	56,684
Sep	71,296	62,377	64,902	56,884	54,032
Oct	56,296	54,837	57,057	60,127	59,881
Nov	52,942	50,344	52,382	52,934	55,294
Dec	60,009	48,925	50,906	46,979	50,167
Jan	50,366	48,668	50,638	61,791	61,844
Feb	43,607	47,135	49,043	48,801	46,682
Mar	79,468	53,150	54,507	58,583	49,187
	716,351	687,945	715,000	694,619	675,000

^ 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 was restated in the quarter 2 monitoring reported to Cabinet in December to reflect tonnage based on waste outputs from transfer stations rather than waste inputs to our facilities. This was 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 were also 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.
- The cumulative tonnage activity for the year is 20,381 tonnes less than the affordable level.
- Overall waste volumes are 1% higher when compared to last year (based on the restated 2012-13 figures).
- Based on the actual waste tonnage for 2013-14, the overall volume of waste managed this financial year is 694,619 tonnes, which is 20,381 tonnes below the affordable level and equates to a saving of £2.155m. However this saving on waste volumes is offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The 2014-15 affordable level was based on the actual activity of the first three quarters of 2013-14. The 2013-14 activity clearly shows an increase in actual waste tonnage in the final quarter which was unexpected. At this stage it is not known whether this increase will continue into 2014-15. The first quarters activity will be reported to Cabinet in September.

5. CUSTOMER & COMMUNITIES DIRECTORATE

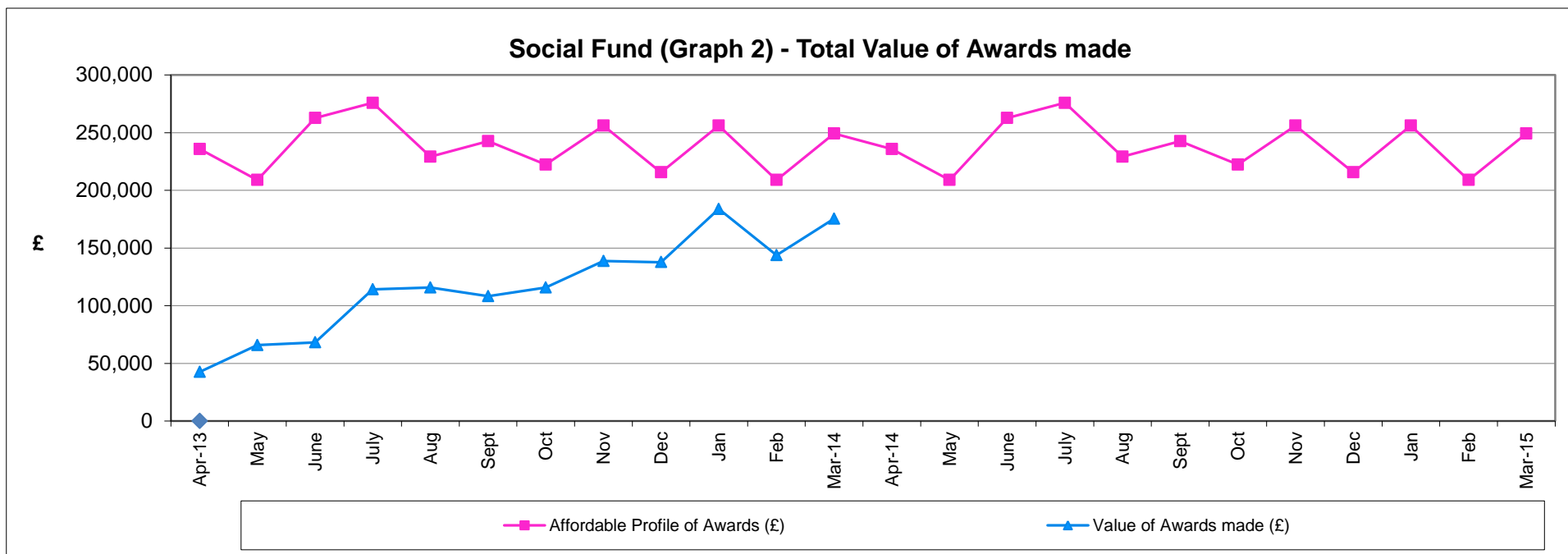
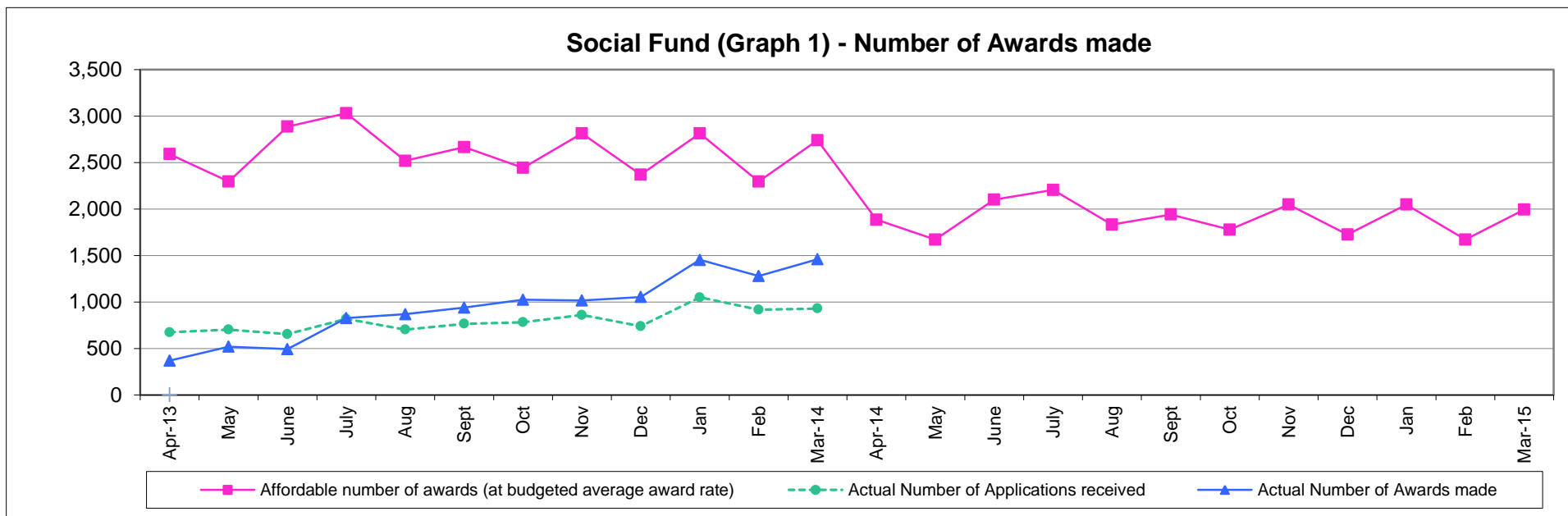
5.1 Number and Value of Social Fund awards made

