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Corporate Directors

To: CABINET - 15 September 2014

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - QUARTER 1**
- (2) **KEY ACTIVITY MONITORING FOR 2014-15 - QUARTER 1**
- (3) **FINANCIAL HEALTH INDICATORS 2014-15 - QUARTER 1**
- (4) **PRUDENTIAL INDICATORS 2014-15 - QUARTER 1**
- (5) **SUMMARY OF PROPOSED MANAGEMENT ACTION 2014-15 - QUARTER 1**
- (6) **IMPACT ON REVENUE RESERVES**
- (7) **DIRECTORATE STAFFING LEVELS 2014-15 - QUARTER 1**

Classification: **Unrestricted**

1. SUMMARY

- 1.1 This report provides the budget monitoring position for June 2014-15 for both revenue and capital budgets, including an update on key activity data. This report is presented in the new Directorate structure.
- 1.2 The format of this report is:
 - An executive summary which provides a high level financial summary and highlights only the most significant issues
 - Appendix 1 provides an update on our Financial Health indicators
 - Appendix 2 provides an update on our Prudential indicators
 - Appendix 3 provides a summary of the proposed management action
 - Appendix 4 provides a summary of the proposed capital programme cash limit changes
 - There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health

- **Annex 5** **Growth, Environment & Transport**
- **Annex 6** **Strategic & Corporate Services**
- **Annex 7** **Financing Items**

1.3 Other items likely to be of particular interest to Members are the impact of the current financial and activity monitoring position on our revenue reserves, as detailed in section 6, and the directorate staffing levels as at the end of June 2014 compared to 1 April 2014, which are provided in section 7.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £12.427m, before management action, but management action is expected to reduce this to £5.374m. However, there is some minor re-phasing within the Kent Drug & Alcohol Service from our commitment to the pooled budget arrangement, detailed in section 3.7, which will require roll forward to 2015-16, therefore this changes the position to an overspend of £5.386m as shown in the headline table below. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the current proposed management actions are provided in Appendix 3 but further work is urgently required to identify actions to eliminate the residual £5.386m forecast pressure. The annexes to this report provide the detail of the overall forecast position which is summarised in Table 1 below.

3.2 In terms of the residual forecast overspend after management action of £5.386m, it is anticipated that there should be an improvement in the position arising from other measures that have only recently commenced, which are now starting to take effect, but were not reflected in the Quarter 1 position submitted by budget managers as it was too early to quantify the effects of these actions.

We also need to look at all areas of spend, to ensure we continue to focus on reducing spend in those areas which will not directly impact on front line services.

3.3 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £3.019m reduction in the forecast overspend (excluding schools), as shown in table 1. This is mainly due to: **E&YP** - unachievable savings relating to integration of adolescent service and shortfall against School Improvement income target, largely offset by underspending on Mainstream Home to School Transport (HTST), SEN HTST recoupment income, reduced capitalisation of pension costs and savings within Children's Centres; **SCH&W (SCS)** - a forecast shortfall in grant funding for the Asylum Service, together with costs of Special Operations; **SCH&W (Adults)** - pressure on Older People & Physical Disability services partially offset by improvement in the position on Learning Disability and Mental Health services and then further offset by management action; **GE&T** - pressure on the waste budgets due to increased tonnage, largely offset by waste contract savings, savings on Concessionary Fares due to reduced journeys being travelled and renewal of fewer passes than budgeted, contract efficiencies and lower than budgeted price increases for Subsidised Bus services; higher than anticipated savings from part night switch off of street lights, increased Registration income and savings on Speed Awareness courses; **FI** - shortfall against the Commercial Services contribution based on first quarter trading is offset by higher than anticipated Business Rate Compensation grant.

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+940,313	+12,427	-7,053	+5,374	+8,393	-3,019
Adjustments: - Committed roll forward/ re-phasing (see section 3.7 for detail)		+12	-	+12	-	+12
Underlying position	+940,313	+12,439	-7,053	+5,386	+8,393	-3,007

3.5 **Table 1** Directorate position - net revenue position **before and after** management action together with comparison to the last report

Annex	Directorate	Budget	Net Variance (before mgmt action)	Management Action already in place	Net Variance (after mgmt action)	Last Report	Movement
		£'000	£'000	£'000	£'000	£'000	£'000
1	Education & Young People's Services	82,403.6	+1,290	-500	+790	+1,809	-1,019
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,190.1	+5,220	-2,150	+3,070	+3,350	-280
	Social Care, Health & Wellbeing - Asylum	280.0	+2,304	-	+2,304	-	+2,304
	Social Care, Health & Wellbeing - Special Operations	-	+609	-	+609	-	+609
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,470.1</i>	<i>+8,133</i>	<i>-2,150</i>	<i>+5,983</i>	<i>+3,350</i>	<i>+2,633</i>
3	Social Care, Health & Wellbeing - Adults	342,987.4	+3,887	-3,700	+187	+2,042	-1,855
4	Social Care, Health & Wellbeing - Public Health	0.0	-	-	-	-	-
5	Growth, Environment & Transport	179,674.3	-1,439	-	-1,439	-	-1,439
6	Strategic & Corporate Services	81,690.7	+703	-703	-	+792	-792
7	Financing Items	126,086.5	-147	-	-147	+400	-547
	TOTAL (excl Schools)	940,312.6	+12,427	-7,053	+5,374	+8,393	-3,019
1	<i>Schools (E&YP Directorate)</i>	-	+3,015	-	+3,015	-	+3,015
	TOTAL	940,312.6	+15,442	-7,053	+8,389	+8,393	-4

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

- a) Specialist Children's Services (exc. Asylum and Special Operations, see below) still have significant financial pressures being highlighted in 2014-15. The net overspend of £5.220m is partially offset by £2.150m of proposed management action, with the remaining pressure of £3.1m attributable in the main to unachievable savings.
- b) The position included in this report for Asylum is a pressure of £2.304m, and this reflects the impact of the recent offer from the Home Office now that we no longer receive a Gateway Grant.
- c) The costs associated with Special Operations within Specialist Children's Services have been shown separately to the normal costs of running the service. These operations currently account for a pressure of £0.609m and these costs will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
- d) The pressure of £3.887m within Social Care, Health & Wellbeing - Adults is largely offset by proposed management action of £3.700m (see Appendix 3 & Annex 3 for further information).

- e) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of £2.150m. This is partially offset by recoupment income received from other local authorities whose pupils attend our special schools (£0.475m) and also a continuation from last year of the reduced demand for mainstream home to school transport (£0.716m). Until student numbers requiring transport for the new academic year are confirmed, these forecasts remain provisional and could change. In addition the Directorate is showing a net pressure in relation to an unachievable savings target within the Early Help & Prevention Services division, for the integration of the Adolescent service. There are a number of unrelated savings in other areas of the directorate that partially offset these pressures, with the directorate as a whole forecasting a net pressure after management action and excluding schools of £0.790m.
- f) The Growth, Environment and Transport Directorate is underspending by £1.439m. The most significant services contributing to this position are Concessionary Fares (£0.879m) and Subsidised Bus Routes (£0.628m). However, also within this position is a net pressure on the waste budget of £0.962m (*see item (g) below for further details*), which is largely offset by underspending on highways management, predominately from savings on streetlight energy and speed awareness courses.
- g) Waste tonnage for the first quarter of the year is a cause for concern with a forecast overspend of £2.163m currently reported. This is partially offset by savings predominately from the letting of a new materials recycling facilities contract, giving an overall net waste pressure of £0.962m. The tonnage for quarter 1 was 16,300 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.163m assumes 30,500 tonnes above the budgeted level of 675,000 tonnes for the full year. This forecast appears low when comparing to year to date tonnage, but it is believed that part of the increase in waste tonnage over the last 6 months is attributable to the unusual weather conditions (storm damage, and mild and moist conditions advancing the growing season), together with the impact of growth in the economy. The current forecast assumes that the increased tonnage as a result of the unusual weather conditions will not continue throughout the remainder of the year, but there is a risk that if the current trend continues, the overspend as a result of higher waste tonnage will increase.
- h) Until the new school academic year is underway we do not know what the sign-up will be for the Young Person's Travel Card and whether the assumed budget savings as a result of the new scheme are deliverable. There is a risk that take up will not reduce as much as assumed in the budget, due to the revised instalment payment mechanism or that those who do continue with the scheme will be the heavier users leading to a higher average cost per pass.
- i) The forecast for Public Health currently shows an underspend on £0.904m, due to staffing vacancies within the service. In line with government guidelines, this underspend will be transferred to the Public Health reserve, for use in future years.
- j) A shortfall of £1.391m in the dividend from Commercial Services is forecast based on the first quarter's results, new costs of rent payments to KCC and higher than expected costs of closing County Print. This is currently being offset by higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012 and 2013 Autumn Statements. However, the impact of these measures is likely to materialise as a deficit against the Business Rates collection fund, of which we will receive a share from the District Councils in 2015-16, potentially reducing the funding we have available next year.
- k) Appendix 3 provides some details of the management action. £1.450m of management action that has already been or is certain to be delivered is already reflected in the forecast £12.439m overspending position shown in the headline table on page 3. The remaining £7.053m of proposed management action is by no means certain and an awful lot needs to happen to ensure this is delivered in full.

3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 3 shows that within the current forecast revenue position there is a requirement to roll forward £0.12m to 2015-16. This relates to:

- re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 3) +12 k

This roll forward requirement is only included as we have a legal obligation under the pooled budget arrangement. All the time that we are in a overspend position for the authority, roll forwards **will not** be considered unless legally we have no choice.

3.8 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the allocation of the single pay reward scheme funding to units, the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates e.g. the transfer back to GE&T from EY&P of the Freedom Pass/Young Person's Travel Pass budget and refinement of the split between EY&P and SCH&W of the Preventative Services responsibilities.
- In addition, budgets have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2013-14 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier and to present a more accurate gross and income expectation. Further details are provided within the annexes. Some of these adjustments have impacted upon the affordable levels of activity reported in section 2 of the annexes, which have been amended from the levels reported to Cabinet on 7 July in the outturn report. **Cabinet is asked to agree these changes to the cash limits as set out in tables 1a of the annexes.** The variances reflected in this report assume that these cash limit changes are approved.

Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October. Equally the spend related to these roll forwards is not included in this report, so there is no impact upon the overall variance reported.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2014-15 Capital Programme is £372.831m. The forecast outturn against this budget is £406.694m giving a variance of +£33.863m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Directorate capital position

Directorate	3 Year Cash Limit £'000	2014-15 Working Budget £'000	2014-15 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	227,510	138,738	17,222	16,548	674	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-			2
Social Care, Health & Wellbeing - Adults	82,918	77,120	-107	-107		3
Social Care, Health & Wellbeing - Public Health	-	-	-			4
Growth, Environment & Transport	259,191	125,829	16,228	4,042	12,186	5
Strategic & Corporate Services	28,806	29,116	520	520		6
Financing Items	-	-	-			7
TOTAL	598,425	372,831	33,863	21,003	12,860	

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

- a) The majority of schemes are within budget and on time.
- b) +£21.217m of the £+33.863m variance is due to real variances. These are categorised between:
 - i) those which have no identified funding source,
 - ii) those funded from underspends elsewhere in the capital programme, and
 - iii) those receiving additional external funding.

i) **Real variances which have no identified funding source are as follows:**

Basic Need Programme 2013-15 (EYP) +£12.075m, of which £3.901m is expected to be funded from developer contributions, and the remaining £8.174m reflects an ongoing pressure on the programme which will be reviewed during the budget setting process.

Special Schools Review Phase 2 (EYP) +£0.700m. This pressure will also be reviewed during the budget setting process.

ii) **Real variances funded from elsewhere in the capital programme are as follows:**

St John's/Kingsmead Primary School, Canterbury (EYP) +£0.857m due to additional window and roof works. This is to be funded from the Annual Planned Enhancement Programme, however this could result in a pressure on this programme later in the year, depending on the level of emergency enhancements required over the winter period.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) +£2.566m. Increased scheme costs are due to the relocation of utility works, to be funded from underspends elsewhere on the GET capital programme.

iii) **Real variances receiving additional external funding are as follows:**

Trinity Free School (EYP) +£3.794m. The real variance reflects the expected cost of the Free School in 2014-15, which will be fully grant funded by the Education Funding Agency (EFA).

Highway Major Enhancement (GET) +£8.465m. This reflects additional Pothole Fund Grant of £6.296m, and additional funding for the programme as previously agreed of £2.169m.

TIGER (GET) -£5.500m. There is a risk that the total grant may not be available as originally expected. However, there is a meeting with the Department for Business, Innovation & Skills (BIS) in September with the aim of re-securing this amount.

North Farm, Longfield Road, Tunbridge Wells (GET) +£1.710m. Increased scheme cost due to utility works. To be funded by developer contributions.

The remaining -£3.450m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.

- c) +£12.860m of the +£33.863m variance relates to rephasing on a number of projects. The main projects comprising the rephasing are as follows:

Sevenoaks Grammar School (EYP) +£1.206m due to a reprofiling of forecast costs.

Community Learning & Skills Service - Sittingbourne Reprovision (EYP) -£0.482m due to a lack of suitable alternative venues and sites coming forward.

Regional Growth Fund - Expansion East Kent (GET) +£13.293m. This fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

TIGER (GET) +£5.478m. The fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

Sittingbourne Northern Relief Road -£1.825m, East Kent Access Phase 2 -£1.374m and Rushenden Link Road -£0.539m - rephasing due to the retendering of the LCA Part 1 works.

Lorry Park (GET) -£0.830m - further options are being explored hence anticipated start date has been delayed.

Thanet Parkway (GET) -£0.602m - rephasing due to delays in the procurement process.

Swale Transfer Station (GET) -£0.580m - preparatory works only are to be carried out this year with construction to start in 2015-16.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) -£0.524m - detailed design and procurement have taken longer to complete than anticipated.

Escalate (GET) -£0.311m - the forecast has been adjusted according to current actual and pipeline cases in the year.

The remaining -£0.050m rephasing comprises a minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

- d) **Real savings.** Land Compensation and Part 1 Claims (GET) -£0.349m. This amount has been offered up as a saving on prudential borrowing.

- e) **Good News.** KCC has been successful in obtaining £98m Local Growth Fund (LGF) funding and business cases are being worked up for the match funding required. If agreed, these projects will be added to the programme in due course.
- f) **Unreported pressures.** In addition to the reported overspend position on the EYP capital programme, there are emerging pressures on the Priority School Build Programme 1 (PSBP1). The projects in this programme are to be managed and funded by the EFA. However, the EFA are reporting that some costs of delivery should fall to KCC because some schools have been expanded through basic need since the original specification was made in 2011, and some sites have abnormal costs which are not covered by the programme. The pressure is expected to be in the region of £6.5m. This will be discussed as part of the budget setting process.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- **Cabinet is asked to approve** further changes to the capital programme cash limits resulting from this round of monitoring, which are identified in the actions column in table 2 of the annex reports. For ease of reference these are all summarised in **Appendix 4**.

5. FINANCIAL HEALTH

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

6. REVENUE RESERVES

- 6.1 The table below reflects the projected impact of the current forecast spend and activity for 2014-15 on our revenue reserves:

Account	Balance at 31/3/14 £m	Projected Balance at 31/3/15 £m	Movement £m
Earmarked Reserves	160.8	117.8	-43.0
General Fund balance	31.7	31.7	-
Schools Reserves *	45.7	42.7	-3.0

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

6.2 The reduction of £43.0m in earmarked reserves includes:

▪ Release of previously earmarked reserves (as approved in the 2014-17 MTFP)	£m	-3.0
▪ Budgeted contribution (incl. continuation of collaborative work with DCs to increase council tax yield)		+4.9
▪ Budgeted drawdown of earmarked reserve to support 2014-15 budget		-4.0
▪ Budgeted drawdown from Kingshill Smoothing reserve		-1.0
▪ Use of rolling budget reserve (2013-14 underspend)		-9.9
▪ Budgeted use of reserves to support essential expenditure following reduction in Adoption Reform		-1.3
▪ Budgeted reinstatement of Emergency Conditions reserve		+1.0
▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12		+1.3
▪ Budgeted transfer to rolling budget reserve to reflect anticipated revised phasing of Freedom Pass		+1.5
▪ Planned drawdown of Dedicated Schools Grant reserve		-2.4
▪ Planned drawdown of Corporate Restructure reserve		-4.2
▪ Transfer to Economic Downturn reserve of uncommitted 2013-14 rolled forward underspend		+4.8
▪ Drawdown of 2013-14 underspend from Public Health reserve		-2.9
▪ Forecast transfer to Public Health reserve of 2014-15 underspend		+1.1
▪ Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)		+0.2
▪ Forecast use of NHS Support for Social Care reserve		-4.4
▪ Forecast transfer to Insurance reserve		+0.2
▪ Forecast use of Flood Repairs reserve (severe weather funding)		-2.8
▪ Planned movement in IT Asset Maintenance reserve		-3.2
▪ Planned movement in Kent Drug & Alcohol Service reserve		-2.5
▪ Planned movement in Dilapidations reserve		-2.2
▪ Impact on rolling budget reserve of current forecast overspend		-5.4
▪ Other forecast movements in earmarked reserves		-8.8
		-43.0

6.3 The reduction of £3m in the schools reserves is due to:

▪ An assumed 44 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 1 school closure	£m	-3.0
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7. STAFFING LEVELS

- 7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2014 compared to the numbers as at 1 April 2014 for the new directorate structure, based on active assignments. However, due to the large number of movements of staff between directorates as a result of the council restructure, direct comparisons between old and new directorates are not possible, so staffing levels as at 31 March 2014 are only provided in total, together with a split of schools and non schools staff. The difference in the right hand columns of the table represent the movement in staffing numbers from 1 April 2014 to 30 June 2014, however there was also a movement between 31 March 2014 and 1 April 2014 of +57.3 FTEs, of which +99.75 were within schools and -42.45 in non school settings. Between 1 April and 30 June 2014 there has been a reduction of 410.83 FTEs, of which 380.41 FTE were in schools and 30.42 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies.

		31 Mar 14	1 Apr 14	30 Jun 14	30 Sep 14	31 Dec 14	31 Mar 15	Difference	
								Number	%
KCC	Assignment count	39,194	39,278	38,690				-588	-1.50%
	Headcount (inc. CRSS)	33,095	33,195	32,604				-591	-1.78%
	Headcount (excl. CRSS)	29,456	29,522	28,942				-580	-1.96%
	FTE	21,769.82	21,827.12	21,416.29				-410.83	-1.88%
KCC - Non Schools	Assignment count	11,995	11,904	11,920				16	0.13%
	Headcount (inc. CRSS)	11,061	10,994	10,969				-25	-0.23%
	Headcount (excl. CRSS)	9,574	9,512	9,498				-14	-0.15%
	FTE	8,161.92	8,119.47	8,089.05				-30.42	-0.37%
E&YP	Assignment count		2,971	2,974				3	0.10%
	Headcount (inc. CRSS)		2,738	2,707				-31	-1.13%
	Headcount (excl. CRSS)		1,927	1,921				-6	-0.31%
	FTE		1,582.27	1,567.23				-15.04	-0.95%
SCH&W	Assignment count		4,738	4,744				6	0.13%
	Headcount (inc. CRSS)		4,335	4,340				5	0.12%
	Headcount (excl. CRSS)		4,109	4,132				23	0.56%
	FTE		3,509.59	3,527.59				18.00	0.51%
GET	Assignment count		2,366	2,394				28	1.18%
	Headcount (inc. CRSS)		2,175	2,189				14	0.64%
	Headcount (excl. CRSS)		1,698	1,686				-12	-0.71%
	FTE		1,369.11	1,356.50				-12.61	-0.92%
S&CS	Assignment count		1,829	1,808				-21	-1.15%
	Headcount (inc. CRSS)		1,817	1,799				-18	-0.99%
	Headcount (excl. CRSS)		1,794	1,777				-17	-0.95%
	FTE		1,658.50	1,637.73				-20.77	-1.25%
Schools	Assignment count	27,199	27,374	26,770				-604	-2.21%
	Headcount (inc. CRSS)	22,135	22,301	21,727				-574	-2.57%
	Headcount (excl. CRSS)	19,928	20,056	19,488				-568	-2.83%
	FTE	13,607.90	13,707.65	13,327.24				-380.41	-2.78%

CRSS = Staff on Casual Relief, Seasonal or Supply contracts

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.

8. CONCLUSIONS

- 8.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has increased by +£4.046m from +£8.393m to +£12.439m since the initial forecast for the year provided to Cabinet in July. However, management action of £7.053m is proposed, which is expected to reduce this position to +£5.386m, an improvement of £3.007m since the last report. Whilst this improved position from the initial forecast is welcome, the delivery of the proposed management action is by no means certain and there are two risk areas, waste tonnage and Young Person's Travel Pass, where it is likely that the overspend may increase. Bearing these risks in mind and the fact that even assuming delivery of all of the £7.053m management action in full, a £5.386m forecast pressure still remains for the Council, this current position is a real cause for concern, and it is essential that this is managed down to at least a balanced position before the end of the financial year, considering the further substantial budget savings required to balance the 2015-16 budget. The earlier in the financial year that this residual pressure is addressed the more manageable and less painful the required management action is likely to be, hence it is essential that prompt action is taken to address this situation.
- 8.2 There are a number of ongoing emerging issues that will need to be addressed in the 2015-18 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

9. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

10. BACKGROUND DOCUMENTS

None

11. CONTACT DETAILS

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FINANCIAL HEALTH INDICATORS

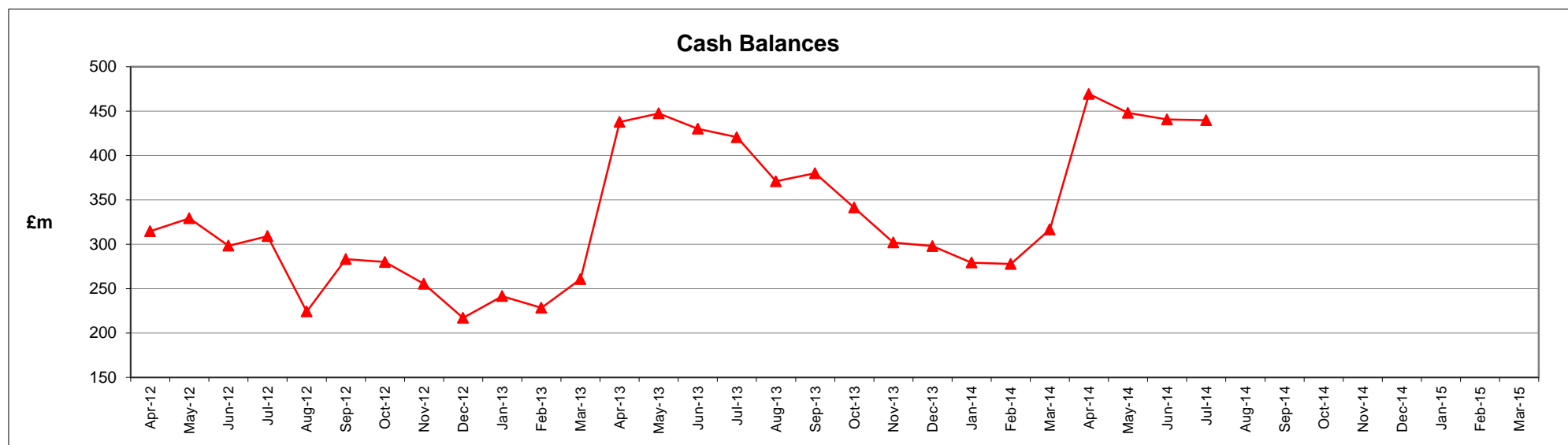
1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£12.417m), balances of schools in the corporate scheme (£59.61m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

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

Central Government Departments (particularly DCLG) are following a similar pattern to last year of front loading revenue grants for 2014-15, where receipts have been heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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
2014-15	469.3	448.2	440.7	439.9								



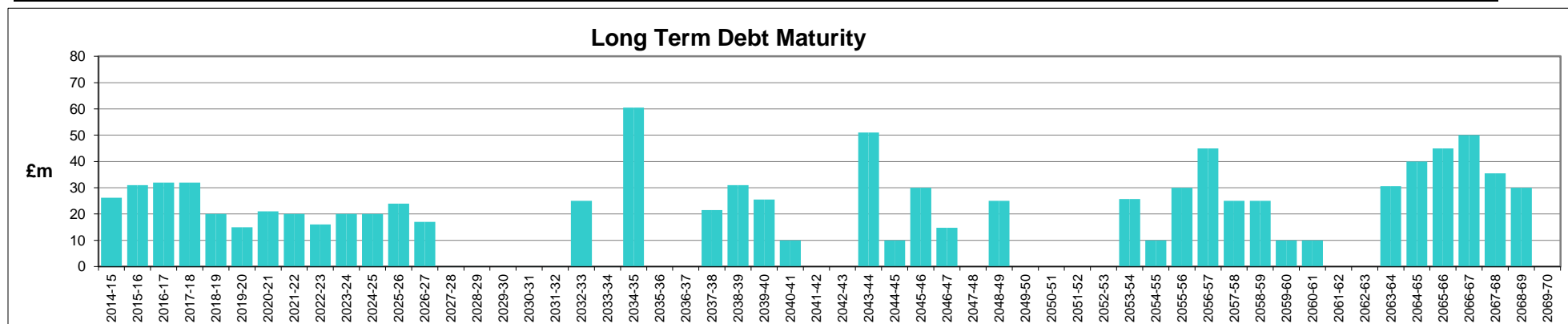
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.405m 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 (£0.556m). 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 2014-15 is £26.193m, relating to £24.187m of maturity loans, (£2.187m to be repaid in August and £22m to be repaid in February), and £2.006m of equal instalment of principal loans (£0.006m to be repaid in August, £1m to be repaid in September and £1m to be repaid in March).