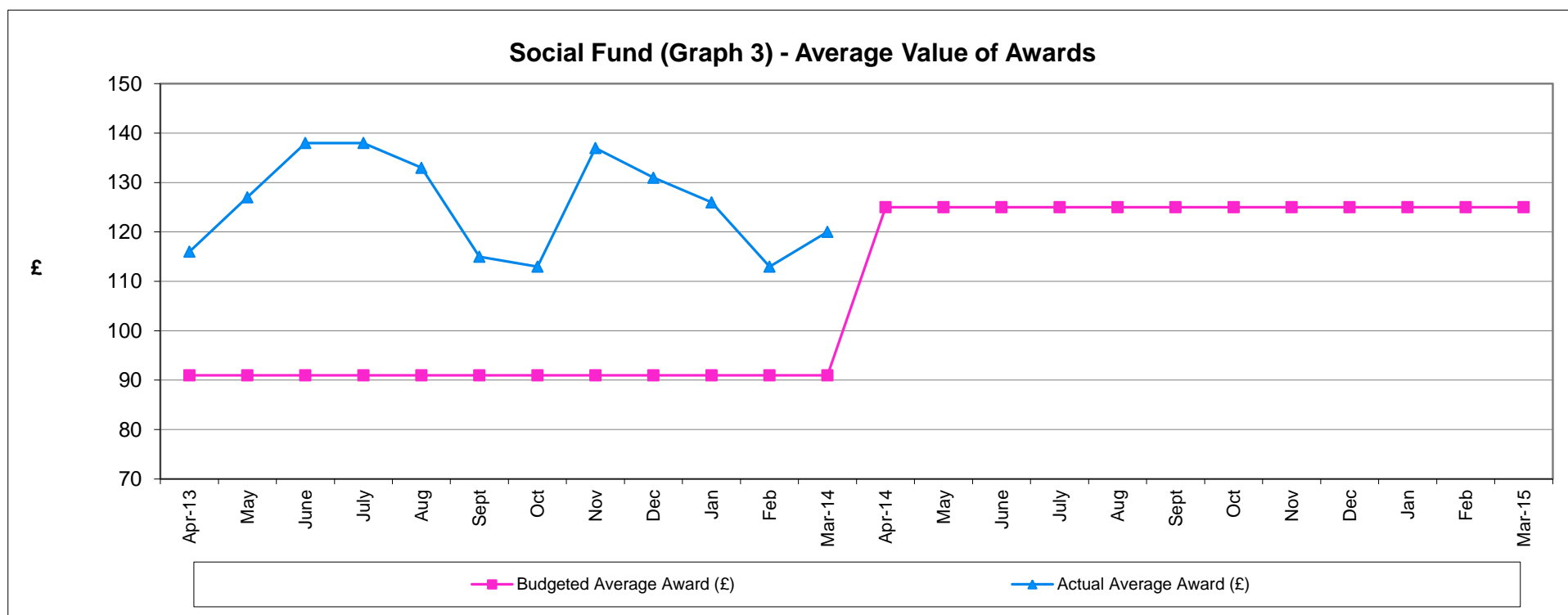
	2013-14						2014-15			
	(a) *	(b)	(c)	(d) * ^	(e) ^	(d) / (a)	(e) / (c)	(a) *	(d) *	(d) / (a)
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)	Affordable number of awards (at budgeted average award rate)	Affordable profile of awards (£)	Budgeted average award (£)
Apr	2,591	673	368	235,800	42,620	91	116	1,886	235,800	125
May	2,296	704	520	208,900	65,907	91	127	1,671	208,900	125
Jun	2,887	655	494	262,700	68,201	91	138	2,102	262,700	125
Jul	3,031	818	828	275,800	114,188	91	138	2,206	275,800	125
Aug	2,518	704	869	229,100	115,811	91	133	1,833	229,100	125
Sep	2,666	766	939	242,600	108,237	91	115	1,941	242,600	125
Oct	2,443	783	1,025	222,300	115,778	91	113	1,778	222,300	125
Nov	2,813	861	1,015	256,000	138,738	91	137	2,048	256,000	125
Dec	2,369	738	1,054	215,600	137,748	91	131	1,725	215,600	125
Jan	2,813	1,050	1,453	256,000	183,774	91	126	2,048	256,000	125
Feb	2,296	918	1,278	208,900	143,813	91	113	1,671	208,900	125
Mar	2,739	930	1,460	249,300	175,416	91	120	1,994	249,300	125
	31,462	9,600	11,303	2,863,000	1,410,231	91	125	22,903	2,863,000	125

* 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).

^ The statistical & financial information contained within the table above is based on the numbers of awards approved during the financial year and shows an underspend of £1,452.8k (column d - column e above). Although awards are approved for individuals in dire need, these awards are not always taken up for a variety of reasons. During the year £269.4k of approved awards, mainly for furniture & equipment were not taken up by the clients. Therefore the financial underspend as a consequence of the value of awards actually paid (taken up) is £1,722.2k and this is requested to roll forward to 2014-15, as detailed in Appendix 1 of this report.





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.

- **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. In previous reports the number of applications received was higher than the number of awards made, which predominately reflected that applications for cash awards were 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. However, the number of awards made is now higher than the number of applications received illustrating that some applications result in more than one award e.g. an award for food and clothing and an award for energy vouchers. 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 the funding for awards 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 and communication increases about what the new scheme provides and evidence of this is visible in the figures in the table above, where the value of awards made has steadily increased throughout the year to date. In addition, it is anticipated that changes to welfare reform may still impact on the value of awards given in this financial year. 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 48% 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 16% of the number of awards but 54% 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 December 2013 the service adopted a temporary policy to cope with Christmas demand and the flood emergency. This policy ensured a focus on emergency awards e.g. food, but with a temporary suspension of equipment awards. The cessation of this temporary policy in January has therefore led to an increase in applications and awards, due in part to the impact of processing December applications for equipment in January. The impact of Christmas and the floods has also led to a significant increase in the numbers of the lower value energy awards and food & clothes awards in January, thus the average value of awards has decreased.