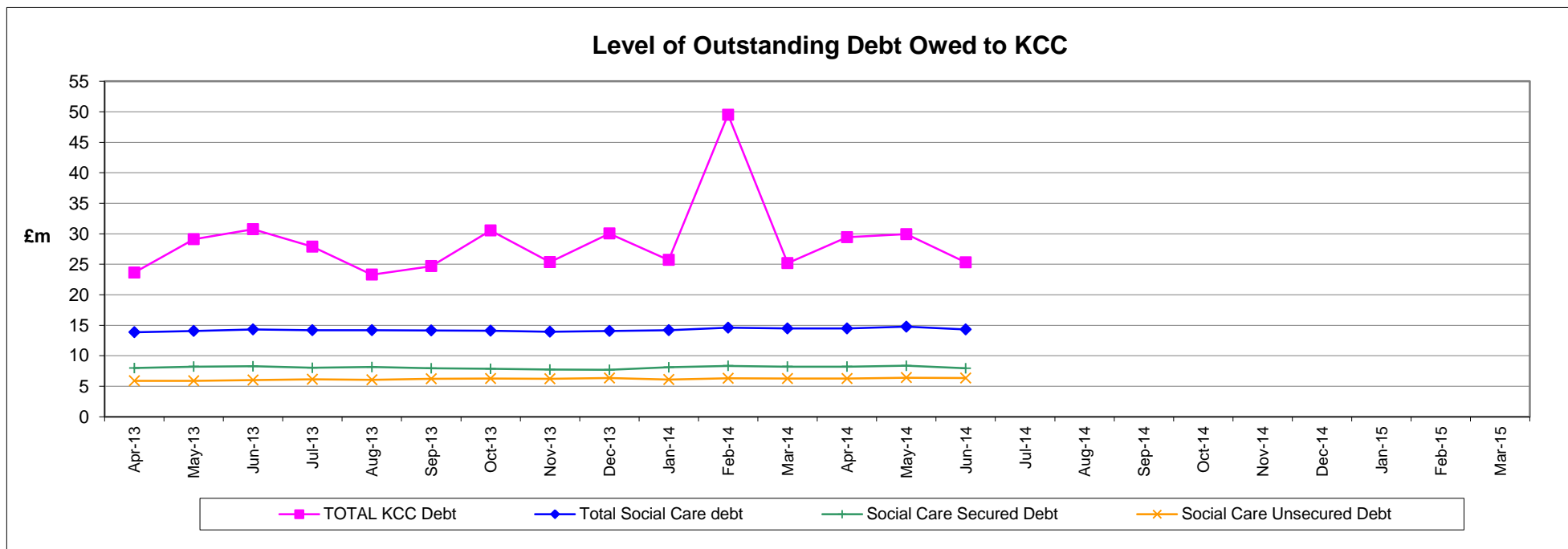
	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2014-15	26.193	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-38	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		
2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600	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 Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	FSC Sundry Debt £m	TOTAL FSC Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 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
Apr 14	8.220	6.270	14.490	8.884	23.374	6.060	29.434
May 14	8.353	6.402	14.755	8.899	23.654	6.276	29.930
Jun 14	7.944	6.346	14.290	7.289	21.579	3.733	25.312
Jul 14			0.000		0.000		0.000
Aug 14			0.000		0.000		0.000
Sep 14			0.000		0.000		0.000
Oct 14			0.000		0.000		0.000
Nov 14			0.000		0.000		0.000
Dec 14			0.000		0.000		0.000
Jan 15			0.000		0.000		0.000
Feb 15			0.000		0.000		0.000
Mar 15			0.000		0.000		0.000



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

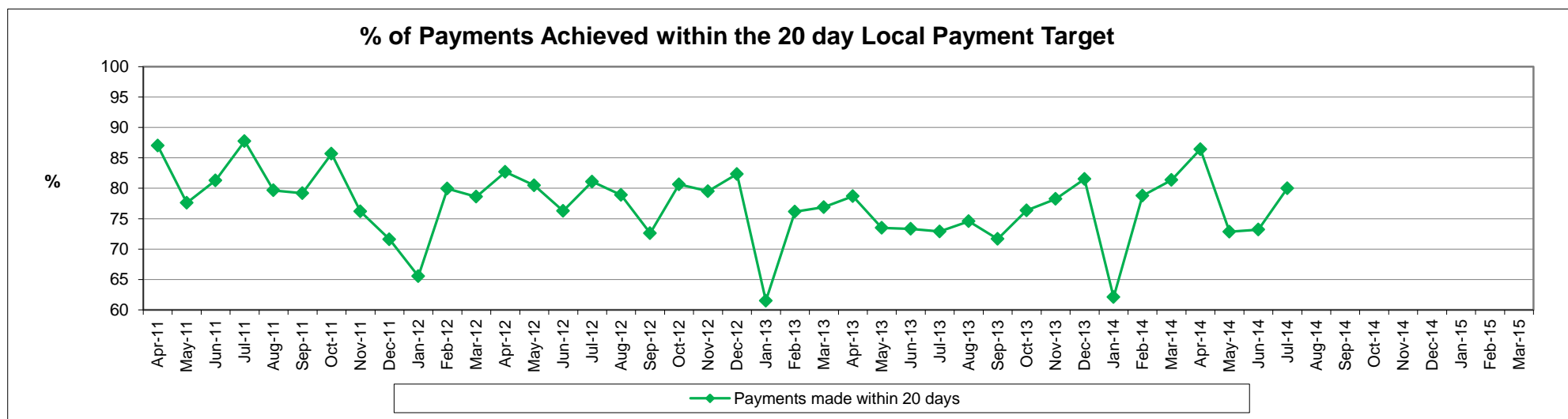
The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions.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

	2011-12	2012-13	2013-14	2014-15
	%	%	%	%
Apr	87.0	82.7	78.7	86.4
May	77.6	80.5	73.5	72.9
Jun	81.3	76.3	73.3	73.2
Jul	87.7	81.1	72.9	80.0
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 2014-15 year to date figure for invoices paid within 20 days is 78.3%. This compares to overall performance in previous years as follows:

	20 days
	%
2011-12	79.2
2012-13	77.3
2013-14	75.3
2014-15 to date	78.3

* The lower percentages in May/June 2014 were due to invoices arriving late into the payments team, impacting on their ability to pay to terms.

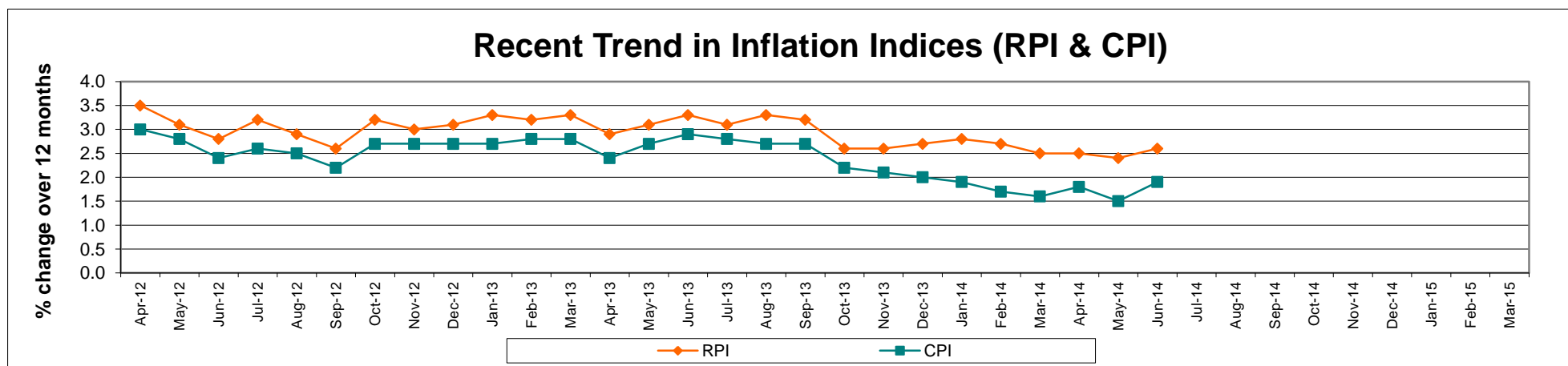


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

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

Percentage Change over 12 months

	2012-13		2013-14		2014-15	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	3.5	3.0	2.9	2.4	2.5	1.8
May	3.1	2.8	3.1	2.7	2.4	1.5
Jun	2.8	2.4	3.3	2.9	2.6	1.9
Jul	3.2	2.6	3.1	2.8		
Aug	2.9	2.5	3.3	2.7		
Sep	2.6	2.2	3.2	2.7		
Oct	3.2	2.7	2.6	2.2		
Nov	3.0	2.7	2.6	2.1		
Dec	3.1	2.7	2.7	2.0		
Jan	3.3	2.7	2.8	1.9		
Feb	3.2	2.8	2.7	1.7		
Mar	3.3	2.8	2.5	1.6		



2014-15 QUARTER 1 MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2013-14	£219.458m
Original estimate 2014-15	£270.967m
Revised estimate 2014-15	£351.374m

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

	2013-14	2014-15	2014-15	2015-16	2016-17
	Actual	Original Estimate	Forecast as at 30-6-14	Forecast as at 30-6-14	Forecast as at 30-6-14
	£m	£m	£m	£m	£m
Capital Financing requirement	1,435.263	1,437.960	1,425.740	1,376.730	1,327.347
Annual increase/reduction in underlying need to borrow	-29.697	-27.001	-9.523	-49.010	-49.383

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

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

Actuals 2013-14	13.62%
Original estimate 2014-15	14.04%
Revised estimate 2014-15	13.75%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2014-15.

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

	Prudential Indicator	Position as at 30.06.14
	£m	£m
Borrowing	993	969
Other Long Term Liabilities	261	254
	<u>1,254</u>	<u>1,223</u>

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

	Prudential Indicator	Position as at 30.06.14
	£m	£m
Borrowing	1,038	1,010
Other Long Term Liabilities	261	254
	<u>1,299</u>	<u>1,264</u>

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2014-15 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 30.06.14	Authorised limit for total debt managed by KCC	Position as at 30.06.14
	£m	£m	£m	£m
Borrowing	1,033	969	1,078	1,010
Other long term liabilities	261	254	261	254
	<u>1,294</u>	<u>1,223</u>	<u>1,339</u>	<u>1,264</u>

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 2014-15

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2014-15

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 30.06.14
	%	%	%
Upper 12 months	10	0	2.59
12 months and within 24 months	10	0	3.07
24 months and within 5 years	15	0	8.32
5 years and within 10 years	15	0	9.11
10 years and within 20 years	20	5	8.51
20 years and within 30 years	20	5	19.74
30 years and within 40 years	25	10	11.43
40 years and within 50 years	25	10	21.34
50 years and within 60 years	30	10	15.89

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

Indicator	£175.0m
Actual	£58.9m

2014-15 QUARTER 1 SUMMARY OF THE PROPOSED MANAGEMENT ACTION

	Total in Q1 monitoring	Reflected against A-Z Service Lines	Below the line - Shown as management action
	£'000	£'000	£'000
E&YP			
Annual capitalisation of pension costs	-500	-500	
Children's Centres	-1,000	-500	-500
Sub Total E&YP	-1,500	-1,000	-500
SCH&W			
<u>SCS</u>			
Legal Charges	-300	-300	
Staffing - Improvement Budget	-150	-150	
Net reduction in cost of fostering (IFAs to in-house)	-700		-700
Adoption	-100		-100
Leaving Care (post restructure)	-100		-100
Disability - Direct Payments	-100		-100
Disability - Day Care/Short Breaks	-100		-100
Staffing - Agency and Non Social Work	-1,050		-1,050
Sub Total - SCS	-2,600	-450	-2,150
OPPD - Recruit to staff vacancies in order to accelerate the transformation programme which in turn will deliver savings against the current forecast	-2,600		-2,600
LDMH - Review of all current activities and jointly funded arrangements	-1,100		-1,100
Sub Total SCH&W (Children's and Adults)	-6,300	-450	-5,850
S&CS	-703		-703
KCC TOTAL	-8,503	-1,450	-7,053

2014-15 QUARTER 1 SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability/previous decisions:						
EYP	Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	-76			Grant	
EYP	Tenterden Infant School	25			Developer Contribs	
EYP	Trinity Free School, Sevenoaks	3,794	7,000	500	Grant	
SCH&WB (Adults)	Learning Disability Good Day Programme- Community Hubs	13			Developer Contribs	
GET	Cyclopark	6			Developer Contribs	
GET	Marsh Million	50			External - other	
GET	TIGER	-5,500			Grant	
GET	North Farm Longfield Road, Tunbridge Wells	2,300 -590	640		Developer Contribs Capital receipt	
GET	Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	6,296 1,669 500			Grant Revenue Capital receipt	
Cash limit change to cover overspends elsewhere in the capital programme:						
GET	Westwood Relief Strategy - Poorhole Lane Improvement	600 1,055 911			Grant Prudential Prudential/revenue	Overspend to be funded from: £600k Integrated Transport, £911k Mid Kent Joint Waste Project, £350k Growth Without Gridlock & £705k Land compensation & part 1 claims
GET	Integrated Transport Schemes	-600			Grant	To fund overspend on Poorhole Lane
GET	Mid Kent Joint Waste Project	-911			Prudential/revenue	To fund overspend on Poorhole Lane
GET	Growth without Gridlock initiatives	-100	-100	-150	Prudential	To fund overspend on Poorhole Lane
GET	Land compensation & Part 1 claims	-705			Prudential	To fund overspend on Poorhole Lane
S&CS	Integrated Transport Schemes	20			Developer contribs	Overspend funded from OP Strategy
SCH&WB (Adults)	OP Strategy - Transformation / Modernisation	-20			Developer contribs	To fund Modernisation of assets
Other cash limit changes:						
GET	Land compensation & Part 1 claims	-349			Prudential	Real saving
S&CS	New Ways of Working	500			Revenue	Contribution from reserves to Mid Kent Development
EYP	Sevenoaks Grammar Schools	1,206	500	3,100	Capital receipt	To reflect anticipated full project cost
SCH&WB (Adults)	OP Strategy - Transformation / Modernisation	-200 100			Prudential Capital receipt	Overall real saving of £100k due to project not going ahead

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (excl Schools) (£k)	+82,404	+1,290	-500	+790
Schools (£k)	-	+3,015	-	+3,015
Directorate Total (£k)	+82,404	+4,305	-500	+3,805

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include technical adjustments where there is no change in policy including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£9,411.4k gross and +£9,411.4k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget (-£9,911.4k gross and +£9,911.4k income), which predominately reflects where we have received changes to our grant allocations such as DSG.
- Contribution from Public Health grant towards Children's Centres and Youth Offending Service (+£500k gross and -£500k income).

There are also a number of other corporate adjustments which total -£14,602.5k gross and +£4,319.3k income, which are predominately related to the allocation of the single pay reward scheme funding and where responsibilities between the new directorates are still being refined such as the split of Preventative Services responsibilities between E&YP and SCH&W directorates, the return of the Freedom Pass / Young Person's Travel pass budget to GE&T directorate, transfer of Kent Foundation to GE&T directorate and confirmation of the split of Business Transformation Unit between S&CS, E&YP and GE&T directorates.

The overall movements are therefore a reduction in gross of £24,013.9k and income of +£13,730.7k. This is detailed in table 1a.

There has also been a virement of £750k from Mainstream Home to School Transport to SEN Home to School Transport. This virement has impacted upon affordable levels of HTST activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Education & Young People's Services									
Delegated Budget:									
Schools & Pupil Referral Units Delegated Budgets	714,636.2	-714,636.2	0.0	704,716.2	-704,716.2	0.0	-9,920.0	9,920.0	0.0
TOTAL DELEGATED	714,636.2	-714,636.2	0.0	704,716.2	-704,716.2	0.0	-9,920.0	9,920.0	0.0
Non Delegated Budget:									
E&YP Strategic Management & directorate support budgets	7,044.9	-9,158.0	-2,113.1	7,065.6	-9,158.0	-2,092.4	20.7	0.0	20.7
Children's Services - Children in Need									
- Children's Centres	13,953.4	-1,160.6	12,792.8	14,531.7	-1,660.6	12,871.1	578.3	-500.0	78.3
- Preventative Services	8,700.3	-2,599.0	6,101.3	5,442.9	-1,331.0	4,111.9	-3,257.4	1,268.0	-1,989.4
	22,653.7	-3,759.6	18,894.1	19,974.6	-2,991.6	16,983.0	-2,679.1	768.0	-1,911.1
Children's Services - Education & Personal									
- 14 - 19 year olds	2,368.5	-1,000.3	1,368.2	2,265.3	-941.0	1,324.3	-103.2	59.3	-43.9
- Attendance & Behaviour	3,344.0	-2,671.4	672.6	3,563.2	-2,785.9	777.3	219.2	-114.5	104.7
- Early Intervention & Prevention	2,699.9	0.0	2,699.9	2,471.8	0.0	2,471.8	-228.1	0.0	-228.1
- Early Years & Childcare	6,569.9	-4,151.1	2,418.8	6,725.2	-4,673.2	2,052.0	155.3	-522.1	-366.8
- Early Years Education	59,875.5	-59,875.5	0.0	60,252.4	-60,252.4	0.0	376.9	-376.9	0.0
- Education Psychology Service	2,916.0	-600.0	2,316.0	2,920.3	-600.0	2,320.3	4.3	0.0	4.3

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Individual Learner Support	8,544.9	-7,579.5	965.4	8,357.5	-7,465.0	892.5	-187.4	114.5	-72.9
- Statemented Pupils	4,309.8	-4,309.8	0.0	4,309.8	-4,309.8	0.0	0.0	0.0	0.0
- Youth Service	7,583.1	-1,995.8	5,587.3	7,609.1	-1,995.8	5,613.3	26.0	0.0	26.0
- Youth Offending Service	5,411.2	-2,524.6	2,886.6	5,382.6	-2,441.9	2,940.7	-28.6	82.7	54.1
	103,622.8	-84,708.0	18,914.8	103,857.2	-85,465.0	18,392.2	234.4	-757.0	-522.6
<u>Children's Services - Other Children's Services</u>									
- Safeguarding	502.7	-150.0	352.7	507.5	-150.0	357.5	4.8	0.0	4.8
<u>Community Services</u>									
- Community Learning & Skills (CLS)	13,458.1	-14,673.6	-1,215.5	13,544.9	-14,673.6	-1,128.7	86.8	0.0	86.8
- Supporting Employment	1,085.4	-335.0	750.4	1,056.2	-335.0	721.2	-29.2	0.0	-29.2
- Troubled Families	1,027.2	-712.0	315.2	1,069.9	-712.0	357.9	42.7	0.0	42.7
	15,570.7	-15,720.6	-149.9	15,671.0	-15,720.6	-49.6	100.3	0.0	100.3
<u>Housing Related Support for Vulnerable People (Supporting People)</u>									
- Young People	3,968.9	0.0	3,968.9	3,968.9	0.0	3,968.9	0.0	0.0	0.0
<u>School & High Needs Education Budgets</u>									
- Exclusion Services	3,324.7	-3,324.7	0.0	3,324.7	-3,324.7	0.0	0.0	0.0	0.0
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	1,951.0	-1,951.0	0.0	0.0	0.0	0.0
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	3,155.0	-3,155.0	0.0	0.0	0.0	0.0
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	17,686.0	-17,686.0	0.0	0.0	0.0	0.0
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	23,810.0	-23,810.0	0.0	0.0	0.0	0.0
	49,926.7	-49,926.7	0.0	49,926.7	-49,926.7	0.0	0.0	0.0	0.0
<u>Schools Services:</u>									
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	905.9	-905.9	0.0	0.0	0.0	0.0
- Other Schools Services	6,794.5	-6,900.7	-106.2	6,794.5	-6,900.7	-106.2	0.0	0.0	0.0
- Redundancy Costs	1,188.7	-1,188.7	0.0	1,188.7	-1,188.7	0.0	0.0	0.0	0.0
- School Improvement	8,376.7	-5,656.9	2,719.8	8,280.0	-5,148.4	3,131.6	-96.7	508.5	411.8
- Schools Staff Services	2,644.0	-2,541.0	103.0	2,644.0	-2,541.0	103.0	0.0	0.0	0.0
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	8,328.0	-2,684.0	5,644.0	0.0	0.0	0.0
	28,237.8	-19,877.2	8,360.6	28,141.1	-19,368.7	8,772.4	-96.7	508.5	411.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Transport Services</u>									
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0.0	0.0	0.0	-13,301.5	4,596.0	-8,705.5
- Home to College Transport & Kent 16+ Travel Card	4,705.7	-2,780.0	1,925.7	3,913.7	-1,988.0	1,925.7	-792.0	792.0	0.0
- Mainstream HTST	11,292.3	-20.0	11,272.3	10,542.3	-20.0	10,522.3	-750.0	0.0	-750.0
- SEN HTST	18,222.5	-425.0	17,797.5	18,972.5	-425.0	18,547.5	750.0	0.0	750.0
	47,522.0	-7,821.0	39,701.0	33,428.5	-2,433.0	30,995.5	-14,093.5	5,388.0	-8,705.5
<u>Assessment Services</u>									
- Assessment & Support of Children with Special Education Needs	9,154.0	-6,833.6	2,320.4	9,660.5	-7,326.4	2,334.1	506.5	-492.8	13.7
- Children's Social Care Staffing	4,109.9	-1,672.6	2,437.3	6,018.6	-3,276.6	2,742.0	1,908.7	-1,604.0	304.7
	13,263.9	-8,506.2	4,757.7	15,679.1	-10,603.0	5,076.1	2,415.2	-2,096.8	318.4
<u>Support to Frontline Services</u>									
- Human Resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL E&YPS Non Delegated	292,314.1	-199,627.3	92,686.8	278,220.2	-195,816.6	82,403.6	-14,093.9	3,810.7	-10,283.2
TOTAL E&YPS	1,006,950.3	-914,263.5	92,686.8	982,936.4	-900,532.8	82,403.6	-24,013.9	13,730.7	-10,283.2

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Education & Young People's Services							
Delegated Budget:							
Schools & Pupil Referral Units Delegated Budgets	704,716.2	-704,716.2	0.0	+3,015	+3,015	Drawdown from school reserves for 44 expected academy converters	
TOTAL DELEGATED	704,716.2	-704,716.2	0.0	+3,015			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
Non Delegated Budget:							
E&YP Strategic Management & directorate support budgets	7,065.6	-9,158.0	-2,092.4	+1,440	+1,922	Savings target relating to Early Help & Preventative Services Division is held here pending agreement on how this will be delivered; some offsetting savings are reflected in the Early Intervention & Prevention A-Z line below.	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-155	Underspend on legal fees	
					-197	<i>DSG variance - feasibility studies</i>	
					-130	Other minor variances each less than £100k in value	
Children's Services - Children in Need							
- Children's Centres	14,531.7	-1,660.6	12,871.1	-500	-500	Savings from vacancies linked to the service restructure	
- Preventative Services	5,442.9	-1,331.0	4,111.9	0			
	19,974.6	-2,991.6	16,983.0	-500			
Children's Services - Education & Personal							
- 14 - 19 year olds	2,265.3	-941.0	1,324.3	+69			
- Attendance & Behaviour	3,563.2	-2,785.9	777.3	+17	-206	Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£115k)</i>	This saving reflects the DfE changes to regulations, removing discretion from Headteachers to allow 10 days absence and will be reflected in the 2015-18 MTFP
					+272	KIASS Education Welfare staffing pressure <i>(includes a DSG variance of +£209k)</i>	
					-49	Other minor variances	
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-500	-500	Planned underspend to contribute towards the savings target held in Strategic Management & Directorate support above	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	+279	+195 <i>DSG variance - one off staffing pressure resulting from the Early Years restructure</i> +84 Other minor variances	
- Early Years Education	60,252.4	-60,252.4	0.0	0		
- Education Psychology Service	2,920.3	-600.0	2,320.3	-136	-146 Traded income from schools for non statutory psychology services +10 Other minor variances	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Individual Learner Support	8,357.5	-7,465.0	892.5	-393	-162 Portage service non staffing underspend (<i>includes a DSG variance of -£112k</i>) -183 Former Head of Service and support staffing underspend due to vacancies held pending the restructure and general non staffing underspend (<i>includes a DSG variance of -£122k</i>) -48 Other minor variances	
- Statemented Pupils	4,309.8	-4,309.8	0.0	+158	+120 <i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> +38 Other minor variances	
- Youth Service	7,609.1	-1,995.8	5,613.3	+96		
- Youth Offending Service	5,382.6	-2,441.9	2,940.7	-46		
	103,857.2	-85,465.0	18,392.2	-456		
Children's Services - Other Children's						
- Safeguarding	507.5	-150.0	357.5	-15		
Community Services						
- Community Learning & Skills (CLS)	13,544.9	-14,673.6	-1,128.7	0		
- Supporting Employment	1,056.2	-335.0	721.2	0		

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Troubled Families Programme	1,069.9	-712.0	357.9	0	£'000		
	15,671.0	-15,720.6	-49.6	0			
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Young People	3,968.9	0.0	3,968.9	-291	-291	Contract variations & efficiencies	
<u>School & High Needs Education Budgets</u>							
- Exclusion Services	3,324.7	-3,324.7	0.0	0			
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	0			
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	0			
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	0			
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	49,926.7	-49,926.7	0.0	0			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	0			
- Other Schools Services	6,794.5	-6,900.7	-106.2	-32			
- Redundancy Costs	1,188.7	-1,188.7	0.0	0			
- School Improvement	8,280.0	-5,148.4	3,131.6	+783	+786	Shortfall against budgeted surplus for training & development	
					+160	Shortfall against budgeted surplus for governor training services	
					-104	Increased surplus for other traded services (Clerking and Improving Together Network)	
					-59	Other minor variances	
- Schools Staff Services	2,644.0	-2,541.0	103.0	-64			
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-500	-500	Reduced annual capitalisation costs of pensions	
	28,141.1	-19,368.7	8,772.4	+187			

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-87			
- Mainstream HTST	10,542.3	-20.0	10,522.3	-716	-716	Fewer than budgeted numbers of pupils travelling	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- SEN HTST	18,972.5	-425.0	18,547.5	+1,675	+2,150	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel	This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-475	Recoupment income for transport provided for other local authority pupils with special needs attending Kent schools	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
	33,428.5	-2,433.0	30,995.5	+872			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,660.5	-7,326.4	2,334.1	-143	-123	Staff vacancies <i>(includes a DSG variance of -£79k)</i>	
					-20	Other minor variances	
- Children's Social Care Staffing	6,018.6	-3,276.6	2,742.0	-17			
	15,679.1	-10,603.0	5,076.1	-160			
<u>Support to Frontline Services</u>							
- Human Resources	0.0	0.0	0.0	0			
TOTAL NON DELEGATED	278,220.2	-195,816.6	82,403.6	+1,077			
- <i>Transfer to(+)/from(-) DSG reserve</i>				+213	+213	<i>Transfer to DSG reserves to offset - £101k of DSG variances explained above & other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	278,220.2	-195,816.6	82,403.6	+1,290			
Total E&YPS	982,936.4	-900,532.8	82,403.6	+4,305			

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Assumed Mgmt Action				-500	<p>Whilst the forecast at this stage is showing a £1.3m overspend (exc. schools) initial indications show that there is the potential for a further £0.5m saving across Children's Centres so we would expect the overspend being forecast for E&YP to be nearer to £0.8m. We should have confirmation of this savings within the next month once detailed work is completed on analysing this budget. In particular we want to ensure that this projected saving is not a double count of any part of the £2m saving agreed in the 2014-15 budget.</p> <p>The Directorate is now looking at options to cover the remaining £0.8m pressure (exc schools) and that will be a priority issue for DMT when it meets in early September. Finance staff are currently working to identify possible options for discussion with EYP DMT.</p>	
Total E&YPS Forecast <u>after</u> mgmt action	982,936.4	-900,532.8	82,403.6	+3,805		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2011-12	2012-13	2013-14	2014-15
	as at 31-3-12	as at 31-3-13	as at 31-3-14	projection
Total number of schools	497	463	449	402
Total value of school reserves	£59,088k	£48,124k	£45,730k	£42,715k
Number of deficit schools	7	8	18	9
Total value of deficits	£833k	£364k	£2,017k	£3,640k

Comments:

- The information on deficit schools for 2014-15 has been obtained from the schools 3 year plans completed in spring/early summer 2014 and show 9 schools predicting a deficit at the end of year 1. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. Schools' Financial Services have been working with these 9 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.
- KCC has a "no deficit" policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year's budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The total number of schools is based on the assumption that 44 schools (including 2 secondary schools and 42 primary schools) will convert to academies before the 31st March 2015. In addition, 4 schools are amalgamating to form 2 new schools and 1 school is closing.
- The estimated drawdown from schools reserves of £3,015k assumes 44 schools convert to academy status. The value of school reserves are very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from LA maintained schools.