6. BUSINESS STRATEGY & SUPPORT DIRECTORATE

6.1 Capital Receipts

The total forecast receipts expected to come in during 2013-14 is £7.642m. This is broken down between the various “pots” as detailed in the tables below.

6.2 Capital Receipts Funding Capital Programme

	2013-14
	£'000
Capital receipt funding required for capital programme	7,005
Banked in previous years and available for use	30,786
Requiring to be sold this year	0
Receipts achieved for 2013-14	<u>3,502</u>
Potential Surplus/(Deficit)	27,283

6.2.1 The total capital receipt funding required to fund projects in the capital programme per the 2013-14 outturn totals £7.005m.

6.2.2 Receipts achieved during 2013-14 for use against schemes in the capital programme will total £3.502m, which leaves a potential surplus on capital receipt funding in the capital programme of £27.283m. 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

6.2.3 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.

6.2.4 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.

6.2.5 Provisional 2013-14 outturn position

	2013-14
	£000
Opening deficit balance 1 April 2013	-5,560
Receipts	246
Costs	0
Planned acquisitions	0
Reimbursement - Eurokent Access	0
Closing balance	<u>-5,314</u>

6.2.6 The previous table shows the opening balance on the fund as being -£5.560m. With receipts of £0.246m, this results in a closing balance of -£5.314m.

Revenue Position

6.2.7 The balance brought forward at the 1st April 2013 was -£3.285m. The net cost from managing the properties held within the fund for 2013-14 is £0.376m, and with the need to fund costs of borrowing of -£0.467m against the overdraft facility, the PEF1 is showing a £4.128m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

6.2.8 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.

6.2.9 Overall Forecast Position on the Fund:

	2013-14
<u>Capital</u>	£000
Opening deficit balance	-6,159
Properties to be agreed into PEF2	0
Purchase of properties	0
Sale of PEF2 properties	3,257
Disposal costs	<u>0</u>
Closing deficit balance	-2,902
 <u>Revenue</u>	
Opening balance	-4,787
Net interest payments on borrowing	-320
Holding costs	<u>131</u>
Closing deficit balance	-4,976
 Overall deficit closing balance	 <u><u>-7,878</u></u>