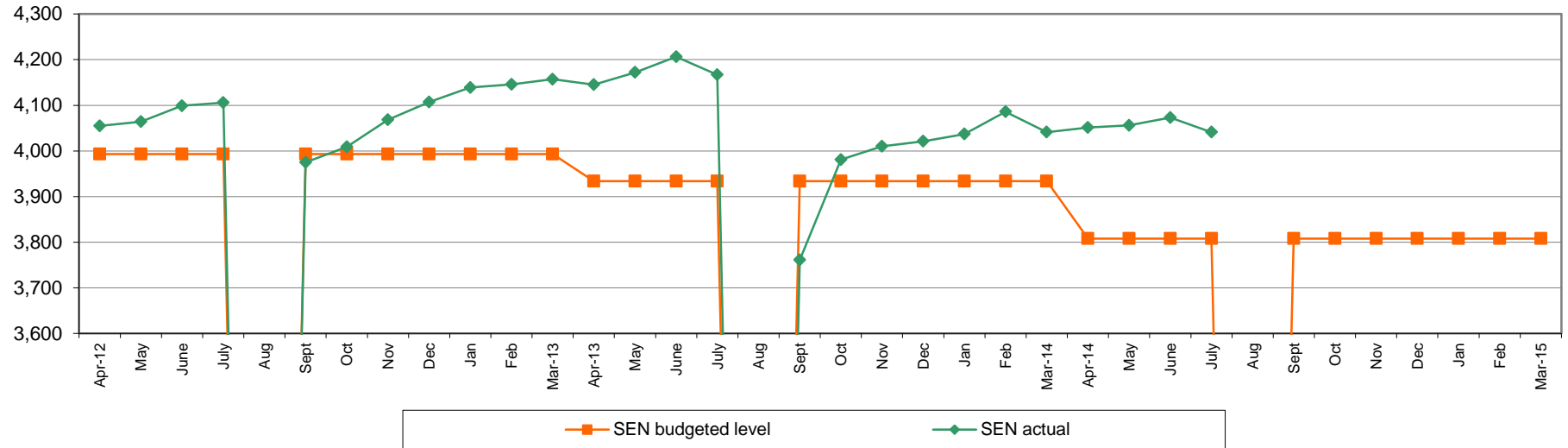
2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2012-13				2013-14				2014-15			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400
May	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436
Jun	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468
Jul	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300	3,808	0	12,493	0
Oct	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,808	0	12,493	0
Nov	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,808	0	12,493	0
Dec	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,808	0	12,493	0
Jan	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,808	0	12,493	0
Feb	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,808	0	12,493	0
Mar	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,808	0	12,493	0

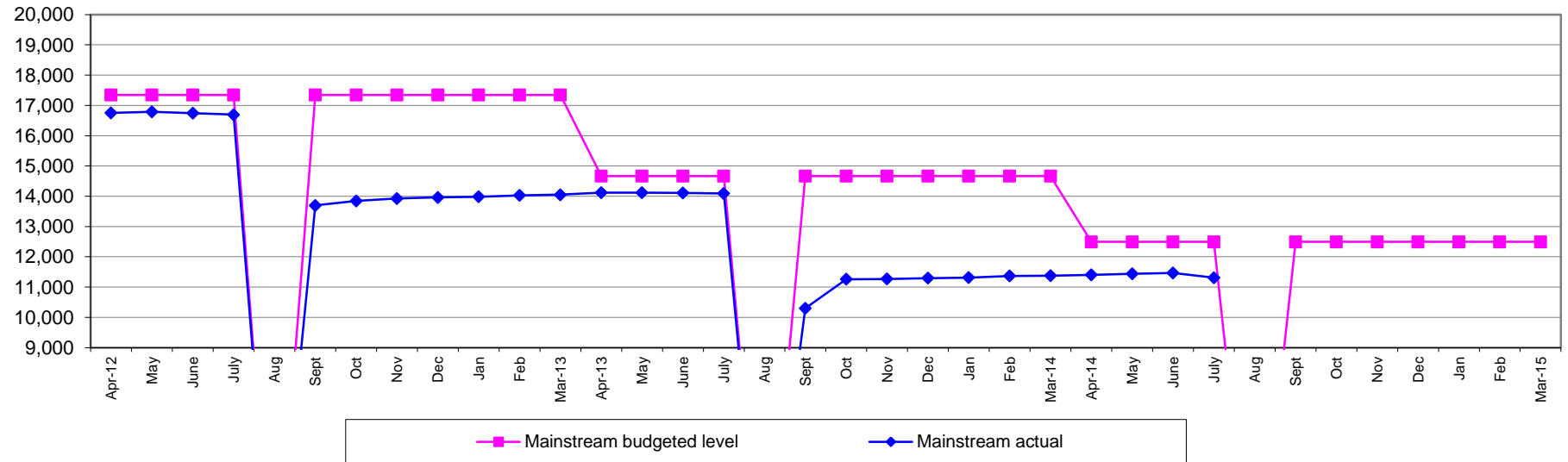
Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£2,150k is therefore reported in table 1b, which is offset by £475k recoupment income from other Local Authorities for transport of their pupils to Kent schools.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£716k is reported in table 1b.

Number of children receiving assisted SEN transport to school



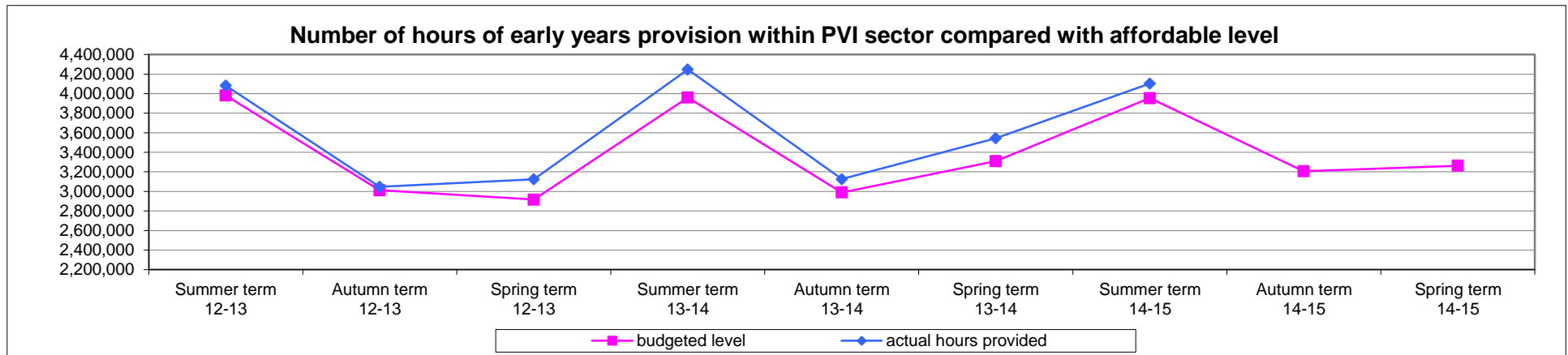
Number of children receiving assisted Mainstream transport to school



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

	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 *
Summer term	3,982,605	4,082,870	3,961,155	4,247,461	3,954,337	4,104,343
Autumn term	3,012,602	3,048,035	2,990,107	3,126,084	3,206,764	
Spring term	2,917,560	3,125,343	3,310,417	3,543,567	3,263,208	
TOTAL	9,912,767	10,256,248	10,261,679	10,917,112	10,424,309	4,104,343

* 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.
- Although the current activity suggests a pressure, the Dedicated School Grant is expected to be adjusted to reflect January 2014 pupil numbers and this will be reflected in the quarter 2 report, hence a breakeven position is currently forecast in table 1b. 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 any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Basic Need Programme 2013-15	70,037	51,077	12,075	12,075	£3,901k Real - dev conts £8,174k Real - funding to be determined	£3,901k to be funded from expected developer contributions relating to Knights Park. The remaining £8,174k overspend reflects an ongoing pressure against the basic need programme which will be reviewed in detail during the budget setting process. This includes an estimate of £3,360k for construction inflation.	Amber		
Basic Need Allocations 2015-16 and 2016-17	27,449	0	0				Green		
Goat Lees Primary School, Ashford	13	711	0				Green		
Repton Park Primary School, Ashford		139	0				Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	4,000	1,969	-250	-250	Real - grant	Underspend to be used to fund additional costs on the Annual Planned Enhancement Programme.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
St Johns / Kingsmead Primary School, Canterbury	1,112	1,349	857	857	Real - grant	Overspend due to additional window and roof works, to be funded from Annual Planned Enhancement Programme	Amber		
Special Schools Review - major projects supporting the special schools review									
Special Schools Review phase 1	0	670					Green		
Special Schools Review phase 2	56,220	33,706	700	700	Real - funding to be determined	Latest forecast predicts an overspend on this programme, which will be reviewed in detail during the budget setting process.	Amber		
The Wyvern School, Ashford (Buxford Site)		6					Green		
Primary Improvement Programme			36	36	Real - prudential	Overspend to be funded from Unit Review	Amber		
Specialist Schools	185	325					Green		
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	1,286	1,691					Green		
Dover Christ Church	9,619	7,425					Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
The Duke of York's Royal Military School	4,922	4,778					Green		
Isle of Sheppey Academy	200	0					Green		
The John Wallis C of E Academy	2,146	2,869					Green		
Knowle Academy Sevenoaks	2,767	3,860					Green		
Wilmington Enterprise College	376	230					Green		
Academy Unit Costs		511					Green		
BSF Wave 3 Build Costs		834					Green		
BSF Unit Costs		623					Green		
Other Projects:									
Canterbury Family Centre		37					Green		
Community Learning and Skills Service - Sittingbourne Reprovision	482	482	-482	-482	Rephasing	Lack of suitable alternative venues and sites coming forward has led to delays in the reprovision despite best endeavours.	Amber		
Community Learning and Skills Service - Sevenoaks Reprovision	1,000	50	-50	-50	Rephasing		Green		
Free School Meals Capital Money	2,777	2,777					Green		

ANNEX 1

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Integrated Youth Service - Youth Hub Reprovision	948	981					Green		
Nursery Provision for Two Year Olds	2,368	2,375					Green		
One-off Schools Revenue to Capital		421					Green		
Platt CEPS		85					Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre		11					Green		
Sevenoaks Grammar Schools	13,769	4,334	1,206	1,206	Rephasing	Reprofiling of forecasts	Amber	Full project cost expected to be £19.1m. Awaiting confirmation of scheme by Secretary of State	Increase cash limit by £1,206k in 14-15, £500k in 15-16 and £3,100k in 16-17 - capital receipt funding
Tenterden Infant School			25	25	Real - dev conts	Contribution to ICT suite at school	Green		£25k cash limit change
Trinity Free School, Sevenoaks			3,794	3,794	Real - grant	Free School to be funded by the EFA	Amber	Full project cost expected to be £11.3m, to be funded from grant	Increase cash limit by £3,794k 14-15, £7,000k 15-16 and £500k in 16-17 - grant funding
Unit Review	1,505	322	-36	-36	Real - prudential	Funding to be transferred to Primary Improvement Programme	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Vocational Education Centre Programme		148					Green		
Youth - Modernisation of Assets		34					Green		
Website & Portal Development			30	30	Real - revenue	To be funded through an SLA with schools	Green		
Total	227,510	138,738	17,222	17,222					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+127,190	+5,220	-2,150	+3,070
Asylum (£k)	+280	+2,304	-	+2,304
Special Ops (£k)	-	+609	-	+609
Total (£k)	+127,470	+8,133	-2,150	+5,983

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2013-14 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,062.8k gross and -£1,062.8k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget (+£909.8 gross and -£909.8k income).
- Allocation of health monies (+£153k gross and -£153k income).

There are also a number of other corporate adjustments which total +£2,273.6k gross and +£336k income, which are predominantly related to the allocation of the single pay reward scheme funding and where responsibilities between directorates are still being refined such as the split of Preventative Services responsibilities between E&YP and SCH&W directorates.

The overall movements are therefore an increase in gross of £3,336.4k and income of -£726.8k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
<u>Specialist Children's Services</u>									
Strategic Management & Directorate Support budgets	4,492.4	-175.0	4,317.4	4,918.5	-175.0	4,743.5	426.1	0.0	426.1
<u>Children's Services - Children in Care (Looked After)</u>									
- Fostering	32,817.7	-221.0	32,596.7	33,380.6	-221.0	33,159.6	562.9	0.0	562.9
- Legal Charges	7,735.4	0.0	7,735.4	7,599.9	0.0	7,599.9	-135.5	0.0	-135.5
- Residential Children's Services	14,375.9	-1,799.9	12,576.0	15,886.8	-2,862.7	13,024.1	1,510.9	-1,062.8	448.1
- Virtual School Kent	1,978.2	-718.9	1,259.3	2,114.3	-718.9	1,395.4	136.1	0.0	136.1
	56,907.2	-2,739.8	54,167.4	58,981.6	-3,802.6	55,179.0	2,074.4	-1,062.8	1,011.6
<u>Children's Services - Children in Need</u>									
- Preventative Services	7,531.7	-21.6	7,510.1	10,612.5	-1,289.6	9,322.9	3,080.8	-1,268.0	1,812.8
	7,531.7	-21.6	7,510.1	10,612.5	-1,289.6	9,322.9	3,080.8	-1,268.0	1,812.8
<u>Children's Services - Other Social Services</u>									
- Adoption	9,438.9	-1,319.1	8,119.8	10,788.5	-1,319.1	9,469.4	1,349.6	0.0	1,349.6
- Asylum Seekers	11,883.3	-11,603.3	280.0	11,883.3	-11,603.3	280.0	0.0	0.0	0.0
- Leaving Care (formerly 16+)	5,816.5	0.0	5,816.5	5,303.4	0.0	5,303.4	-513.1	0.0	-513.1
- Safeguarding	4,729.1	-401.3	4,327.8	4,629.8	-401.3	4,228.5	-99.3	0.0	-99.3
	31,867.8	-13,323.7	18,544.1	32,605.0	-13,323.7	19,281.3	737.2	0.0	737.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Assessment Services</u>									
- Children's social care	43,635.8	-3,314.3	40,321.5	40,653.7	-1,710.3	38,943.4	-2,982.1	1,604.0	-1,378.1
Total SCH&W (SCS)	144,434.9	-19,574.4	124,860.5	147,771.3	-20,301.2	127,470.1	3,336.4	-726.8	2,609.6

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Specialist Children's Services						
Strategic Management & Directorate Support budgets	4,918.5	-175.0	4,743.5	-285	-287	Underspend on commissioning staffing budget, of which £209k is being held to fund overspend in adults commissioning budget (see annex 3)
					-150	Underspend of staffing funded from the Improvement budget
					+65	Staffing pressure
					-63	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Children in Care (Looked After)						
- Fostering	33,380.6	-221.0	33,159.6	+2,301	+55 In House: Forecast 150 weeks above affordable level +315 In House: Forecast unit cost £5.71 above affordable level +1,000 In House: unachievable savings -6 In House: Other minor variances +1,614 Independent Sector (IFA): Forecast 1,791 weeks above affordable level -384 Independent Sector (IFA): Forecast unit cost -£43.70 below affordable level -112 Independent Sector (IFA): Other minor variances each less than £100k +124 Kinship: unachievable saving -320 Reduction in fostering related payments and kinship placements +15 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Legal Charges	7,599.9	0.0	7,599.9	-112	+300 Unachievable saving -412 Reduction in legal fees and court charges	This saving will be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-1,083	-1,286	Independent Sector residential care: Forecast -412 weeks below affordable level partially due to young people becoming care leavers (see care leavers below)
					-360	Independent Sector residential care: Forecast unit cost -£143.44 below affordable level
					+400	Independent Sector residential care: unachievable saving
					+252	Independent residential care: reduction in income as a result of activity being 412 weeks below affordable level
					-300	Reduction in secure accommodation placements
					+119	Additional activity within residential short breaks unit
					+132	Staffing pressure
					-105	Additional contributions from health for the Preston Skreens health respite unit
					+65	Other minor variances
- Virtual School Kent	2,114.3	-718.9	1,395.4	-14		
	58,981.6	-3,802.6	55,179.0	+1,092		
Children's Services - Children in Need						
- Preventative Services	10,612.5	-1,289.6	9,322.9	+342	+247	Increase in direct payments
					+26	Direct payments: unachievable saving
					+257	Pressure on Independent Sector day care budget for disabled children due to an increase in care packages and price increases from a number of providers
					-140	Additional income from health previously received by external provider
					-48	Other minor variances
	10,612.5	-1,289.6	9,322.9	+342		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Other Social Services						
- Adoption	10,788.5	-1,319.1	9,469.4	+487	-258 Reduction in adoption payments due to fewer children (18+) +183 Increase in costs of commissioned management service +601 Increase in the number of guardianship payments, partly due to a reduction in Kinship placements reported in Fostering above, together with a general increase in the number of guardianship payments -39 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Asylum Seekers	11,883.3	-11,603.3	280.0	+2,304	-1,025 Underspend relating to under 18 UASC due to costs less than grant receivable +310 Pressure relating to under 18 UASC due to ineligibility +676 Pressure relating to over 18's due to ineligibility, of which £507k relates to All Rights Exhausted (ARE) clients +2,343 Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6) below, of which £409k relates to ARE clients	
- Leaving Care (formerly 16+)	5,303.4	0.0	5,303.4	+598	+629 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education. -31 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Safeguarding	4,629.8	-401.3	4,228.5	+46	+133 Staffing pressure -110 Underspend on Kent Safeguarding Children Board (KSCB) base budget +23 Other minor variances	
	32,605.0	-13,323.7	19,281.3	+3,435		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Assessment Services</u>							
- Children's social care staffing	40,653.7	-1,710.3	38,943.4	+2,940	+1,440	Pressure on staffing budgets partly due to appointment of agency staff	This pressure will need to be addressed in the 2015-18 MTFP
					+1,500	Unachievable saving	
Total SCH&W (SCS)	147,771.3	-20,301.2	127,470.1	+7,524			
Assumed Mgmt Action				-2,150		The forecast position above is compiled in such a way that it only includes savings that have actually been achieved, and does not assume any to still be achieved. The £2,150k of management action, which affects a number of different service lines, represents the amount of savings the division is committed to achieving before the current financial year end. Once this management action is realised, the saving will transfer above the line against the relevant A to Z service line.	
Total SCH&W (SCS) Forecast after mgmt action	147,771.3	-20,301.2	127,470.1	+5,374			
Memorandum <i>These costs are in addition to the position reported above</i>							
Special Operations				+609	+164	In house fostering: 458 weeks @ £358.63 per week	
					+145	Staffing	
					+40	IFA fostering: 39 weeks @ £1,020.51 per week	
					+230	Residential: 66 weeks @ £3,490.91 per week	
					+30	Interpreter costs	

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

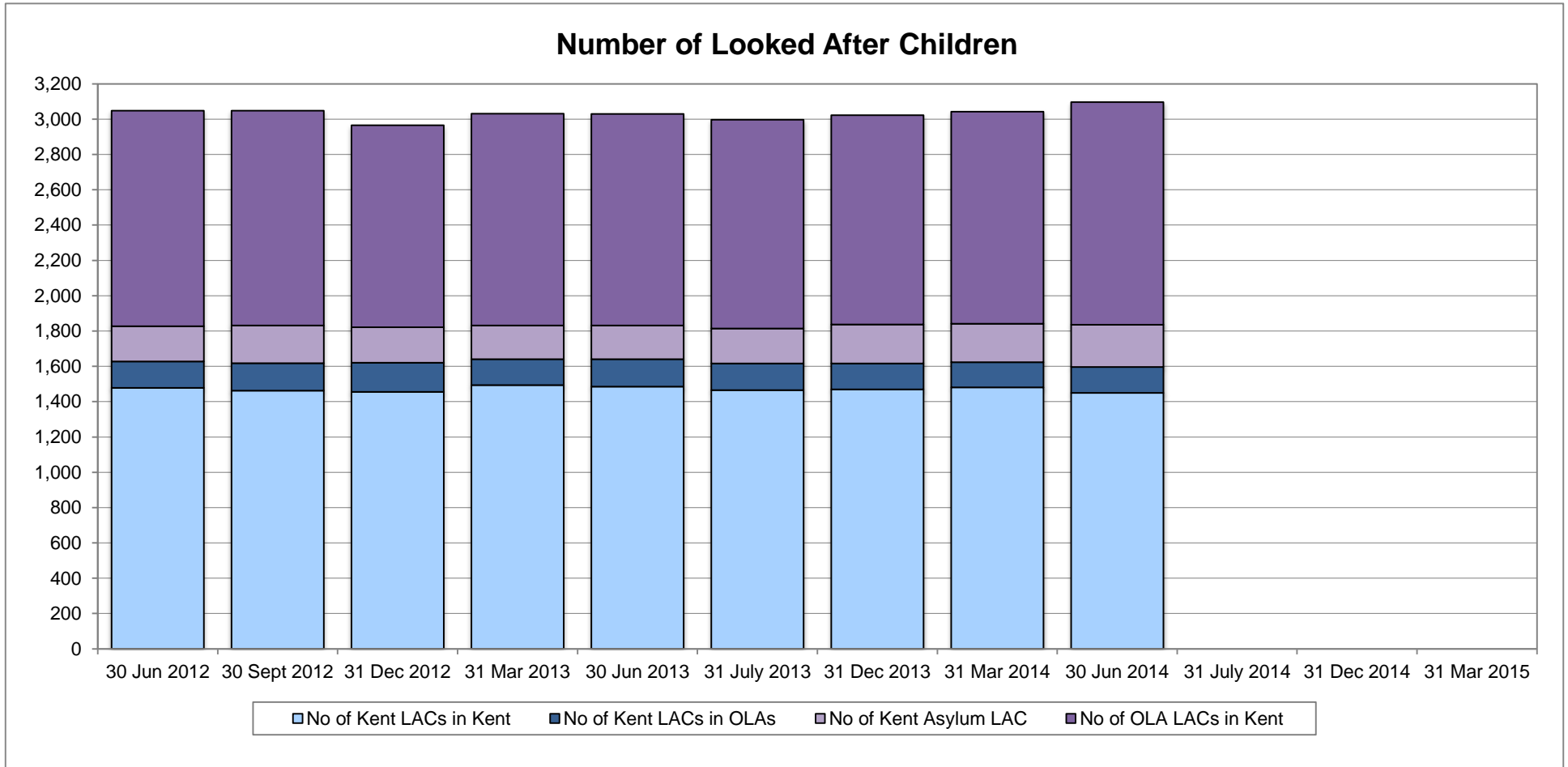
2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2012-13	30-Jun	1,478	149	1,627	200	1,827	1,221	3,048
	30-Sep	1,463	155	1,618	214	1,832	1,216	3,048
	31-Dec	1,455	165	1,620	202	1,822	1,144	2,966
	31-Mar	1,494	147	1,641	190	1,831	1,200	3,031
2013-14	30-Jun	1,485	155	1,640	192	1,832	1,197	3,029
	30-Sep	1,465	152	1,617	198	1,815	1,182	2,997
	31-Dec	1,470	146	1,616	221	1,837	1,185	3,022
	31-Mar	1,481	143	1,624	218	1,842	1,200	3,042
2014-15	30-Jun	1,450	147	1,597	238	1,835	1,261	3,096
	30-Sep							
	31-Dec							
	31-Mar							

Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children had reduced by 27 as at quarter 1 of this financial year, there could have been more (or less) during the period.
- Although there is a reduction in the number of LAC, there is still an overall pressure on the SCS budget. After taking into account management action, this pressure primarily relates to non LAC headings such as staffing, leaving care and adoption.

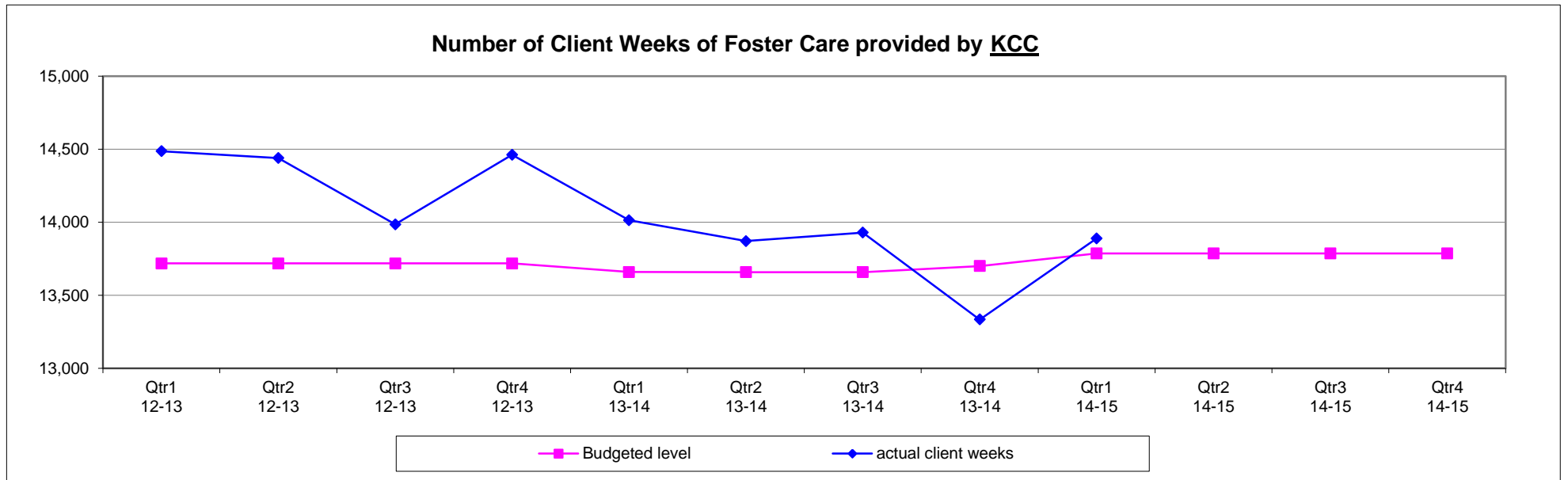
- The OLA LAC information has a confidence rating of 40-45% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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 SCH&W directorate.

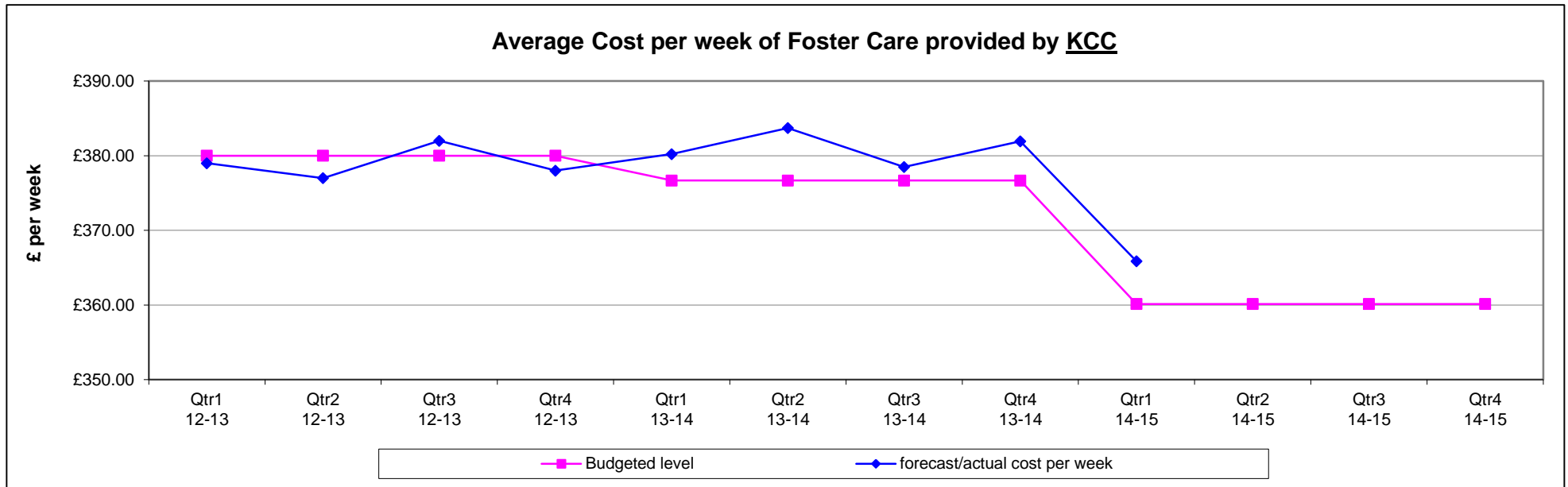


- These numbers include LAC as a result of special operations

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

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85
Jul to Sep	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	13,787		£360.14	
Oct to Dec	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	13,787		£360.14	
Jan to Mar	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	13,786		£360.14	
	54,872	57,375	£380	£378	54,675	55,148	£376.67	£381.94	55,147	13,889	£360.14	£365.85



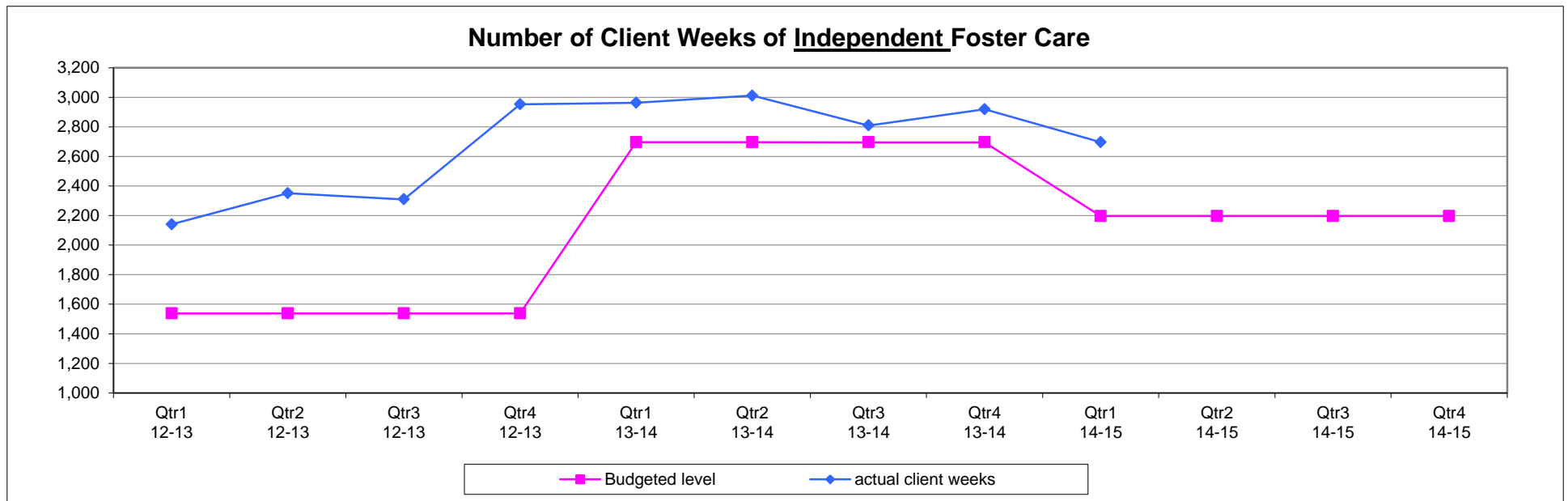


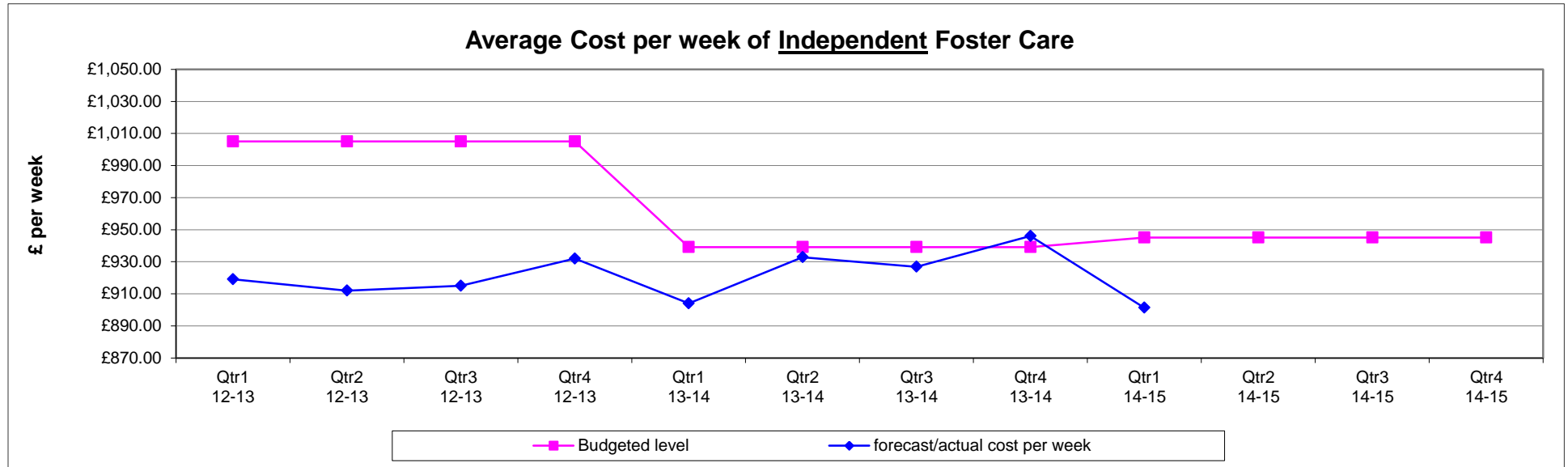
Comments:

- 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 affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks is 55,297 (excluding asylum), which is 150 weeks above the affordable level. At the forecast unit cost of £365.85 per week, this increase in activity gives a pressure of £55k, as shown in table 1b. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £365.85 is +£5.71 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£315k, as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £370k (£55k + £315k).
- **Special Operations activity of 458 weeks at £358.63 per week is excluded from this indicator**

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

	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	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37
Jul to Sep	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,197		£945.07	
Oct to Dec	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,197		£945.07	
Jan to Mar	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,197		£945.07	
	6,152	9,756	£1,005	£932	10,786	11,705	£939.19	£946.08	8,788	2,697	£945.07	£901.37



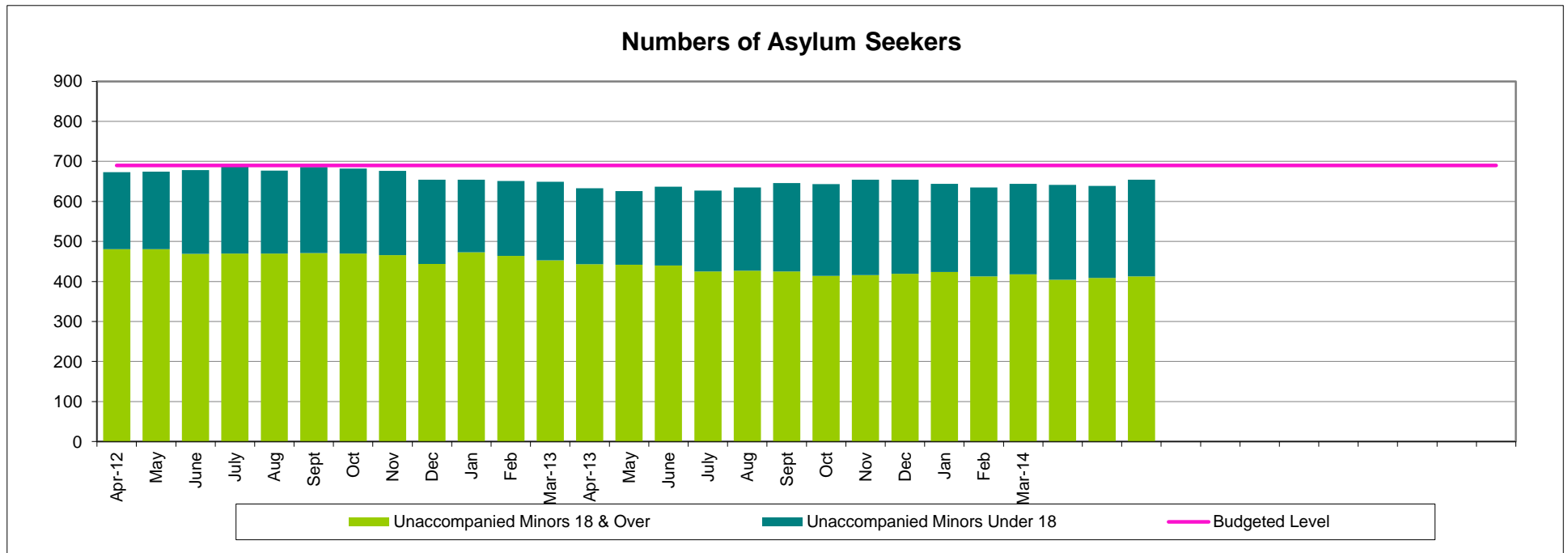


Comments:

- 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 affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks is 10,579 (excluding asylum), which is 1,791 weeks above the affordable level. At the forecast unit cost of £901.37 per week, this increase in activity gives a pressure of £1,614k as shown in table 1b. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £901.37 is £43.70 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of £384k as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £1,230k (£1,614k - £384k)
- The forecast average unit cost of £901.37 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- **Special Operations activity of 39 weeks at £1,020.51 per week is excluded from this indicator**

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	192	481	673	190	443	633	237	404	641
May	193	481	674	184	442	626	230	409	639
Jun	209	469	678	197	440	637	241	413	654
Jul	217	470	687	202	425	627			
Aug	207	470	677	208	427	635			
Sep	215	471	686	221	425	646			
Oct	212	470	682	229	414	643			
Nov	210	466	676	238	416	654			
Dec	210	444	654	235	419	654			
Jan	181	473	654	220	424	644			
Feb	187	464	651	222	413	635			
Mar	196	453	649	226	418	644			



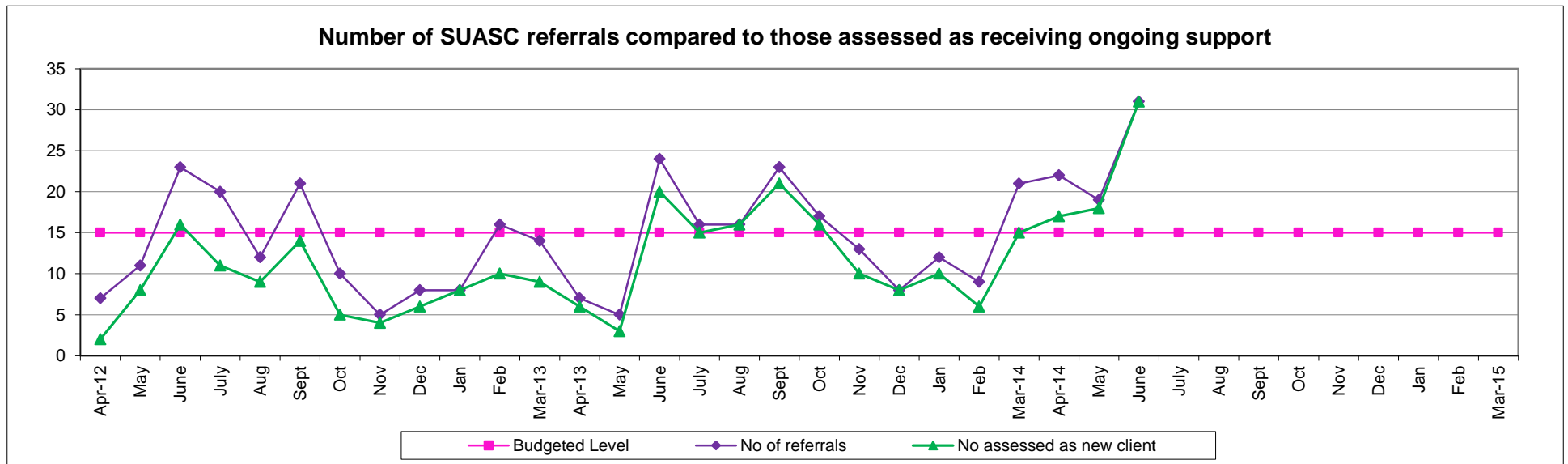
Comments:

- The overall number of children has remained fairly static, with a small increase in June. The number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2014-15 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.
- The number of Asylum LAC shown in table 2.1 above is different to the number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	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	7	2	29%	7	6	86%	22	17	77%
May	11	8	73%	5	3	60%	19	18	95%
Jun	23	16	70%	24	20	83%	31	31	100%
Jul	20	11	55%	16	15	94%			
Aug	12	9	75%	16	16	100%			
Sep	21	14	67%	23	21	91%			
Oct	10	5	50%	17	16	94%			
Nov	5	4	80%	13	10	77%			
Dec	8	6	75%	8	8	100%			
Jan	8	8	100%	12	10	83%			
Feb	16	10	63%	9	6	67%			
Mar	14	9	64%	21	15	71%			
	155	102	66%	171	146	85%	72	66	92%

Please note that recent UASC Referrals are assumed to be new clients until an assessment has been completed, which can take up to 6 weeks. Therefore the number of UASC assessed as new clients shown in the table above may change once the assessment has taken place.

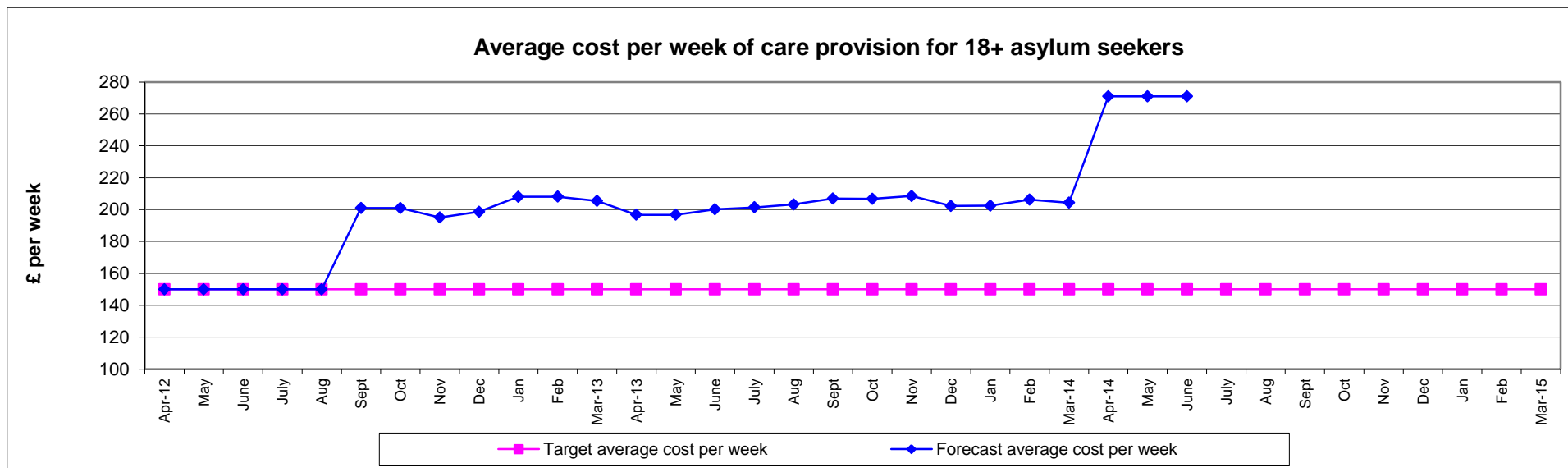


Comments:

- The average number of referrals per month is 24 which is above the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients in 2014-15 is 92%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 22 i.e. a 144% increase.
- Where a young person has been referred but not assessed as a new client this would be due to them being re-united with their family, assessed as 18+ and returned to UKBA or because they have gone missing before an assessment has been completed.
- The information on numbers of Unaccompanied Asylum Seeking Children is provided by the Management Information unit within SCH&W directorate.

	2012-13		2013-14		2014-15	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	150.00	150	196.78	150	271.10
May	150	150.00	150	196.78	150	271.10
Jun	150	150.00	150	200.18	150	271.10
Jul	150	150.00	150	201.40	150	
Aug	150	150.00	150	203.29	150	
Sep	150	200.97	150	206.92	150	
Oct	150	200.97	150	206.74	150	
Nov	150	195.11	150	208.51	150	
Dec	150	198.61	150	202.25	150	
Jan	150	208.09	150	202.49	150	
Feb	150	208.16	150	206.24	150	
Mar	150	205.41	150	204.27	150	

The current forecast average weekly cost for 2014-15 is £271.10, £121.10 above the £150 claimable under the grant rules. This adds £2,343k to the forecast outturn position. The weekly cost has increased significantly since 2013-14. Previously the average weekly cost was based on direct client costs only, as the gateway grant was used for staff and infrastructure costs. We no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore the increased weekly cost for 2014-15 includes ALL costs associated with 18+.



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.
- 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.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2014-15 of £2,028k. The forecast outturn against the 2014-15 budget is £2,028k giving a variance of +£0k.

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

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	0	431	0	0			Green		
ConTROCC	0	759	0	0			Green		
Early Help Module (EHM)	0	838	0	0			Green		
Total	0	2,028	0	0					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (£k)	+342,987	+3,887	-3,700	+187

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2013-14 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£2,919.4k gross and -£2,919.4k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget, incorporating a realignment of direct service budgets between A-Z lines in light of the 2013-14 outturn expenditure and activity, as the budget was set based on forecasts from several months earlier (+£1,531.3k gross and -£1,531.3k income). Included within this is +£1,525.2k gross and -£1,525.2k income for health funding towards the Carers' Strategy to reflect a S256 agreement currently held with CCGs to commission Adult Carers Assessment and Support Services jointly. KCC are the lead partner in this arrangement which has resulted in this budget realignment to reflect health's contribution towards this service.
- Reallocation of health monies (-£153k gross and +£153k income) where further information regarding allocations and spending plans has become available since the budget setting process. This involves an adjustment between A-Z budget lines and an overall gross and income budget transfer to Specialist Children's Services of -£153k gross and +£153k income in respect of health funded services. Further allocations are expected during the year once plans have been finalised.
- Allocation of additional grant monies (+£334.3k gross and -£334.3k income). These comprise adjustments to the health monies to reflect the full allocation of Better Care Fund Preparation and NHS Transfer funding (+£188.8k gross and -£188.8k income) and the Local Reform and Community Voices Grant (+£20.5k gross and -£20.5k income), where estimates were used during the budget setting process, as well as additional funding in the form of the Care Bill Implementation Grant (+£125k gross and -£125k income).

- The reallocation of 2014-15 approved pressures and savings between A-Z service lines to reflect the latest service transformation plans and agreed pricing strategy (+£1,206.8k Gross and -£1,206.8k Income). The realignment of gross and income recognises the fact that some parts of the transformation agenda will affect both spend and income.

There are also a number of other corporate adjustments which total +£1,112.4k gross, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets and where responsibilities between directorates/services are still being refined.