6.2.10 The forecast closing balance on the fund is -£7.878m, within the overdraft limit of £85m.

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

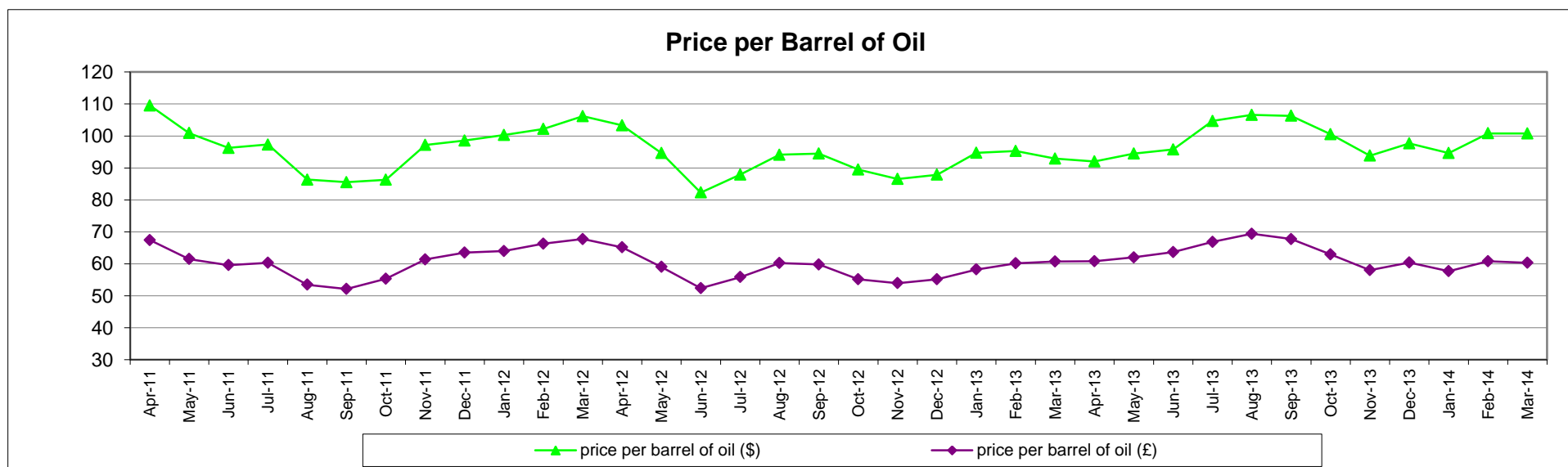
7. FINANCING ITEMS

7.1 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	100.54
Nov	97.16	86.53	93.86
Dec	98.56	87.86	97.63
Jan	100.27	94.76	94.62
Feb	102.20	95.31	100.82
Mar	106.16	92.94	100.80

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.



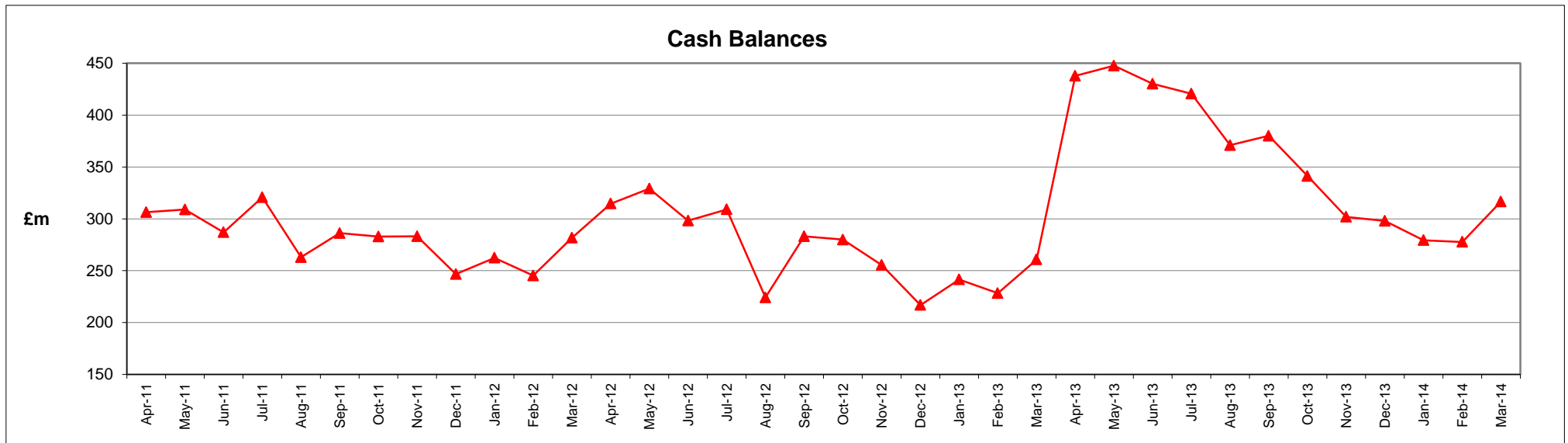
FINANCIAL HEALTH INDICATORS

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 (£47.3m), 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.

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

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2011-12	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
2012-13	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5	228.3	260.7
2013-14	437.8	447.6	430.1	420.7	371.0	380.1	341.3	301.9	297.9	279.3	277.7	316.7