The overall movements are therefore an increase in gross of £4,031.8k and income of -£2,919.4k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 7 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Care, Health & Wellbeing - Adult Social Care									
Strategic Management & Directorate Support budgets	6,719.4	-237.2	6,482.2	6,946.5	-394.2	6,552.3	227.1	-157.0	70.1
<u>Support to Frontline Services:</u>									
- Adults Social Care	3,418.2	-32.0	3,386.2	3,972.2	-526.3	3,445.9	554.0	-494.3	59.7

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adults & Older People:</u>									
- Direct Payments									
- Learning Disability	16,897.6	0.0	16,897.6	16,927.6	-30.0	16,897.6	30.0	-30.0	0.0
- Mental Health	1,208.3	0.0	1,208.3	1,208.3	0.0	1,208.3	0.0	0.0	0.0
- Older People	6,959.2	0.0	6,959.2	6,767.3	0.0	6,767.3	-191.9	0.0	-191.9
- Physical Disability	10,224.9	0.0	10,224.9	10,238.4	0.0	10,238.4	13.5	0.0	13.5
Total Direct Payments	35,290.0	0.0	35,290.0	35,141.6	-30.0	35,111.6	-148.4	-30.0	-178.4
- Domiciliary Care									
- Learning Disability	1,097.4	0.0	1,097.4	1,087.0	0.0	1,087.0	-10.4	0.0	-10.4
- Older People	28,634.0	-503.1	28,130.9	30,429.1	-2,198.2	28,230.9	1,795.1	-1,695.1	100.0
- Physical Disability	6,867.1	0.0	6,867.1	4,158.1	0.0	4,158.1	-2,709.0	0.0	-2,709.0
Total Domiciliary Care	36,598.5	-503.1	36,095.4	35,674.2	-2,198.2	33,476.0	-924.3	-1,695.1	-2,619.4
- Non Residential Charging									
- Learning Disability	0.0	-3,167.5	-3,167.5	0.0	-3,167.5	-3,167.5	0.0	0.0	0.0
- Older People	0.0	-8,118.3	-8,118.3	0.0	-8,999.4	-8,999.4	0.0	-881.1	-881.1
- Physical Disability / Mental Health	0.0	-1,700.0	-1,700.0	0.0	-1,314.9	-1,314.9	0.0	385.1	385.1
Total Non Residential Charging Income	0.0	-12,985.8	-12,985.8	0.0	-13,481.8	-13,481.8	0.0	-496.0	-496.0
- Nursing & Residential Care									
- Learning Disability	76,363.8	-6,285.4	70,078.4	77,219.8	-6,294.2	70,925.6	856.0	-8.8	847.2
- Mental Health	8,514.1	-953.4	7,560.7	7,628.7	-993.0	6,635.7	-885.4	-39.6	-925.0
- Older People - Nursing	49,453.0	-26,502.6	22,950.4	47,226.3	-24,529.1	22,697.2	-2,226.7	1,973.5	-253.2
- Older People -	78,321.9	-33,781.1	44,540.8	79,797.8	-33,009.1	46,788.7	1,475.9	772.0	2,247.9
- Physical Disability	11,410.3	-1,612.7	9,797.6	11,307.4	-1,558.1	9,749.3	-102.9	54.6	-48.3
Total Nursing & Residential	224,063.1	-69,135.2	154,927.9	223,180.0	-66,383.5	156,796.5	-883.1	2,751.7	1,868.6
- Supported Accommodation									
- Learning Disability	36,670.8	-1,831.7	34,839.1	36,646.7	-1,831.7	34,815.0	-24.1	0.0	-24.1
- Older People	4,575.4	-4,350.0	225.4	4,575.4	-4,350.0	225.4	0.0	0.0	0.0
- Physical Disability / Mental Health	3,074.0	-107.4	2,966.6	3,727.9	-269.4	3,458.5	653.9	-162.0	491.9
Total Supported	44,320.2	-6,289.1	38,031.1	44,950.0	-6,451.1	38,498.9	629.8	-162.0	467.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Other Services for Adults & Older People									
- Community Support	3,808.4	-830.8	2,977.6	3,916.1	-851.0	3,065.1	107.7	-20.2	87.5
- Day Care									
- Learning Disability	13,397.4	-177.7	13,219.7	13,264.5	-177.7	13,086.8	-132.9	0.0	-132.9
- Mental Health	1,567.8	-30.2	1,537.6	1,566.8	-30.2	1,536.6	-1.0	0.0	-1.0
- Older People	2,204.0	-45.0	2,159.0	2,242.4	-45.0	2,197.4	38.4	0.0	38.4
- Physical Disability	937.5	0.0	937.5	937.5	0.0	937.5	0.0	0.0	0.0
Total Day Care	18,106.7	-252.9	17,853.8	18,011.2	-252.9	17,758.3	-95.5	0.0	-95.5
- Other Adult Services	6,473.1	-16,044.4	-9,571.3	12,850.0	-21,600.5	-8,750.5	6,376.9	-5,556.1	820.8
- Safeguarding	1,106.7	-261.6	845.1	1,138.4	-282.1	856.3	31.7	-20.5	11.2
- Social Support									
- Carers	9,603.6	-2,906.9	6,696.7	13,173.9	-4,318.2	8,855.7	3,570.3	-1,411.3	2,159.0
- Information & Early Intervention	5,070.5	-697.6	4,372.9	4,819.2	-726.8	4,092.4	-251.3	-29.2	-280.5
- Social Isolation	4,764.3	-2,055.1	2,709.2	4,341.4	-1,940.3	2,401.1	-422.9	114.8	-308.1
Total Social Support	19,438.4	-5,659.6	13,778.8	22,334.5	-6,985.3	15,349.2	2,896.1	-1,325.7	1,570.4
- Support & Assistance	3,418.0	-3,418.0	0.0	3,418.0	-3,418.0	0.0	0.0	0.0	0.0
Total Other Services for A&OP	52,351.3	-26,467.3	25,884.0	61,668.2	-33,389.8	28,278.4	9,316.9	-6,922.5	2,394.4
Housing Related Support for Vulnerable People (Supporting People)									
- Administration	434.1	0.0	434.1	440.0	0.0	440.0	5.9	0.0	5.9
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	3,386.4	0.0	3,386.4	0.0	0.0	0.0
- Adults - Physical Difficulties	138.5	0.0	138.5	138.5	0.0	138.5	0.0	0.0	0.0
- Adults - Mental Health	2,904.3	0.0	2,904.3	2,904.3	0.0	2,904.3	0.0	0.0	0.0
- Older People	4,199.3	0.0	4,199.3	4,199.3	0.0	4,199.3	0.0	0.0	0.0
- Other Adults	7,508.6	0.0	7,508.6	7,508.6	0.0	7,508.6	0.0	0.0	0.0
Total Housing Related Support for Vulnerable People	18,571.2	0.0	18,571.2	18,577.1	0.0	18,577.1	5.9	0.0	5.9
Public Health:									
- Drug & Alcohol Services	19,025.5	-17,775.5	1,250.0	19,035.2	-17,775.5	1,259.7	9.7	0.0	9.7
Assessment Services									
- Adult Social Care Staffing	42,624.0	-7,681.2	34,942.8	37,868.2	-3,395.4	34,472.8	-4,755.8	4,285.8	-470.0
Total SCH&W (Adults)	482,981.4	-141,106.4	341,875.0	487,013.2	-144,025.8	342,987.4	4,031.8	-2,919.4	1,112.4

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	6,946.5	-394.2	6,552.3	+18	+106	Legal Charges	
					-88	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,972.2	-526.3	3,445.9	+190	+209	Overspend on strategic commissioning staffing budget from current structure, offset by underspend in Specialist Children's Services strategic commissioning staffing budget (see annex 2)	
					-19	Other minor variances	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	16,927.6	-30.0	16,897.6	-173	+284	Forecast +1,030 weeks above affordable level of 61,245 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-29	Forecast average unit cost -£0.48 below affordable level of £276.39	
					+215	One-off direct payments	
					-634	Recovery of unspent funds from clients	
					-9	Other minor variances	
- Mental Health	1,208.3	0.0	1,208.3	-425	-441	Forecast -6,253 weeks below affordable level of 15,479 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-117	Forecast average unit cost -£7.56 below affordable level of £78.06	
					+133	One-off direct payments	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	6,767.3	0.0	6,767.3	+34	+187 Forecast +1,022 weeks above affordable level of 37,421 weeks +101 Forecast average unit cost +£2.71 above affordable level of £180.62 +356 One-off direct payments -637 Recovery of unspent funds from clients +27 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability	10,238.4	0.0	10,238.4	+496	+729 Forecast +3,880 weeks above affordable level of 53,511 week -158 Forecast average unit cost -£2.96 below affordable level of £190.96 +636 One-off direct payments -753 Recovery of unspent funds from clients +42 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Direct Payments	35,141.6	-30.0	35,111.6	-68		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-266	-190 Forecast -15,144 weeks below affordable level of 72,190 weeks -76 Forecast average unit cost -£1.06 below affordable level of £13.61	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	30,429.1	-2,198.2	28,230.9	+4,293	+3,560 Forecast +247,066 weeks above affordable level of 1,582,330 weeks +665 Forecast average unit cost +£0.42 above affordable level of £13.99 +250 Estimated under achievement of savings in the domiciliary contract relet process. This is due to the transfer of clients to the new contracts taking longer than planned. -175 Lower usage of Kent Enablement at Home Service (KEAH) than anticipated for Older People clients, but this is more than offset by higher usage than anticipated for PD clients -7 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability	4,158.1	0.0	4,158.1	+1,719	+1,637 -134 +217 -1	Forecast +125,214 weeks above affordable level of 263,527 weeks Forecast average unit cost -£0.51 below affordable level of £13.58 Higher usage of KEAH than anticipated for Physical Disability clients, with the majority of this offset by lower usage than anticipated for Older People clients (see above) Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Domiciliary Care	35,674.2	-2,198.2	33,476.0	+5,746			
- Non Residential Charging							
- Learning Disability	0.0	-3,167.5	-3,167.5	+106	-155 +261	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report. Non-client income - this relates to specific services being provided for specific individuals. This forecast under-recovery reflects the fact that reimbursements for specific non-residential care services are being provided direct to individual service lines, i.e Supported Accommodation. This will be realigned for the Quarter 2 Report.	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings

ANNEX 3

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	0.0	-8,999.4	-8,999.4	-200	-200	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report.	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings
- Physical Disability / Mental Health	0.0	-1,314.9	-1,314.9	-6			
Total Non Residential Charging Income	0.0	-13,481.8	-13,481.8	-100			
- Nursing & Residential Care							
- Learning Disability	77,219.8	-6,294.2	70,925.6	+394	-1,326	Forecast -1,138 weeks below affordable level of 67,697 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+100	Leading to a shortfall in client contributions	
					+1,588	Forecast average unit cost +£23.46 above affordable level of £1,142.45	
					+10	Independent Sector: forecast average unit client contribution +£0.14 below affordable level of -£88.12	
					+22	Other minor variances	
- Mental Health	7,628.7	-993.0	6,635.7	+748	+553	Forecast +911 weeks above affordable level of 12,860 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-36	Leading to an increase in client contributions	
					+182	Forecast average unit cost +£14.13 above affordable level of £592.65	
					+50	Independent Sector: forecast average unit client contribution +£3.91 below affordable level of -£43.52	
					-1	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People - Nursing	47,226.3	-24,529.1	22,697.2	-754	-620 Forecast -1,280 weeks below affordable level of 78,686 weeks +252 Leading to a shortfall in client contributions -224 Forecast average unit cost -£2.84 below affordable level of £487.05 -192 Independent Sector: forecast average unit client contribution -£2.44 above affordable level of -£194.20 +30 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People - Residential	79,797.8	-33,009.1	46,788.7	-2,117	-2,208 Forecast -5,368 weeks below affordable level of 147,739 weeks +1,039 Leading to a shortfall in client contributions +724 Forecast average unit cost +£4.90 above affordable level of £406.35 -1,652 Independent Sector: forecast average unit client contribution -£11.18 above affordable level of -£182.29 -137 Lower than anticipated utility, security and equipment costs for in-house units +97 Other minor variances for in-house +20 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability	11,307.4	-1,558.1	9,749.3	+1,375	+1,841 Forecast +2,186 weeks above affordable level of 13,003 weeks -240 Leading to an increase in client contributions -354 Forecast average unit cost -£27.24 below affordable level of £869.60 +94 Independent Sector: forecast average unit client contribution +£7.26 below affordable level of -£117.23 +34 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Nursing & Residential Care	223,180.0	-66,383.5	156,796.5	-354		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Supported Accommodation							
- Learning Disability	36,646.7	-1,831.7	34,815.0	+1,567	-1,260	Forecast -111,827 hours below affordable level of 3,140,305 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+3,423	Forecast average unit cost +£1.09 above affordable level of £10.18	
					-272	In-house services and staffing levels have been reconfigured to reflect reductions in demand	
					-261	This relates to specific services being provided for specific individuals funded by Health or other local authorities and offsets the under-recovery of income on Non-Residential Charging. This forecast under-spend reflects the fact that reimbursements for specific non-residential care services are being provided direct to this A-Z service line instead of the LD Non- Residential Charging A-Z line. This will be realigned for the Quarter 2 Report.	
					-63	Other minor variances	
- Older People	4,575.4	-4,350.0	225.4	+147	+192	Forecast +17,032 hours above affordable level of 16,054 hours The large increase in forecast hours is in part linked to an increase in Adult Placements recorded within the Older People client category rather than in the under 65 physical disability category, but also due to other changes to bring reporting into line with current guidance.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-45	Forecast average unit cost -£2.77 below affordable level of £14.04	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+530	-43 Mental Health Forecast -3,792 hours below affordable level of 170,188 +133 Mental Health Forecast average unit cost +£0.78 above affordable level of £10.62 +368 Physical Disability Forecast +48,323 hours above affordable level of 232,101 hours +67 Physical Disability Forecast average unit cost +£0.29 above affordable level of £7.33 +5 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Supported Accommodation	44,950.0	-6,451.1	38,498.9	+2,244		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-236	-158 Various contracts have been reviewed, with the service previously provided by these contracts now provided via Supporting Independence Service (SIS), (reported within Supported Accommodation above), or Direct Payments with a corresponding overall reduction in cost. Plans continue to develop in this area. -78 Other minor variances	
- Day Care						
- Learning Disability	13,264.5	-177.7	13,086.8	+116	+159 In-house services and staffing levels have been reconfigured to reflect changes in demand -43 Other minor variances	
- Mental Health	1,566.8	-30.2	1,536.6	-1		
- Older People	2,242.4	-45.0	2,197.4	-431	-416 Current demand for services provided by the independent sector -15 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability	937.5	0.0	937.5	-42		
Total Day Care	18,011.2	-252.9	17,758.3	-358		
- Other Adult Services	12,850.0	-21,600.5	-8,750.5	-1,338	-1,448	The budget assumes large increases in usage of Telecare as part of the Transformation Programme, although to date demand for Telecare and the forecast average unit cost have been lower than anticipated.
					-924	Capitalisation of Telecare programme of installations (where elements meet the criteria for capital spend). This is partly offset by the variance on drawdown from reserves below
					+453	Drawdown from reserves for 2014-15 lower than initially anticipated. This is offset by a higher than previously anticipated capitalisation of Telecare programme of installations.
					+322	Greater demand for Integrated Community Equipment Store (ICES) than anticipated
					-382	Reduction in forecast requirement in the level of bad debt provision for social care debts
					+516	This variance is offset in Adult Social Care Staffing (below) and relates to the staff who install equipment with respect to Assistive and Adaptive Technology, rather than assessment staff
					+119	Higher than budgeted unit cost for hot meals provided to older people
					+6	Other minor variances
- Safeguarding	1,138.4	-282.1	856.3	+8		This budget will be realigned with Adult Social Care Staffing as part of the 2015-18 MTFP (see contra entry below)

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-753	-615 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +430 Leading to lower than anticipated client income -415 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme -153 Other minor variances each under £100k	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Information & Early Intervention	4,819.2	-726.8	4,092.4	+346	+330 Expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community +16 Other minor variances	
- Social Isolation	4,341.4	-1,940.3	2,401.1	+33		
Total Social Support	22,334.5	-6,985.3	15,349.2	-374		
- Support & Assistance Service (Social Fund)	3,418.0	-3,418.0	0.0	-229	-251 Lower than anticipated demand and lower average unit cost than anticipated based on current known expenditure. +22 Other minor variances	
Total Other Services for Adults & Older People	61,668.2	-33,389.8	28,278.4	-2,527		

ANNEX 3

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Housing Related Support for Vulnerable People (Supporting People)							
- Administration	440.0	0.0	440.0	0			
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	-34			
- Adults - Physical Difficulties	138.5	0.0	138.5	0			
- Adults - Mental Health	2,904.3	0.0	2,904.3	+12			
- Older People	4,199.3	0.0	4,199.3	-307	-307	Contract variations and efficiencies leading to lower overall cost without a reduction in service	
- Other Adults	7,508.6	0.0	7,508.6	-87			
Total Housing Related Support for Vulnerable People	18,577.1	0.0	18,577.1	-416			
Public Health							
- Drug & Alcohol Services	19,035.2	-17,775.5	1,259.7	-205		Variances primarily due to staffing vacancies and lower associated costs, with cover provided within the team: -213 - Public health funded element (see transfer to reserves below) -12 - KCC funded element, for which roll forward will be required to fund our obligation to the pooled budget arrangement +20 Other minor variances	
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+213	+213	<i>transfer to Public Health reserve of underspending against public health grant</i>	
- Drug & Alcohol Services				+8			

ANNEX 3

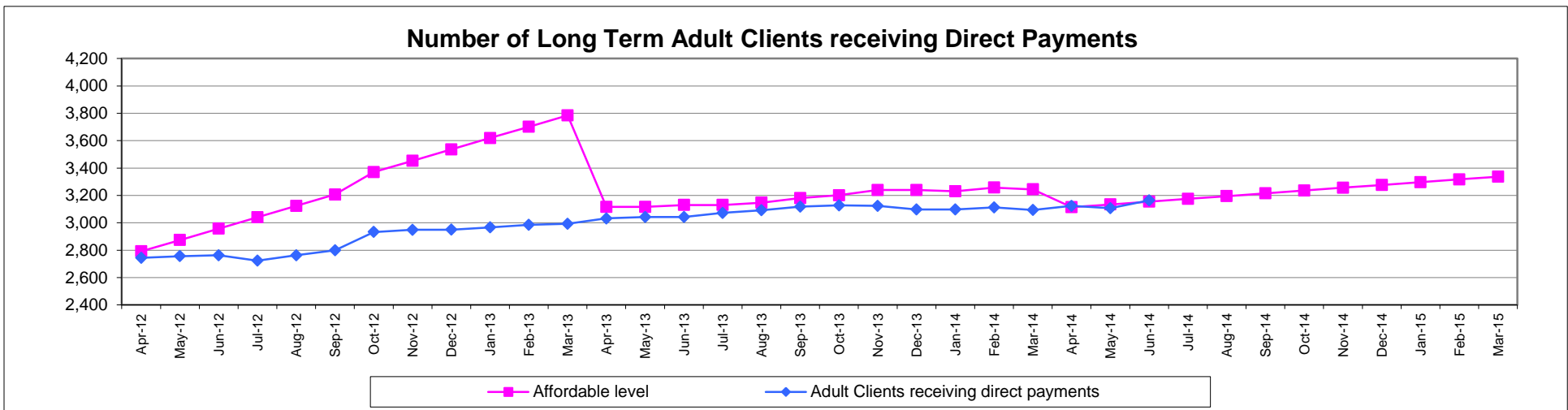
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Assessment Services</u>						
- Adult Social Care Staffing	37,868.2	-3,395.4	34,472.8	-854	-516 This variance is offset in Other Adult Services (above) and relates to the staff who install equipment with respect to Assistive and Adaptive Technology, rather than assessment staff	This budget will be realigned with Other Adult Services as part of the 2015-18 MTFP (see contra entry above)
					-408 Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners	
					+70 Other minor variances	
Total SCH&W (Adults)	487,013.2	-144,025.8	342,987.4	+3,887		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Assumed Mgmt Action				-3,700	<p>Early indications are that the performance against the transformation savings is showing an improved position. This coupled with recruitment to the new staffing establishment and more extensive application of the transformation agenda means that the OPPD forecast position is likely to improve over the next quarter, and the Directorate is confident that £2,600k of this total management action figure will be achieved.</p> <p>In relation to LDMH services, management action of up to £1,100k will be targeted at overspending teams and services in order to reduce the revenue position. All services will be subject to some review and residential and community based activity will be amended as appropriate. Provision of Direct Payments, Supported Living and Shared Lives care packages will be reduced where possible. Negotiation and agreement with other local authorities for their funding of Ordinary Residence clients is expected to result in further revenue reductions within Kent. Additional emerging pressures will also be managed.</p>	
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	487,013.2	-144,025.8	342,987.4	+187		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	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
Apr	2,791	2,744	169	3,116	3,032	164	3,114	3,124	206
May	2,874	2,756	147	3,116	3,043	169	3,134	3,107	139
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,164	135
Jul	3,040	2,724	156	3,130	3,072	173	3,175		
Aug	3,123	2,763	167	3,147	3,092	158	3,195		
Sep	3,207	2,799	147	3,181	3,118	134	3,215		
Oct	3,370	2,933	185	3,201	3,127	179	3,235		
Nov	3,453	2,949	119	3,240	3,123	144	3,256		
Dec	3,536	2,950	109	3,240	3,098	159	3,276		
Jan	3,619	2,967	117	3,231	3,097	176	3,297		
Feb	3,702	2,986	127	3,257	3,112	135	3,317		
Mar	3,785	2,992	105	3,244	3,093	121	3,337		
			1,681			1,832			480

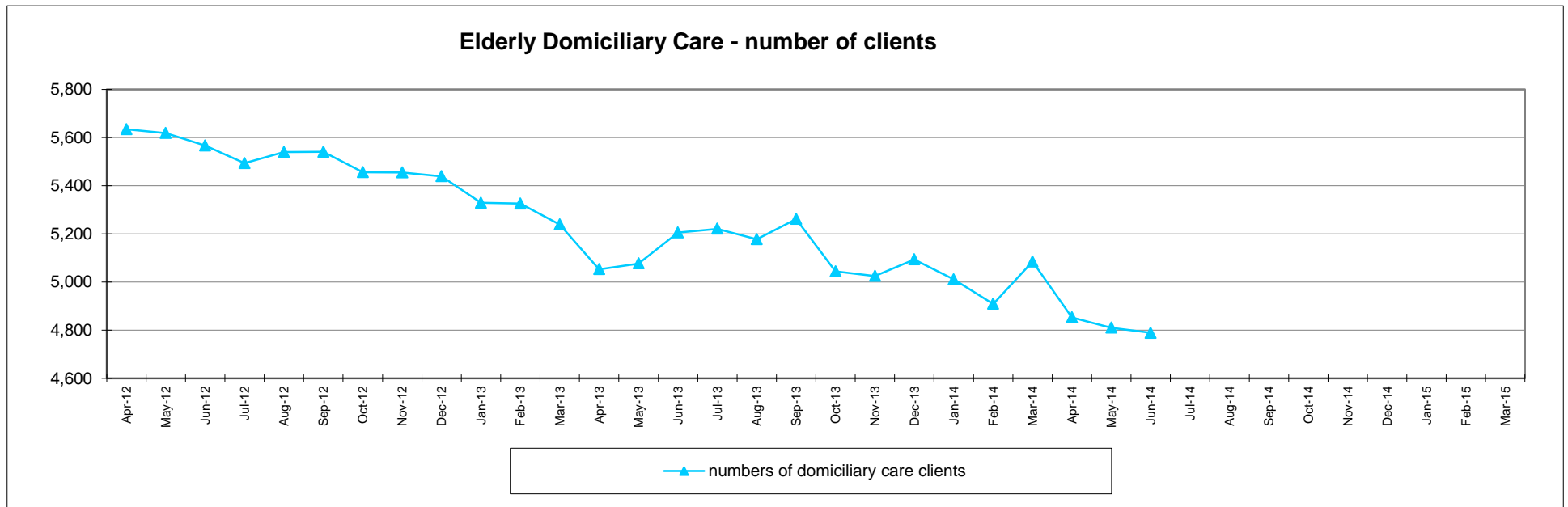


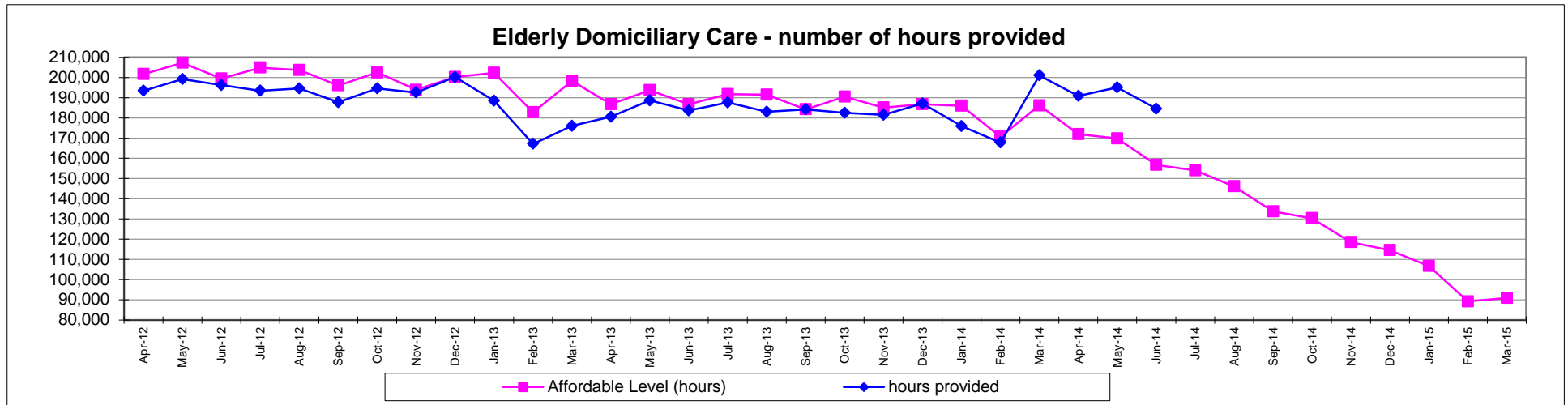
Comments:

- 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.
- Current activity to date compared against the profiled budget would suggest a higher level of activity than currently forecast on this service, but the profile does assume back-loading of the budget profile based on demographic increases. Overall, activity levels are lower than budgeted, but this is not evenly distributed across client groups, each of which have differing unit costs. The net result of this is that current forecast activity would lead to an overspend. This is because the client group with the lowest unit cost (Mental Health) is showing reduced activity, whereas the other client groups, with higher unit costs, are forecasting activity above the budgeted level. However, lower than budgeted unit costs are reducing the impact of this slightly. The overall effect of this across individual client groups is reflected in Table 1b. This position has been offset by recoveries of surplus funds from clients, leading to a small underspend being forecast against the overall direct payments budget, as shown in Table 1b.

2.2 Elderly domiciliary care – 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)	hours provided	number of clients
Apr	201,708	193,451	5,635	186,809	180,585	5,053	171,979	190,804	4,853
May	207,244	199,149	5,619	193,717	188,656	5,077	169,813	195,051	4,810
Jun	199,445	196,263	5,567	186,778	183,621	5,206	156,692	184,572	4,789
Jul	204,905	193,446	5,494	191,791	187,621	5,221	154,016		
Aug	203,736	194,628	5,540	191,521	183,077	5,178	146,118		
Sep	196,050	187,749	5,541	184,242	184,208	5,262	133,761		
Oct	202,490	194,640	5,456	190,446	182,503	5,044	130,322		
Nov	193,910	192,555	5,455	185,082	181,521	5,025	118,474		
Dec	200,249	200,178	5,439	186,796	187,143	5,094	114,525		
Jan	202,258	188,501	5,329	186,006	175,916	5,011	106,627		
Feb	182,820	167,163	5,326	170,695	167,774	4,909	89,174		
Mar	198,277	176,091	5,239	186,184	201,069	5,085	90,829		
	2,393,092	2,283,814		2,240,067	2,203,694		1,582,330	570,427	





Comments:

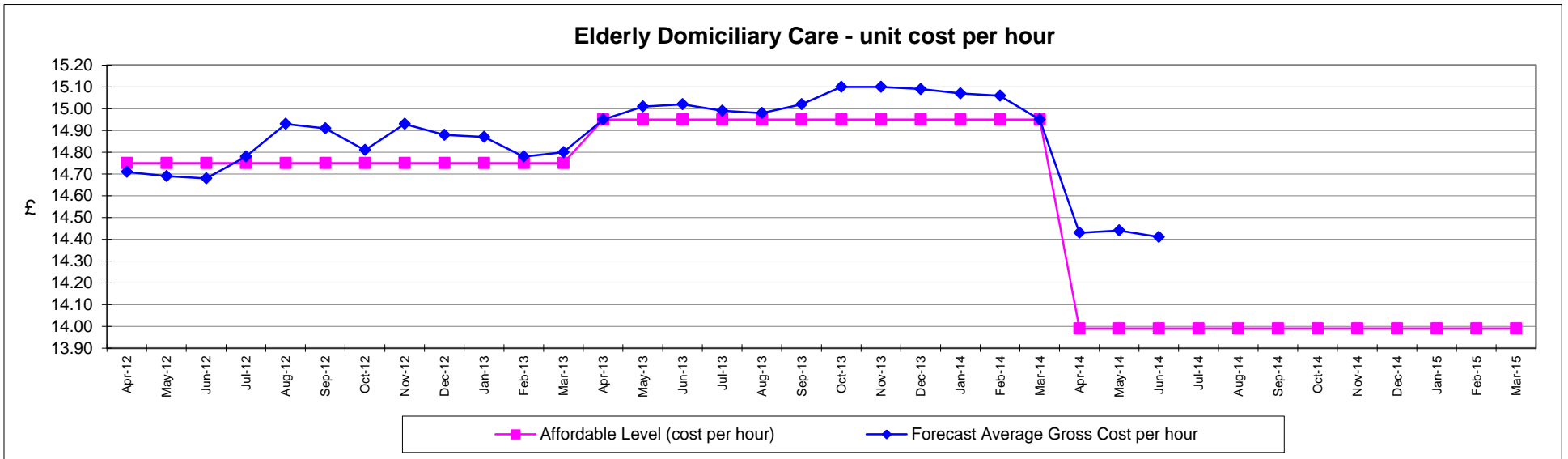
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,829,396 hours of care against an affordable level of 1,582,330, a difference of +247,066 hours. Using the forecast unit cost of £14.41 this reduction in activity reduces the forecast by +£3,560k, as shown in table 1.
- To the end of June 570,427 hours of care have been delivered against an affordable level of 498,484, a difference of +71,943 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and previous years' trends. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, but this is reliant on a variety of streams within the Transformation Programme, each of which could exhibit minor variations within the major changes involved. A key example of this is that the transfer of domiciliary clients to a new contract is taking longer than initially planned. Some other streams appear to be below the level anticipated at this stage, but action is being taken to target segments that are not at full capacity or to increase savings on other streams to compensate.
- 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 and 8.3 for 2013-14. For 2014-15, the current actual average hours per client per week is 9.1.

2.3 Average gross cost per hour of older people domiciliary care 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	Forecast Average Gross Cost per Hour £p
Apr	14.75	14.71	14.95	14.95	13.99	14.43
May	14.75	14.69	14.95	15.01	13.99	14.44
Jun	14.75	14.68	14.95	15.02	13.99	14.41
Jul	14.75	14.78	14.95	14.99	13.99	
Aug	14.75	14.93	14.95	14.98	13.99	
Sep	14.75	14.91	14.95	15.02	13.99	
Oct	14.75	14.81	14.95	15.10	13.99	
Nov	14.75	14.93	14.95	15.10	13.99	
Dec	14.75	14.88	14.95	15.09	13.99	
Jan	14.75	14.87	14.95	15.07	13.99	
Feb	14.75	14.78	14.95	15.06	13.99	
Mar	14.75	14.80	14.95	14.95	13.99	

Comments:

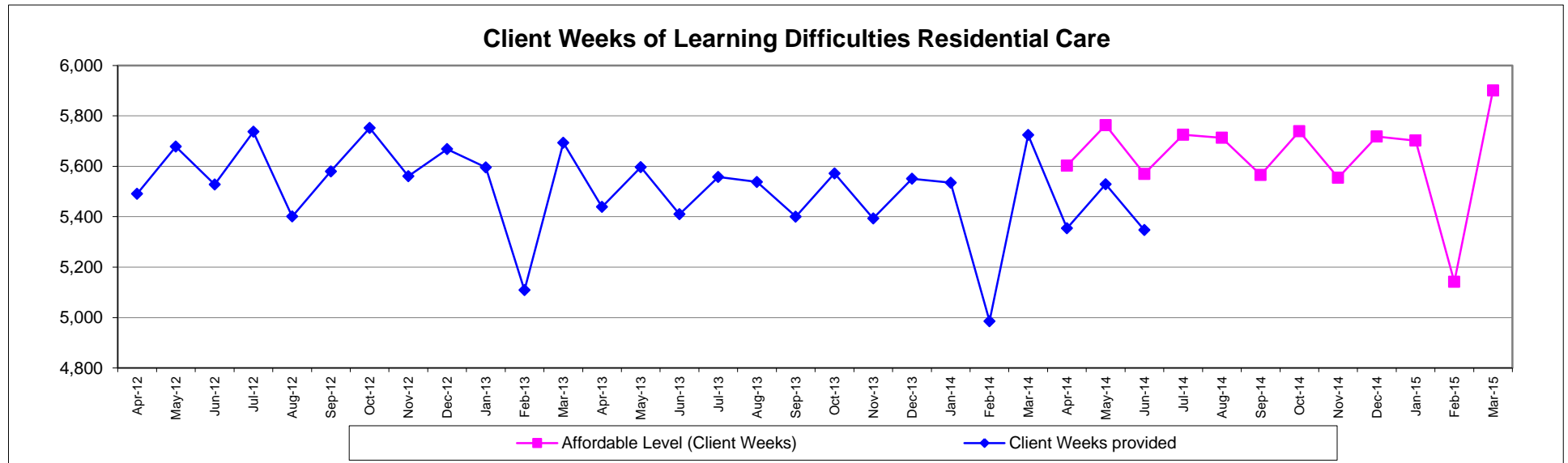
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.41 is higher than the affordable cost of +£13.99 and this difference of +£0.42 adds +£665k to the position when multiplied by the affordable weeks, as shown in table 1b.
- The drop in affordable unit cost between March and April 2014 represents anticipated cost reductions from the domiciliary contract relet as part of the Transformation Programme. This transfer of clients commenced in June 2014 and will continue in the coming months.



2.4 Number of client weeks of learning disability residential care provided compared with affordable level:

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,491	5,439	5,603	5,354
May	5,678	5,597	5,763	5,529
Jun	5,528	5,410	5,570	5,347
Jul	5,737	5,558	5,725	
Aug	5,401	5,538	5,713	
Sep	5,580	5,400	5,566	
Oct	5,752	5,572	5,739	
Nov	5,561	5,393	5,555	
Dec	5,668	5,551	5,718	
Jan	5,596	5,535	5,702	
Feb	5,109	4,986	5,142	
Mar	5,693	5,724	5,901	
	66,794	65,703	67,697	16,230

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



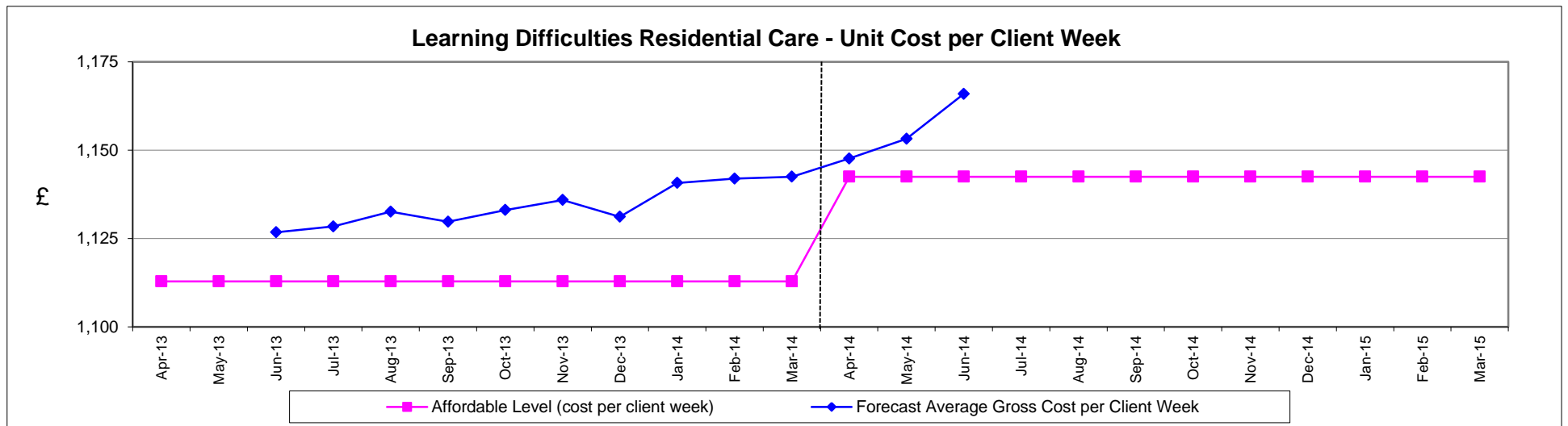
Comments:

- 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 (including preserved rights clients) at the end of 2012-13 was 1,275, at the end of 2013-14 it was 1,254 and at the end of June 2014 it was 1,232. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 66,559 weeks of care against an affordable level of 67,697, a difference of -1,138 weeks. Using the forecast unit cost of £1,165.91, this reduced activity decreases the forecast by -£1,326k, as shown in table 1b.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of June 16,230 weeks of care have been delivered against an affordable level of 16,936, a difference of -706 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		1,112.86		1,142.45	1,147.62
May		1,112.86		1,142.45	1,153.21
Jun		1,112.86	1,126.76	1,142.45	1,165.91
Jul		1,112.86	1,128.39	1,142.45	
Aug		1,112.86	1,132.54	1,142.45	
Sep		1,112.86	1,129.75	1,142.45	
Oct		1,112.86	1,133.04	1,142.45	
Nov		1,112.86	1,135.86	1,142.45	
Dec		1,112.86	1,131.13	1,142.45	
Jan		1,112.86	1,140.70	1,142.45	
Feb		1,112.86	1,141.90	1,142.45	
Mar		1,112.86	1,142.45	1,142.45	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



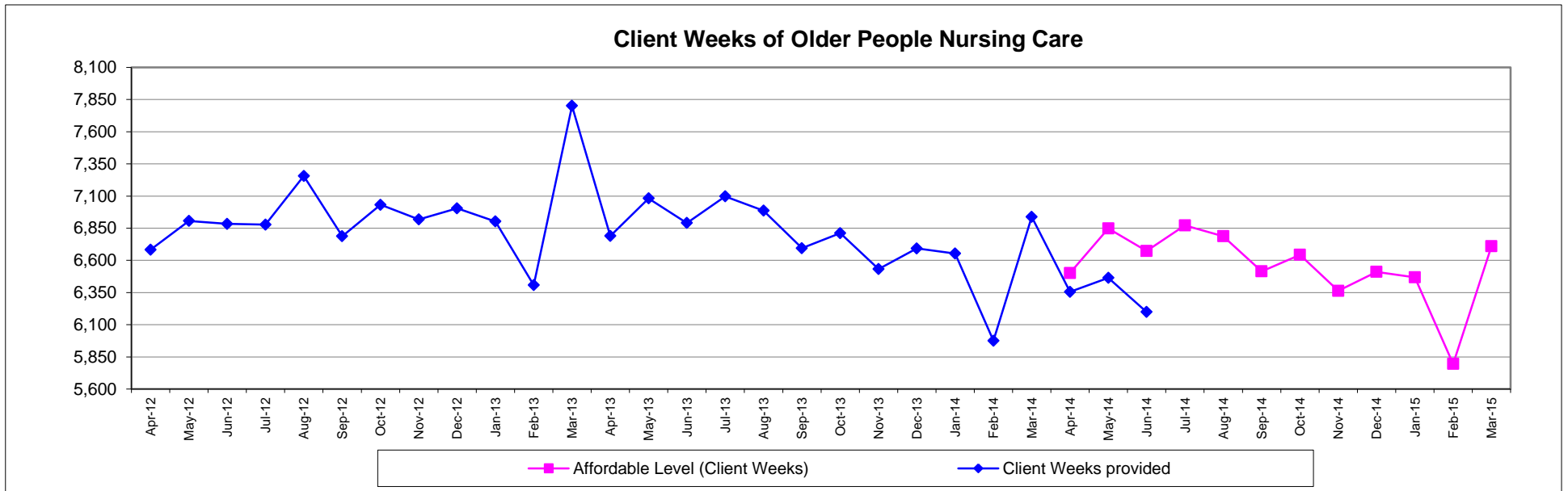
Comments:

- 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 £1,100 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of +£1,165.91 is higher than the affordable cost of +£1,142.45 and this difference of +£23.46 adds +£1,588k to the position when multiplied by the affordable weeks, as shown in table 1b.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,683	6,789	6,502	6,355
May	6,907	7,081	6,848	6,464
Jun	6,884	6,891	6,673	6,199
Jul	6,877	7,097	6,871	
Aug	7,255	6,986	6,788	
Sep	6,788	6,695	6,515	
Oct	7,032	6,812	6,643	
Nov	6,918	6,532	6,363	
Dec	7,004	6,693	6,510	
Jan	6,903	6,653	6,468	
Feb	6,408	5,975	5,795	
Mar	7,801	6,937	6,710	
	83,460	81,141	78,686	19,018

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



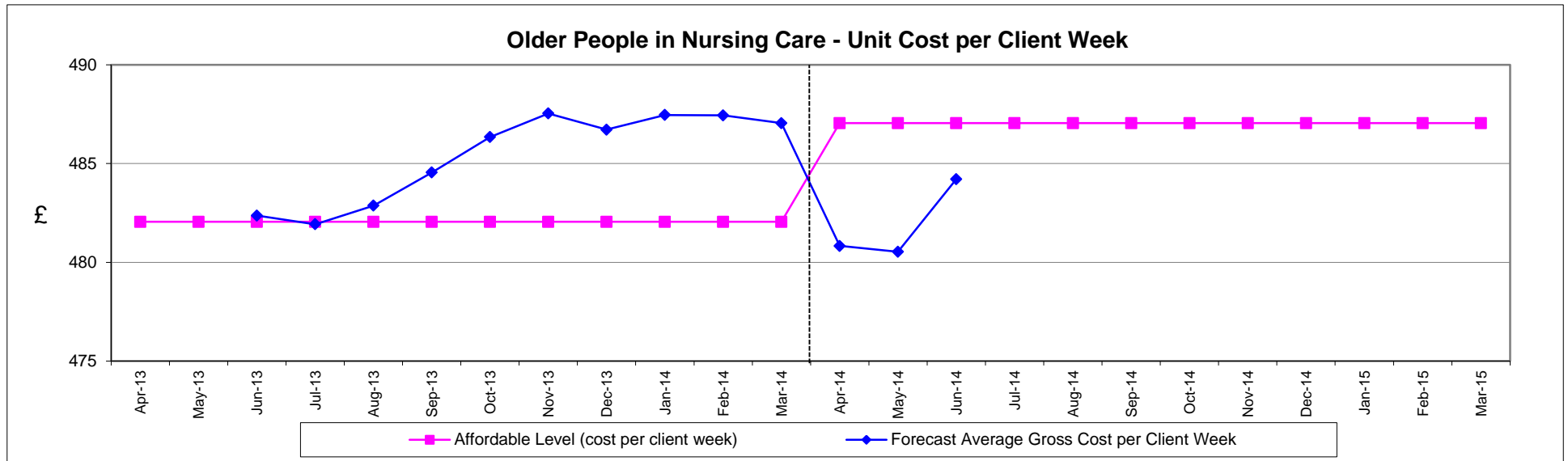
Comments:

- 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 2012-13 was 1,483, at the end of 2013-14 it was 1,423 and at the end of June 2014 it was 1,456.
- The current forecast is 77,406 weeks of care against an affordable level of 78,686, a difference of -1,280 weeks. Using the forecast unit cost of £484.21, this reduced activity decreases the forecast by -£620k, as shown in table 1b.
- To the end of June 19,018 weeks of care have been delivered against an affordable level of 20,023, a difference of -1,005 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast. However, this is mostly due to lower levels of short term placements recorded to date, which is likely to be due to late recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated.
- 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.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		482.05		487.05	480.83
May		482.05		487.05	480.53
Jun		482.05	482.37	487.05	484.21
Jul		482.05	481.93	487.05	
Aug		482.05	482.87	487.05	
Sep		482.05	484.55	487.05	
Oct		482.05	486.34	487.05	
Nov		482.05	487.54	487.05	
Dec		482.05	486.72	487.05	
Jan		482.05	487.46	487.05	
Feb		482.05	487.44	487.05	
Mar		482.05	487.05	487.05	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



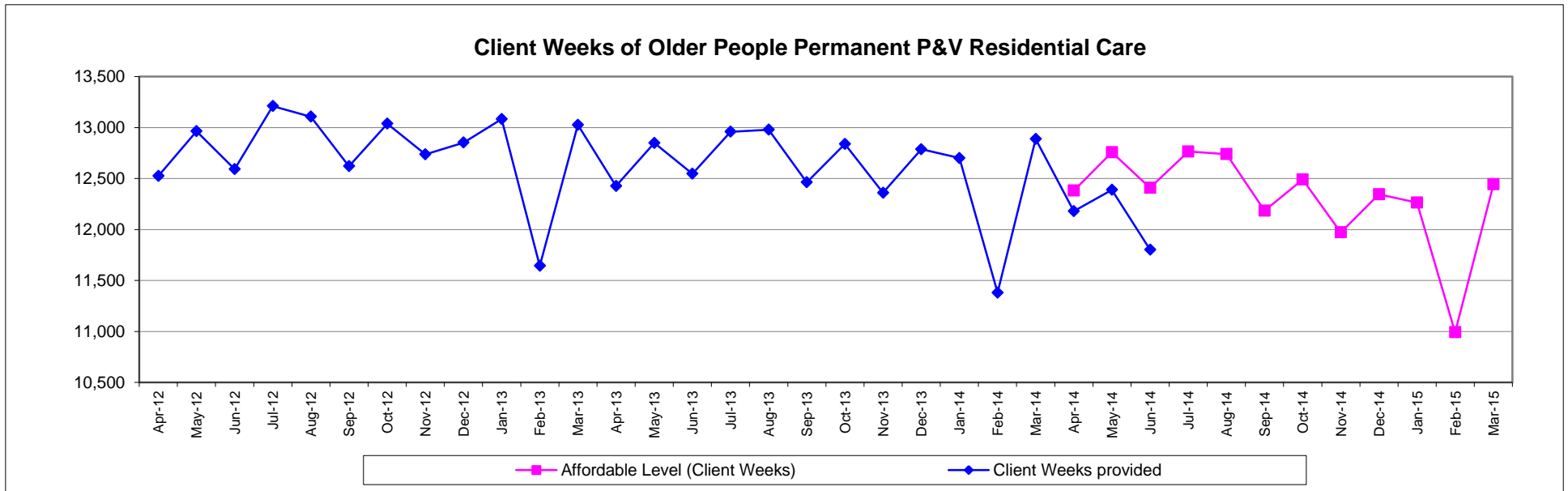
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of +£484.21 is lower than the affordable cost of +£487.05 and this difference of -£2.84 reduces the position by -£224k when multiplied by the affordable weeks, as shown in table 1b.
- The increase in the forecast unit cost in June 2014 is a result of a number of changes around savings being included, corrections and data cleansing following major changes to the coding structure with effect from 1 April 2014 in line with current guidance on financial and activity reporting requirements.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,525	12,427	12,381	12,179
May	12,963	12,849	12,757	12,388
Jun	12,592	12,547	12,409	11,802
Jul	13,210	12,959	12,764	
Aug	13,107	12,978	12,739	
Sep	12,620	12,463	12,184	
Oct	13,037	12,839	12,490	
Nov	12,737	12,360	11,972	
Dec	12,852	12,787	12,345	
Jan	13,082	12,701	12,264	
Feb	11,644	11,380	10,991	
Mar	13,026	12,887	12,443	
	153,395	151,177	147,739	36,369

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



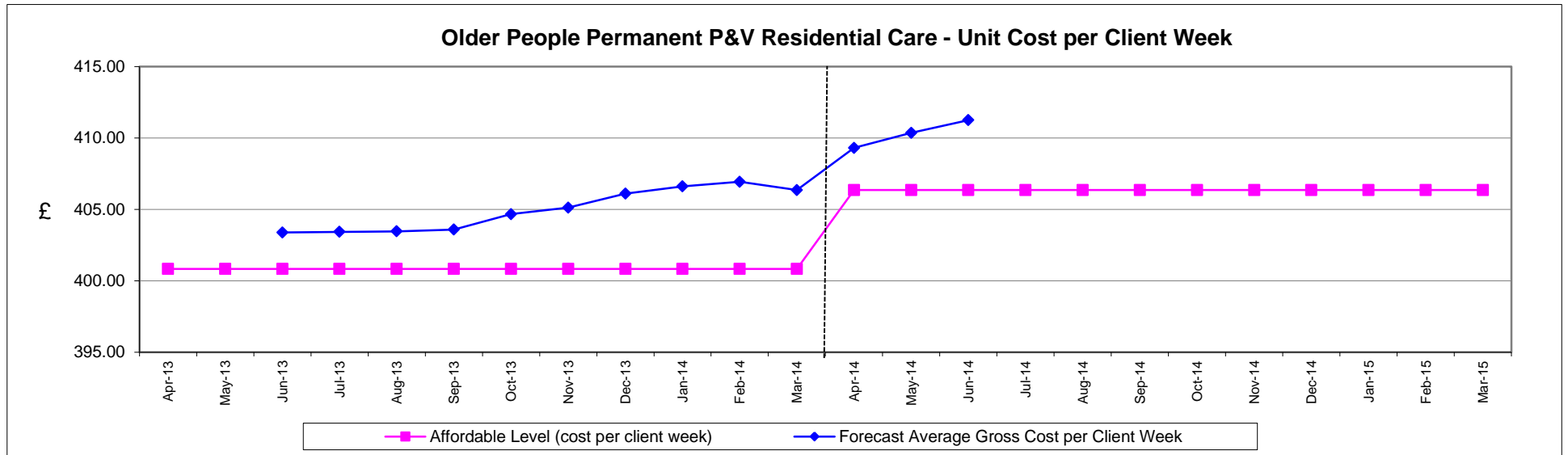
Comments:

- 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 2012-13 was 2,737, at the end of 2013-14 it was 2,704 and at the end of June 2014 it was 2,754 . It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 142,371 weeks of care against an affordable level of 147,739, a difference of -5,368 weeks. Using the forecast unit cost of £411.25, this reduced activity decreases the forecast by -£2,208k, as shown in table 1b.
- To the end of June 36,369 weeks of care have been delivered against an affordable level of 37,547 a difference of -1,178 weeks. The quarter 1 year to date activity suggests a higher level of activity than currently forecast; however, the forecast includes the anticipated effects of the transformation programme that should lead to lower levels of residential activity than would otherwise be expected in the forthcoming months. The profile follows a combination of old year patterns and a gradually reducing profile, incorporating expected reductions, although the nature of the transformation programme means that reductions in spend will not necessarily mirror this pattern precisely.
- We are now making 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.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		400.83		406.35	409.31
May		400.83		406.35	410.36
Jun		400.83	403.38	406.35	411.25
Jul		400.83	403.43	406.35	
Aug		400.83	403.46	406.35	
Sep		400.83	403.59	406.35	
Oct		400.83	404.67	406.35	
Nov		400.83	405.12	406.35	
Dec		400.83	406.10	406.35	
Jan		400.83	406.62	406.35	
Feb		400.83	406.94	406.35	
Mar		400.83	406.35	406.35	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. The overall impact of this change has been to increase the overall number of clients whilst increasing the unit cost. 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. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.