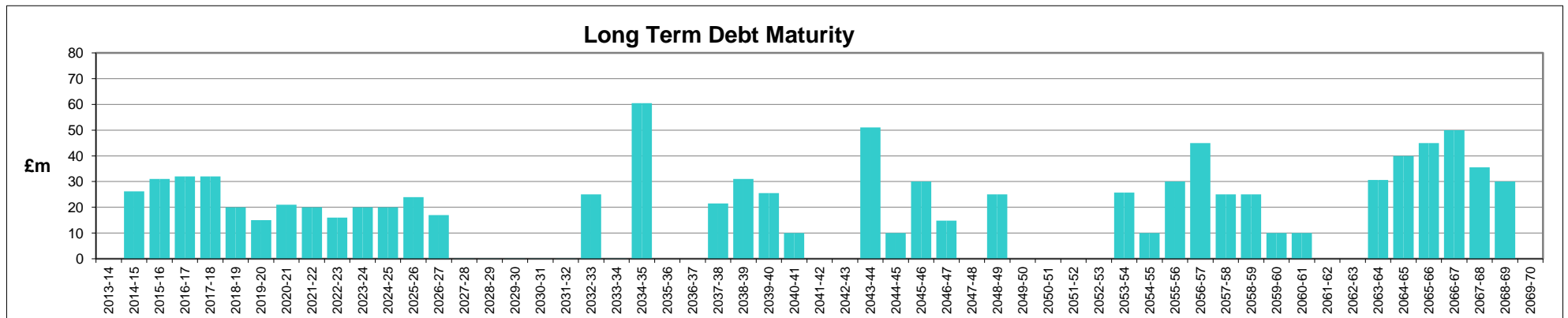
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.64m 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 was £2.015m, relating to equal instalment of principal loans. £0.015m of this was repaid on 12 August 2013, a further £1m was repaid on 3 September 2013, and the final £1m was repaid on 3 March 2014.

	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2013-14	0.000	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	TOTAL	1,010.273