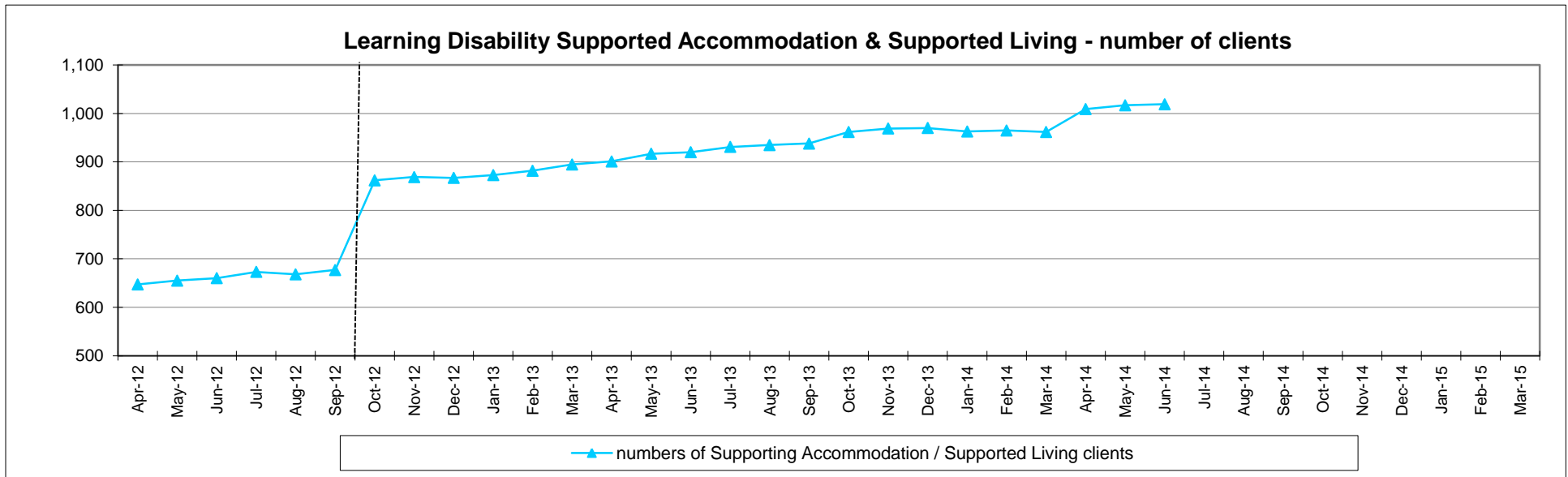


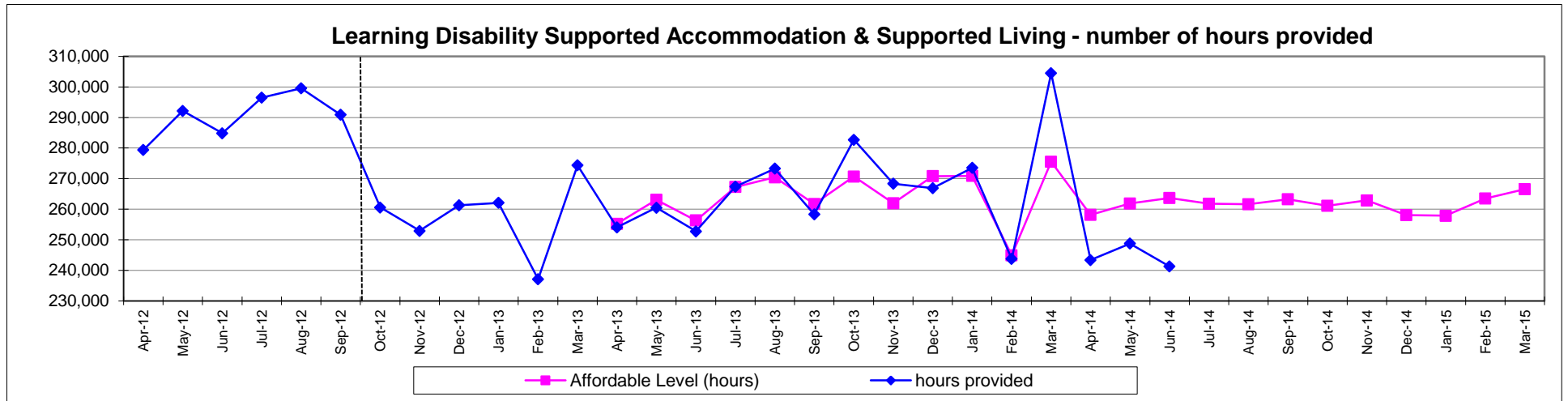
Comments:

- The forecast unit cost of +£411.25 is higher than the affordable cost of +£406.35 and this difference of +£4.90 adds +£724k to the position when multiplied by the affordable weeks, as shown in table 1b.
- This general increasing trend in 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. New cases are likely 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.

2.10 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)	hours provided	number of clients
Apr		279,365	647	255,228	254,067	901	258,147	243,373	1,009
May		292,122	655	263,089	260,503	917	261,879	248,760	1,017
Jun		284,835	660	256,321	252,761	920	263,670	241,285	1,019
Jul		296,532	673	267,255	267,384	931	261,799		
Aug		299,521	668	270,414	273,259	935	261,634		
Sep		290,914	677	261,697	258,323	938	263,266		
Oct		260,574	862	270,697	282,706	962	261,108		
Nov		252,932	869	261,922	268,324	969	262,876		
Dec		261,257	867	270,798	266,913	970	258,041		
Jan		262,070	873	270,874	273,530	963	257,851		
Feb		237,118	882	244,883	243,730	965	263,469		
Mar		274,334	895	275,556	304,457	962	266,565		
		3,291,574		3,168,734	3,205,957		3,140,305	733,418	





Comments:

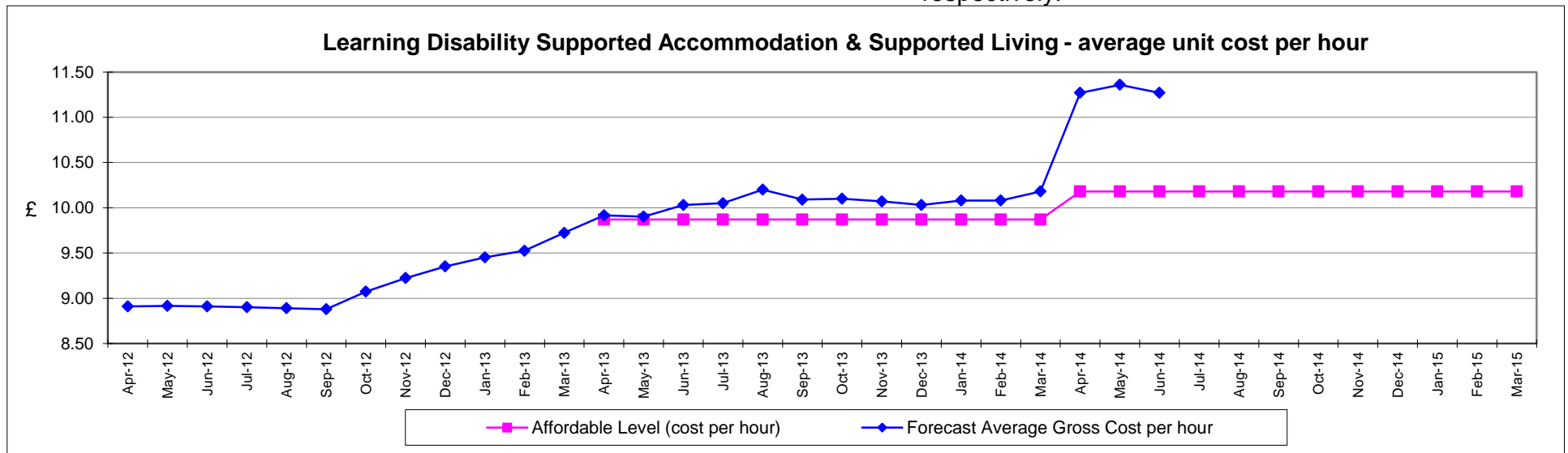
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level 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 is 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 is shown on the graphs above to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- The current forecast is 3,028,478 hours of care against an affordable level of 3,140,305, a difference of -111,827 hours. Using the forecast unit cost of £11.27, this reduced activity decreases the forecast by -£1,260k, as shown in table 1.
- To the end of June 733,418 hours of care have been delivered against an affordable level of 783,696, a difference of -50,278 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. However, the quarter 1 year to date activity still suggests a lower level of activity than currently forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database. 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.

2.11 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	Forecast Average Gross Cost per Hour £p
Apr		8.91	9.87	9.92	10.18	11.27
May		8.92	9.87	9.90	10.18	11.36
Jun		8.91	9.87	10.03	10.18	11.27
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 forecast unit cost of +£11.27 is higher than the affordable cost of +£10.18 and this difference of +£1.09 adds +£3,423k when multiplied by the affordable hours, as shown in table 1b. Prior to April 2014, sessions were treated as varying length blocks, but this estimate has been revised as part of the overall changes in reporting requirements. The equivalent unit costs for April-June 2014 would have been £10.64, £10.76 and £10.68 respectively.

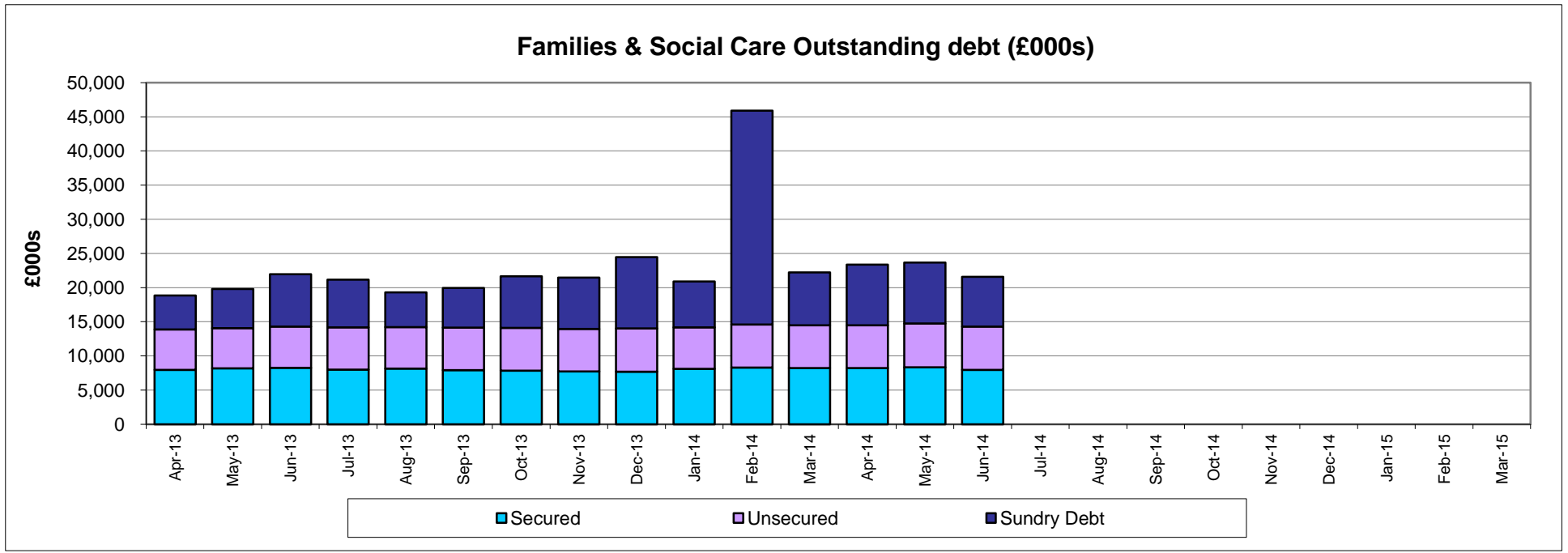


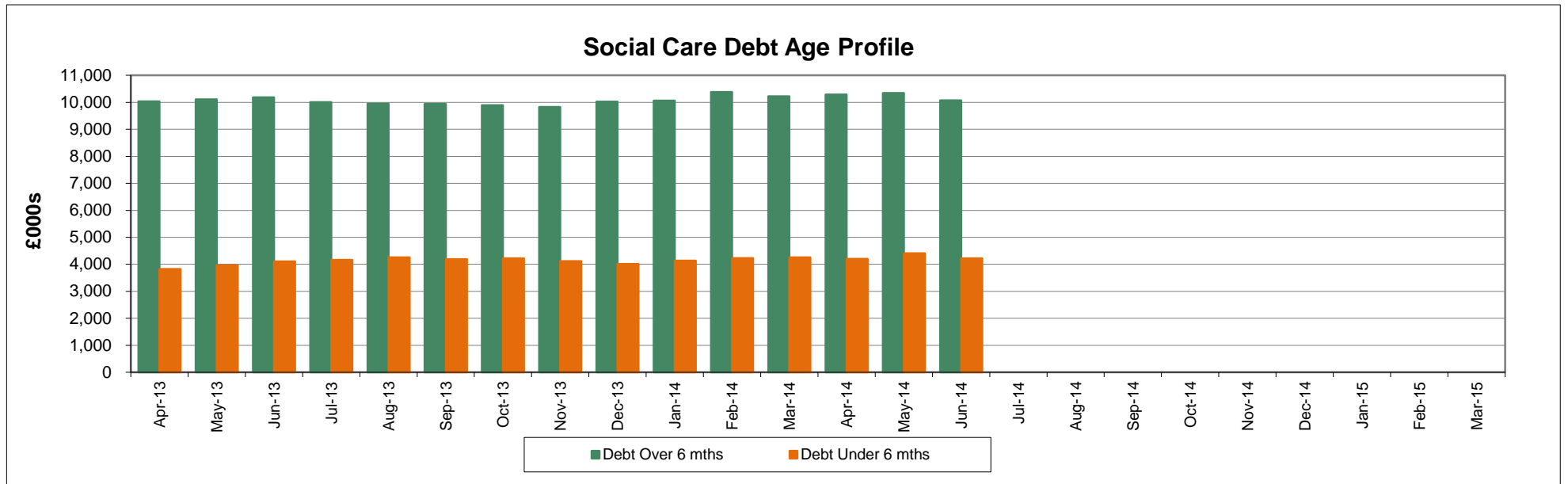
2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of June was £21.579m compared with March's figure of £22.238m (reported to Cabinet in July) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £7.289m of sundry debt compared to £7.753m in March. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.290m relating to Social Care (client) debt which is a small reduction of £0.195m from the last reported position to Cabinet in July. 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-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153
Aug-13	19,320	5,116	14,204	9,950	4,254	8,141	6,063
Sep-13	19,950	5,814	14,136	9,943	4,193	7,931	6,205
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
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14							
Aug-14							

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
	Sep-14						
Oct-14							
Nov-14							
Dec-14							
Jan-15							
Feb-15							
Mar-15							





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

Social Care debt by Customer Credit Status	March £000s	June £000s	Movement £000s
Secured	8,213	7,944	-269
Unsecured - Deceased/Terminated Service	1,783	1,768	-15
Unsecured - Ongoing	4,491	4,580	89
Health (Unsecured)	-2	-2	0
TOTAL	14,485	14,290	-195

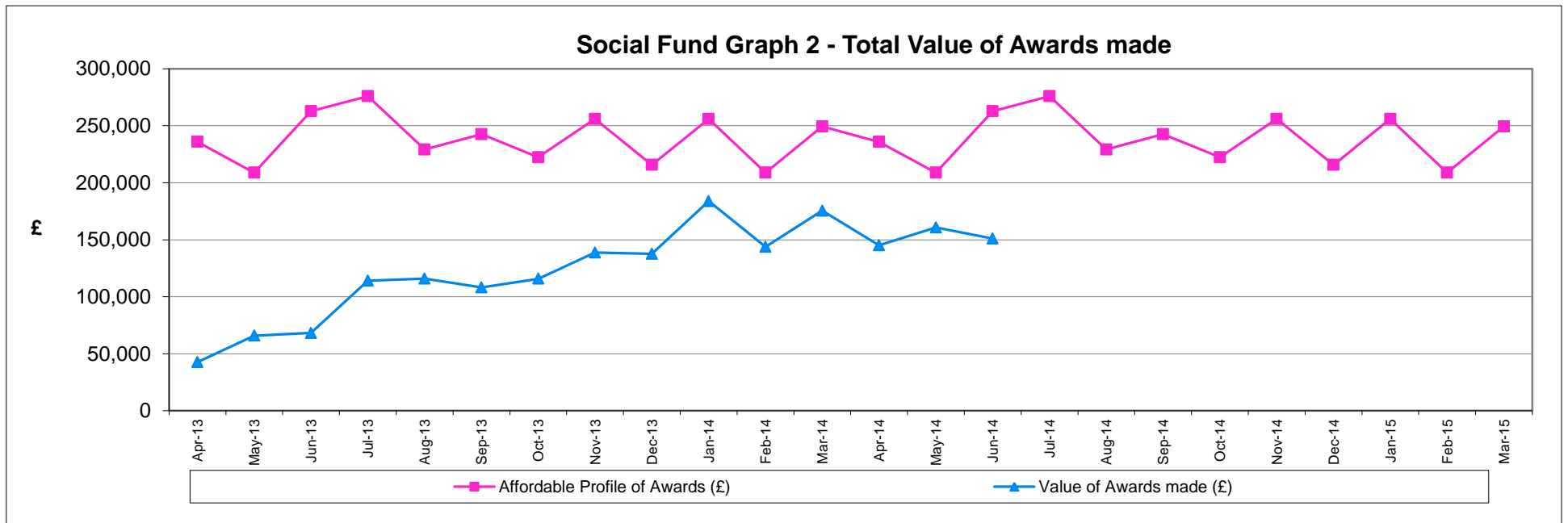
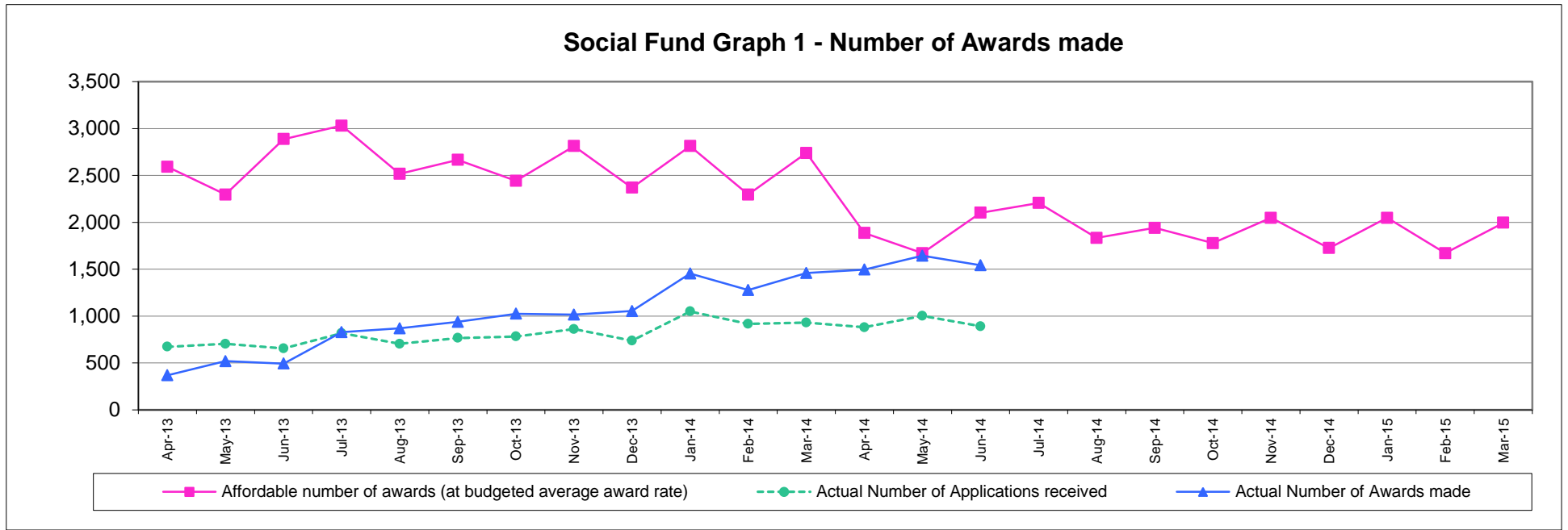
Unsecured debt by Client Group	March £000s	June £000s	Movement £000s
Older People/Physical Disability	5,890	5,906	16
Learning Disability	284	342	58
Mental Health	100	100	0
Health	-2	-2	0
TOTAL	6,272	6,346	74

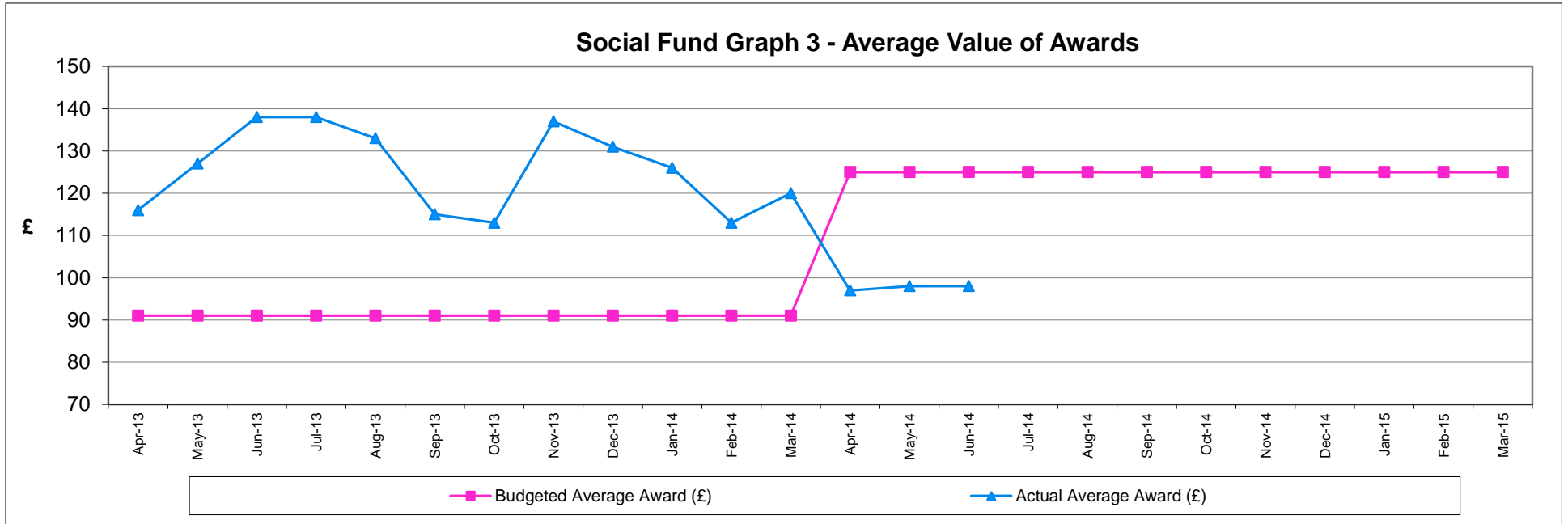
2.13 Number and Value of Social Fund awards made

		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2013-14	Apr	2,591	673	368	235,800	42,620	91	116
	May	2,296	704	520	208,900	65,907	91	127
	Jun	2,887	655	494	262,700	68,201	91	138
	Jul	3,031	818	828	275,800	114,188	91	138
	Aug	2,518	704	869	229,100	115,811	91	133
	Sep	2,666	766	939	242,600	108,237	91	115
	Oct	2,443	783	1,025	222,300	115,778	91	113
	Nov	2,813	861	1,015	256,000	138,738	91	137
	Dec	2,369	738	1,054	215,600	137,748	91	131
	Jan	2,813	1,050	1,453	256,000	183,774	91	126
	Feb	2,296	918	1,278	208,900	143,813	91	113
	Mar	2,739	930	1,460	249,300	175,416	91	120
			31,462	9,600	11,303	2,863,000	1,410,231	91
2014-15	Apr	1,886	880	1,496	235,800	145,043	125	97
	May	1,671	1,003	1,644	208,900	160,674	125	98
	Jun	2,102	891	1,541	262,700	151,071	125	98
	Jul	2,206			275,800		125	
	Aug	1,833			229,100		125	
	Sep	1,941			242,600		125	
	Oct	1,778			222,300		125	
	Nov	2,048			256,000		125	
	Dec	1,725			215,600		125	
	Jan	2,048			256,000		125	
	Feb	1,671			208,900		125	
	Mar	1,995			249,300		125	
			22,904	2,774	4,681	2,863,000	456,788	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 pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the pilot scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. *(As the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it will not represent a typical year and therefore has not been used to profile the 2014-15 budget in column d of the table)*

One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).