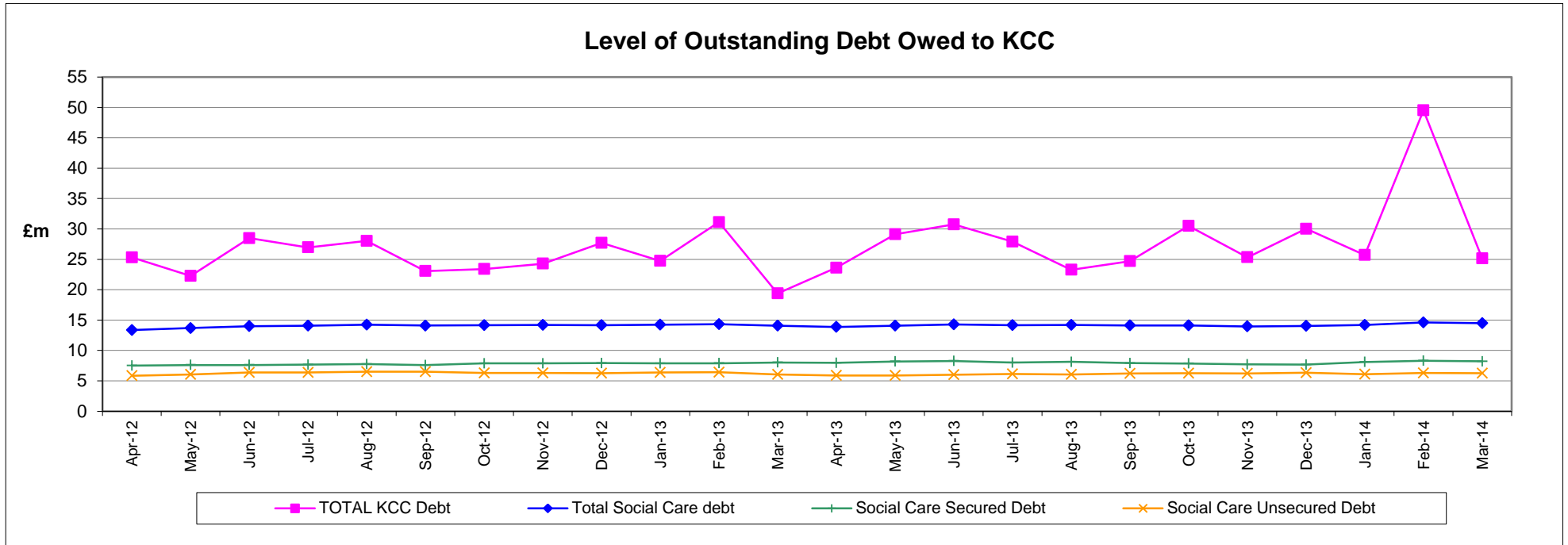
3. OUTSTANDING DEBT OWED TO KCC

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 £m	Social Care Unsecured £m	Total Social Care Debt £m	FSC Sundry Debt £m	TOTAL FSC Debt £m	All other Directorates £m	TOTAL KCC Debt £m
Apr 12 #	7.509	5.836	13.345	6.530	19.875	5.445	25.320
May 12 #	7.615	6.068	13.683	4.445	18.128	4.146	22.274
Jun 12 #	7.615	6.384	13.999	4.133	18.132	10.353	28.485
Jul 12 #	7.674	6.392	14.066	4.750	18.816	8.145	26.961
Aug 12	7.762	6.491	14.253	5.321	19.574	8.452	28.026
Sep 12	7.593	6.506	14.099	3.002	17.101	5.974	23.075
Oct 12	7.893	6.280	14.173	2.574	16.747	6.653	23.400
Nov 12	7.896	6.310	14.206	3.193	17.399	6.894	24.293
Dec 12	7.914	6.253	14.167	3.829	17.996	9.713	27.709
Jan 13	7.885	6.369	14.254	3.711	17.965	6.762	24.727
Feb 13	7.903	6.436	14.339	12.153	26.492	4.632	31.124
Mar 13	8.025	6.066	14.091	1.895	15.986	3.392	19.378
Apr 13	7.969	5.895	13.864	4.995	18.859	4.771	23.630
May 13	8.197	5.879	14.076	5.713	19.789	9.331	29.120
Jun 13	8.277	6.017	14.294	7.662	21.956	8.787	30.743
Jul 13	8.015	6.153	14.168	6.978	21.146	6.746	27.892
Aug 13	8.141	6.063	14.204	5.116	19.320	3.960	23.280
Sep 13	7.931	6.205	14.136	5.814	19.950	4.746	24.696
Oct 13	7.867	6.246	14.113	7.533	21.646	8.870	30.516
Nov 13	7.728	6.219	13.947	7.524	21.471	3.865	25.336
Dec 13	7.694	6.350	14.044	10.436	24.480	5.553	30.033
Jan 14	8.103	6.091	14.194	6.685	20.879	4.820	25.699
Feb 14	8.321	6.289	14.610	31.278	45.888	3.633	49.521
Mar 14	8.213	6.272	14.485	7.753	22.238	2.927	25.165

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.



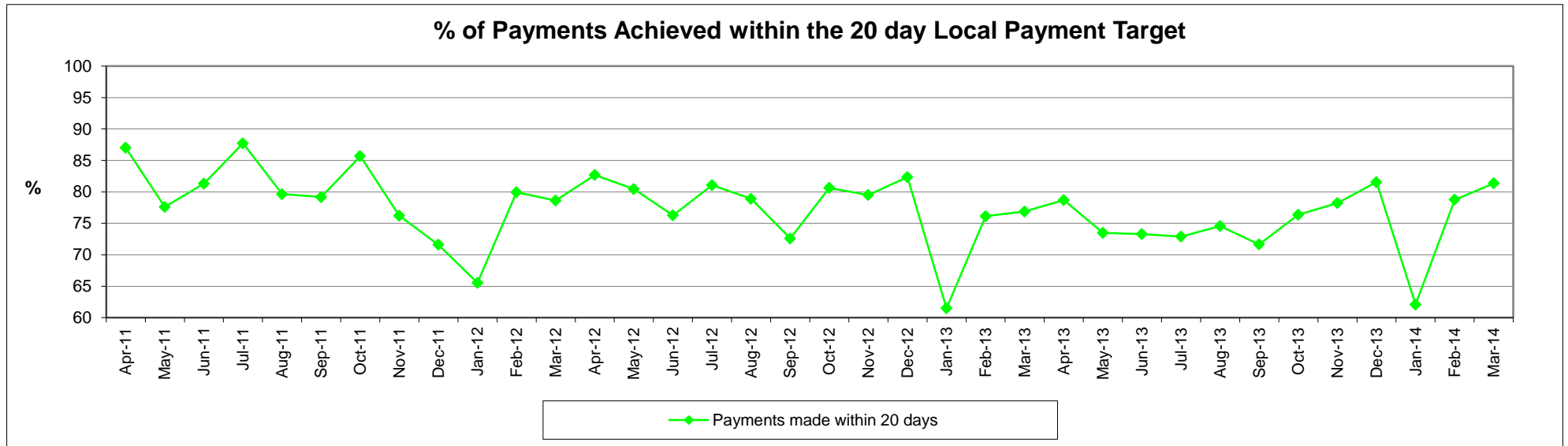
4. **PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS**

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however

	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	78.2
Dec	71.6	82.3	81.5
Jan	65.5	61.5	62.1
Feb	79.9	76.1	78.8
Mar	78.6	76.9	81.4

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 figure for invoices paid within 20 days was 75.3%. This compares to overall performance in previous years as follows:

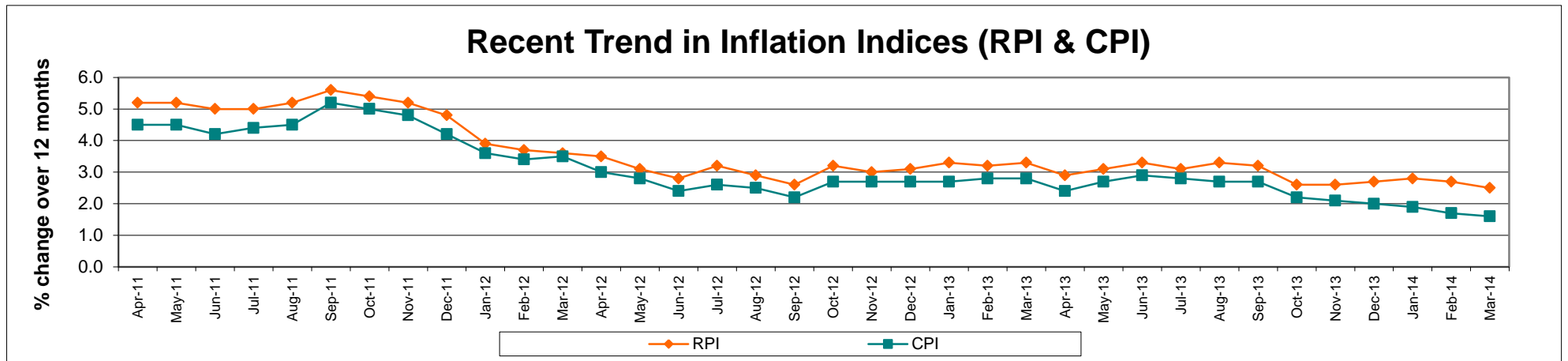
	20 days %
2011-12	79.2
2012-13	77.3
2013-14	75.3



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
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	2.6	2.1
Dec	4.8	4.2	3.1	2.7	2.7	2.0
Jan	3.9	3.6	3.3	2.7	2.8	1.9
Feb	3.7	3.4	3.2	2.8	2.7	1.7
Mar	3.6	3.5	3.3	2.8	2.5	1.6



2013-14 FINAL MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI and schools)

Actuals 2013-14	£203.244m	
Original estimate 2013-14	£286.571m	
Revised estimate 2013-14	£253.429m	(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
	Actual	Original Estimate	Actual as at 31-3-14
	£m	£m	£m
Capital Financing requirement	1,464.961	1,483.590	1,435.263
Annual increase/reduction in underlying need to borrow	-30.912	-2.825	-29.698

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

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

Actuals 2012-13	14.55%
Original estimate 2013-14	13.42%
Actual 2013-14	13.62%

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

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

	Prudential Indicator	Position as at 31.3.14
	£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

	Prudential Indicator	Position as at 31.3.14
	£m	£m
Borrowing	1,040	1,010
Other Long Term Liabilities	<u>1,134</u>	<u>1,155</u>
	2,174	2,165

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

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.3.14	Authorised limit for total debt managed by KCC	Position as at 31.3.14
	£m	£m	£m	£m
Borrowing	1,033	969	1,080	1,010
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	2,165

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 31.3.14
	%	%	%
Upper 12 months	10	0	0.00
12 months and within 24 months	10	0	2.59
24 months and within 5 years	15	0	9.40
5 years and within 10 years	15	0	9.11
10 years and within 20 years	15	5	10.50
20 years and within 30 years	20	5	14.70
30 years and within 40 years	20	10	12.95
40 years and within 50 years	25	10	17.88
50 years and within 60 years	30	10	22.88

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

Indicator	£30.0m
Actual	£22.2m