Comments:

- This is a pilot scheme that commenced in Kent on 1 April 2013 and differs from the Social Fund scheme, previously administered by DWP, in that cash awards are only given in very extreme circumstances e.g. where an individual may be at risk. This scheme offers 4 types of award including food & clothing, white goods, energy vouchers and furniture & equipment and more importantly signposts the individual, whether an award is given or not, to the appropriate service so that they can receive ongoing support. This is an emergency fund to help support the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- Applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. However, approval of awards for lower priority cases e.g. applications for furniture from low risk households may be slower. Therefore, actual awards made in any month can exceed the number of applications for the month, either due to the processing of low priority cases from previous months, or as a result of individual applications resulting in multiple awards being granted, as referred to above.

- **Graph 1** above represents the number of individual awards granted, (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 the early months of 2013-14 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 £3.418m, with £0.555m 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).

Because of the uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service. **This roll forward of £1,722.2k was approved by Cabinet in July and will be reflected in the cash limits and the affordable level for this indicator in the next report.** *(The table above shows an underspend of £1,452.8k in 2013-14 (column d - column e), which is based on the number of awards approved during the financial year. Although awards are approved for individuals in dire need, these awards are not always taken up for a variety of reasons. During 2013-14 £269.4k of approved awards, mainly for furniture and equipment, were not taken up by clients. Therefore the financial underspend as a consequence of the value of awards actually paid (taken up) in 2013-14 was £1,722.2k).*
- **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 current take up of this scheme being low in comparison to the old DWP scheme (which is what the funding, and affordable level, is based upon). The graph illustrates that the value of awards made is showing a steadily increasing trend since the inception of this pilot scheme and this is expected to continue to increase as the scheme matures and communication increases about what the scheme provides. In addition, it is anticipated that changes to welfare reform may still impact on the value of awards given. 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 for 2013-14 was set with this in mind at £91. The affordable average award value was revised for 2014-15 to match the actual average award value for 2013-14 of £125. This increase in the budgeted average award value from £91 to £125 reflects a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value.

To the end of June, on average, award values in 2014-15 have been lower with an average of £98 currently reported. In the first quarter of 2014-15, 37% of the number of awards have been for food & clothing, compared to 49% for 2013-14. Furniture & equipment (incl white goods) accounts for 39% of the number of awards but 57% of the value of awards (the percentages were 19% and 54% respectively, indicating an increasing number falling into this category, but also a shift to lower value items of furniture and equipment). As a result, the actual average award is lower than budgeted due to the apportionment of the award types being different to what was anticipated.

The awards figures for December 2013-14 include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to cover the Christmas period. Also, there was a higher number (and value) of cash awards made in December 2013, which included emergency payments to households evacuated because of the flooding.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2014-15 of £77,120k. The forecast outturn against the 2014-15 budget is £77,013k giving a variance of -£107k.

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

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Home Support Fund	6,600	2,200	0	0			Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Community Care Centre - Ebbsfleet	0	0	0	0			Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
OP Strategy - Transformation / Modernisation	6,978	6,209	-120	-120	Real underspend: £20k developer contributions £200k prudential Real overspend: £100k capital receipts	Wyllie Court - £200k of telecare now not part of this development. £20k developer contributions vired to Corporate Landlord MOA budget to fund work at Minnis Day Centre. £100k capital receipts reinstated.	Green		Cash limit adj: Reduce prudential £200k in 14/15. Reduce dev cons £20k 14/15. Increase cap rec by £100k in 14/15
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	2,182	1,467	13	13	Real - developer contributions		Green		Increase cash limit by £13k dev cons
Learning Disability Good Day Programme-Community Initiatives	679	759	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	63,000					Green		
Developing Innovative and Modernising Services:									
Information Technology Projects	2,507	2,507	0	0			Green		
Lowfield St (formerly Trinity Centre, Dartford)	972	978	0	0			Green		
Total	82,918	77,120	-107	-107					

1. Status:

Green – on time & within budget;

Amber – either delayed completion date or over budget;

Red – both delayed completion & over budget.

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
Total (£k)	-	-904	+904	-

1.2 The cash limits which the Service is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Service would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The Public Health budget was set without the benefit of having a full year's worth of expenditure, as the responsibilities had only transferred from Health in April 2013; budgets have now been realigned between A-Z lines in view of the 2013-14 outturn. The division was also reviewing and re-negotiating a number of its contracts at the time the A to Z analysis of budgets was completed and now needs to reflect the outcomes of these.

There are also a number of other adjustments which total -£805.6k gross and +£805.6k income; these relate to contributions to services in other directorates funded by the Public Health Grant as follows: the Six Ways to Wellbeing Project within Arts Development in GE&T directorate, and investment in Children's Centres and a contribution towards Youth Offending within E&YP directorate.

In addition the revised budget includes the draw down of the full amount (£2,906k) of the 2013-14 underspend held within the Public Health reserve to support investment in services.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£273k gross and -£273k income; this relates to a receipt in advance from 2013-14 and changes in the level of health income.

The overall movements are therefore an reduction in gross of -£532.6k (-805.6+273) and income of +£532.6k (+805.6-273). This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments,
- The total value of the adjustments applied to each A-Z budget line.

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	-11			
<u>Public Health:</u>							
- Children's Public Health Programmes	6,024.5	-6,024.5	0.0				
- Drug & Alcohol Services	752.2	-752.2	0.0				
- Obesity & Physical Activity	2,794.8	-2,794.8	0.0				
- Public Health - Mental Health Adults	912.1	-912.1	0.0				
- Public Health Staffing, Advice & Monitoring	4,887.4	-4,887.4	0.0	-893	-893	<i>Underspend due to vacancies</i>	
- Sexual Health Services	11,996.7	-11,996.7	0.0				
- Targeting Health Inequalities	6,116.1	-6,116.1	0.0				
- Tobacco Control & Stop Smoking Services	4,013.4	-4,013.4	0.0				
	37,667.3	-37,667.3	0.0	-904			
- <i>tr to(+)/from(-) Public Health reserve</i>				+904	+904	<i>Transfer of underspend on staffing to reserve</i>	
Total SCH&W (Public Health)	37,667.3	-37,667.3	0.0	0			

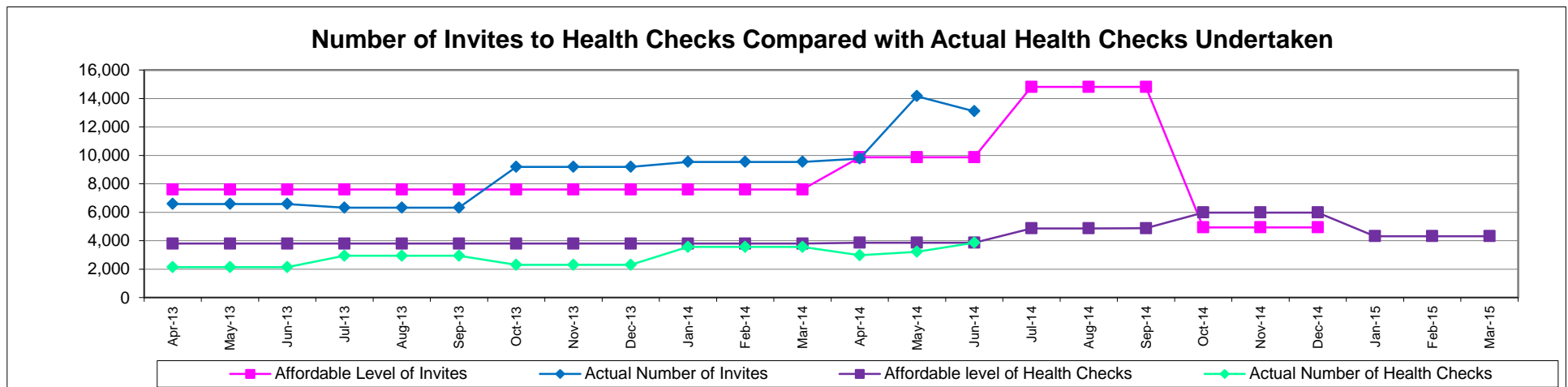
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Health Check invites compared to number of Health Checks undertaken

	2013-14				2014-15			
	Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225
Jun					9,878	13,108	3,862	3,865
Jul					14,816		4,874	
Aug	22,810	18,996	11,405	8,836	14,816		4,875	
Sep					14,816		4,876	
Oct					4,939		5,987	
Nov	22,810	27,608	11,405	6,924	4,939		5,988	
Dec					4,938		5,989	
Jan					0		4,324	
Feb	22,811	28,639	11,406	10,709	0		4,325	
Mar					0		4,325	
TOTAL	91,241	95,004	45,621	32,924	88,896	37,053	57,145	10,074

Comments:

- As can be seen from the difference in total budgeted activity for invites and checks, not all people invited for a health check attend a check and there is often a delay between the invite and the health check taking place.
- The invites planned activity is weighted towards the early part of the year to give time for the follow-up process to maximise the number of people attending a health check.
- The total planned number of invites is based on eligible population.

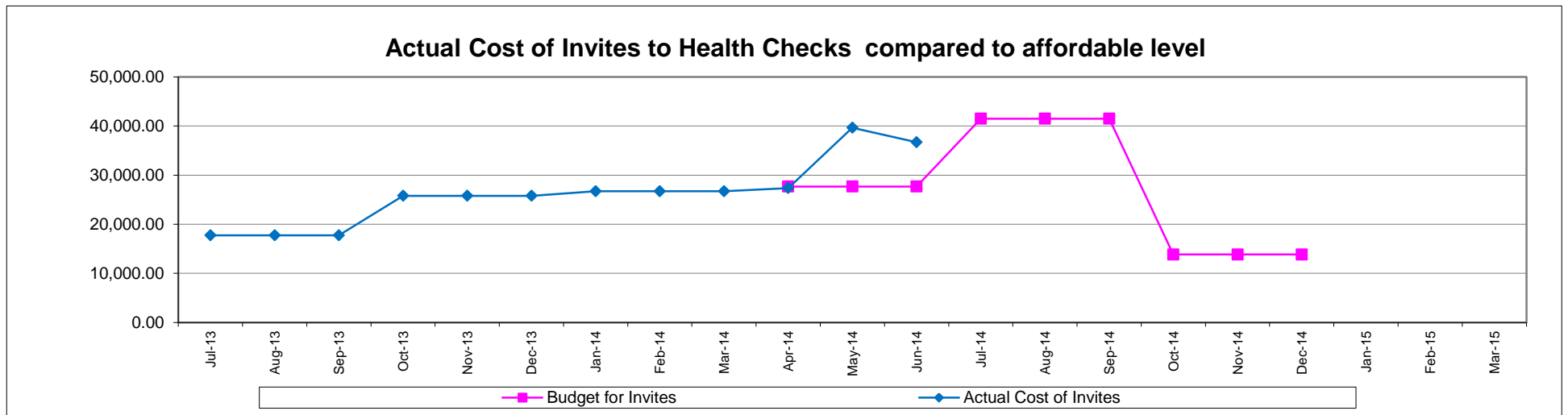


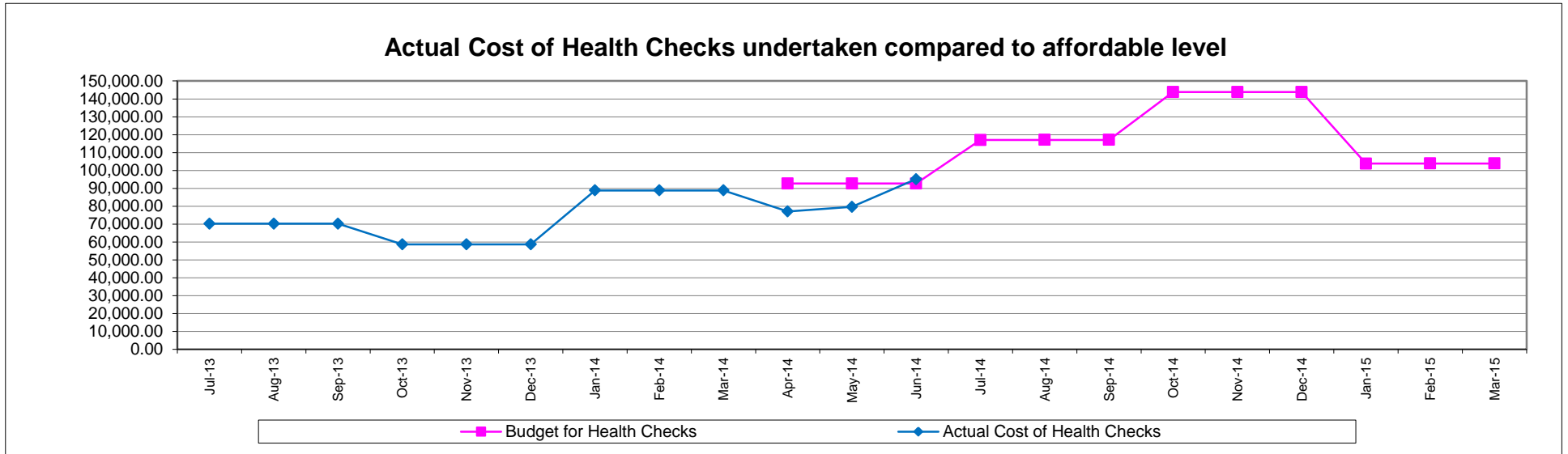
2.2 Cost of Health Check invites and Health Checks undertaken compared to budget

	2013-14 *		2014-15 #			
	Invites	Checks	Invites		Checks	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081
May	0	0	27,656	39,673	92,700	79,696
Jun			27,658	36,702	92,748	95,130
Jul			41,485		117,052	
Aug	53,189	210,746	41,485		117,076	
Sep			41,485		117,100	
Oct			13,829		143,781	
Nov	77,302	175,920	13,829		143,805	
Dec			13,826		143,829	
Jan			0		103,843	
Feb	80,189	266,524	0		103,869	
Mar			0		103,869	
TOTAL	210,680	653,190	248,909	103,748	1,372,372	251,907

* In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.

Health check activity for the first two months of 2014-15 was below budget, but activity in the second quarter is expected to be higher than budgeted, with the overall forecast for the full year currently on budget.





Comments:

- The NHS Health Checks programme is monitored closely with a focus on performance and contract management. The targets for 2014-15 are more stretching, providers are expected to deliver significantly more checks during the year. The target for invites is weighted towards the first part of the year to give time for the follow-up process to maximise the number of health checks that are delivered in year.
- The budget for Health Checks is made up of a fixed cost element £465,756 and a performance element £1,621,281. The performance element is shown in the activity data above, with as budget of £248,909 for invites and £1,372,372 for health checks (totalling £1,621,281).
- The budgeted activity level for invites is based on the eligible population. The budgeted activity level for health checks is higher in 2014-15 as the provider is expected to make up for the underperformance in the previous year.

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+179,674	-1,439	-	-1,439

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include technical adjustments where there is no change in policy including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£921.5k gross and -£921.5k income. Significant changes included within this are:

- Additional funding in respect of the Low Carbon Plus ERDF Competitiveness Programme within Environmental Management (+£745k gross and -£745k income).
- Contribution from the Public Health Grant towards the Six Ways to Wellbeing Project within Arts Development (+£120k gross and -£120k income).

There are also a number of other corporate adjustments which total +£13,419.8k gross and -£4,655.3k income, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets, transfer of funding to Financing Items for the directorate funded prudential borrowing costs and where responsibilities between directorates are still being refined such as the return of the Freedom Pass / Young Person's Travel pass budget to GE&T directorate from E&YP, the transfer of Kent Foundation budget from E&YP and confirmation of the split of Business Transformation Unit between S&CS, E&YP and GE&T. Also included within this are two virements from the Financing Items budget to Regeneration & Economic Development Services as detailed below:

- £25k for a grant to Kent Savers Credit Union
- £75k for a grant towards the Folkestone Memorial Arch

The overall movements are therefore an increase in gross of £14,341.3k and income of -£5,576.8k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.

- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Growth, Environment & Transport									
Strategic Management & Directorate Support budgets	4,531.9	-193.6	4,338.3	4,773.5	-93.6	4,679.9	241.6	100.0	341.6
<u>Children's Services - Education & Personal</u>									
- 14 - 19 year olds	0.0	0.0	0.0	111.9	-59.3	52.6	111.9	-59.3	52.6
<u>Community Services:</u>									
- Arts Development (incl. grant to Turner Contemporary)	2,123.5	0.0	2,123.5	2,361.8	-230.0	2,131.8	238.3	-230.0	8.3
- Community Safety	430.6	-55.2	375.4	437.3	-55.2	382.1	6.7	0.0	6.7
- Community Wardens	2,652.2	0.0	2,652.2	2,689.8	0.0	2,689.8	37.6	0.0	37.6
- Gypsies & Travellers	662.3	-430.0	232.3	666.1	-430.0	236.1	3.8	0.0	3.8
- Libraries, Registration & Archives	18,248.8	-5,199.7	13,049.1	18,526.2	-5,256.7	13,269.5	277.4	-57.0	220.4
- Sports Development	1,880.3	-1,093.0	787.3	1,894.2	-1,094.0	800.2	13.9	-1.0	12.9
	25,997.7	-6,777.9	19,219.8	26,575.4	-7,065.9	19,509.5	577.7	-288.0	289.7
<u>Environment:</u>									
- Country Parks	1,495.7	-990.7	505.0	1,532.9	-1,023.7	509.2	37.2	-33.0	4.2
- Countryside Access (incl. Public Rights of Way)	2,539.6	-820.1	1,719.5	2,629.4	-885.1	1,744.3	89.8	-65.0	24.8
- Environment Management	3,966.9	-1,725.8	2,241.1	4,678.9	-2,414.6	2,264.3	712.0	-688.8	23.2
	8,002.2	-3,536.6	4,465.6	8,841.2	-4,323.4	4,517.8	839.0	-786.8	52.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Highways:</u>									
- Highways Maintenance									
- Adverse Weather	3,214.9	0.0	3,214.9	3,214.9	0.0	3,214.9	0.0	0.0	0.0
- Bridges & Other	2,212.3	-257.0	1,955.3	2,242.3	-221.9	2,020.4	30.0	35.1	65.1
- General maintenance & emergency response	12,372.2	-475.8	11,896.4	12,397.0	-475.8	11,921.2	24.8	0.0	24.8
- Highway drainage	2,992.4	0.0	2,992.4	2,962.4	0.0	2,962.4	-30.0	0.0	-30.0
- Streetlight maintenance	4,277.5	-154.0	4,123.5	3,831.5	-154.0	3,677.5	-446.0	0.0	-446.0
	25,069.3	-886.8	24,182.5	24,648.1	-851.7	23,796.4	-421.2	35.1	-386.1
- Highways Management:									
- Development Planning	2,117.5	-2,101.4	16.1	2,117.5	-2,135.2	-17.7	0.0	-33.8	-33.8
- Highways Improvements	1,617.7	-33.3	1,584.4	1,596.7	-33.3	1,563.4	-21.0	0.0	-21.0
- Road Safety	3,065.7	-2,139.0	926.7	3,062.9	-2,146.4	916.5	-2.8	-7.4	-10.2
- Streetlight energy	5,689.5	0.0	5,689.5	5,689.5	0.0	5,689.5	0.0	0.0	0.0
- Traffic management	5,473.0	-3,406.6	2,066.4	5,304.7	-3,363.2	1,941.5	-168.3	43.4	-124.9
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	3,361.5	0.0	3,361.5	0.0	0.0	0.0
	21,324.9	-7,680.3	13,644.6	21,132.8	-7,678.1	13,454.7	-192.1	2.2	-189.9
<u>Planning & Transport Strategy:</u>									
- Planning & Transport Policy	990.8	0.0	990.8	1,000.6	0.0	1,000.6	9.8	0.0	9.8
- Planning Applications	1,079.7	-600.0	479.7	1,094.4	-600.0	494.4	14.7	0.0	14.7
	2,070.5	-600.0	1,470.5	2,095.0	-600.0	1,495.0	24.5	0.0	24.5
<u>Regeneration & Economic</u>									
- Regeneration & Economic Development Services	5,489.9	-1,765.8	3,724.1	5,633.7	-1,765.8	3,867.9	143.8	0.0	143.8
<u>Regulatory Services</u>									
- Coroners	3,669.7	-1,105.5	2,564.2	3,672.2	-1,105.5	2,566.7	2.5	0.0	2.5
- Emergency Planning	726.5	-169.0	557.5	740.5	-169.0	571.5	14.0	0.0	14.0
- Trading Standards (incl. Kent Scientific Services)	3,776.3	-955.8	2,820.5	3,807.0	-939.8	2,867.2	30.7	16.0	46.7
	8,172.5	-2,230.3	5,942.2	8,219.7	-2,214.3	6,005.4	47.2	16.0	63.2
<u>Schools Services</u>									
- Other Schools Services	413.4	0.0	413.4	416.4	0.0	416.4	3.0	0.0	3.0

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,773.5	-93.6	4,679.9	+438	+385 Savings held centrally but being achieved through underspends within other budget headings (primarily - £196k in Community Wardens and - £132k in Sports Development). +53 Other minor variances	This pressure is expected to be on-going and will need to be addressed in the 2015-18 MTFP
<u>Children's Services - Education & Personal</u>						
- 14 - 19 year olds	111.9	-59.3	52.6	-1		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,361.8	-230.0	2,131.8	-34		
- Community Safety	437.3	-55.2	382.1	0		
- Community Wardens	2,689.8	0.0	2,689.8	-139	-196 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). +57 Other minor variances	This saving is expected to be on-going and will need to be addressed in the 2015-18 MTFP
- Gypsies & Travellers	666.1	-430.0	236.1	-4		
- Libraries, Registration & Archives	18,526.2	-5,256.7	13,269.5	-318	-192 Increased Registration Service income primarily from ceremonies and nationality checking service -79 Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock -47 Other minor variances	This additional income is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Sports Development	1,894.2	-1,094.0	800.2	-132	-132 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is expected to be on-going and will need to be addressed in the 2015-18 MTFP
	26,575.4	-7,065.9	19,509.5	-627		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Environment:</u>							
- Country Parks	1,532.9	-1,023.7	509.2	-25			
- Countryside Access (incl. Public Rights of Way)	2,629.4	-885.1	1,744.3	-20			
- Environment Management	4,678.9	-2,414.6	2,264.3	-53			
	8,841.2	-4,323.4	4,517.8	-98			
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,214.9	0.0	3,214.9	0			
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	0			
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+134	+130	Additional out of hours costs incurred in repairing damage caused by the severe wet weather and storms	
					+4	Other minor variances	
- Highway drainage	2,962.4	0.0	2,962.4	0			
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-70			
	24,648.1	-851.7	23,796.4	+64			
- Highways Management:							
- Development Planning	2,117.5	-2,135.2	-17.7	-62			
- Highways Improvements	1,596.7	-33.3	1,563.4	-89			
- Road Safety	3,062.9	-2,146.4	916.5	-346	-458	Lower than budgeted average cost per attendee for Speed Awareness courses	This net saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-272	Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees	
					+442	Reduced income for Speed Awareness courses due to fewer attendees	
					-58	Other minor variances	
- Streetlight energy	5,689.5	0.0	5,689.5	-172	-172	Greater than budgeted savings achieved from part night switch-off energy saving initiative	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Traffic management	5,304.7	-3,363.2	1,941.5	-156		Small variances on gross (-£57k) and income (-£99k) budgets	

ANNEX 5

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	+45	+120	Additional weed treatment	This pressure is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-75	Other minor variances	
	21,132.8	-7,678.1	13,454.7	-780			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,000.6	0.0	1,000.6	-1			
- Planning Applications	1,094.4	-600.0	494.4	0			
	2,095.0	-600.0	1,495.0	-1			
<u>Regeneration & Economic</u>							
- Regeneration & Economic Development Services	5,633.7	-1,765.8	3,867.9	+62			
<u>Regulatory Services</u>							
- Coroners	3,672.2	-1,105.5	2,566.7	-2	+124	Delay in implementation of new staffing model has had an adverse impact on income target	
					-103	Long Inquest costs lower than expected	
					-23	Other minor variances	
- Emergency Planning	740.5	-169.0	571.5	-12			
- Trading Standards (incl. Kent Scientific Services)	3,807.0	-939.8	2,867.2	-15			
	8,219.7	-2,214.3	6,005.4	-29			
<u>Schools Services</u>							
- Other Schools Services	416.4	0.0	416.4	+3			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Transport Services:</u>						
- Concessionary Fares	17,006.0	-27.0	16,979.0	-879	-611	Reduced bus operator costs due to reduced number of journeys being taken
					-376	The budget to fund the bulk renewal of the bus passes, which happens every five years, is £376k; this was last done in 2012-13 meaning that aside from passes for new applicants this budget will remain fully underspent this year.
					+150	It has been agreed that it is now more appropriate to set up a smoothing reserve with a fixed annual contribution, which is then fully drawn down every five years to fund the bulk renewal of passes. The annual contribution to reserves required is £75k and the renewal takes place in four years time. For this year only a £150k transfer to reserves is required, representing a two year contribution for 2013-14 and 2014-15.
					-42	Other minor variances

This saving is expected to be ongoing and will need to be reflected in the 2015-18 MTFP

An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0		The budget for this scheme was reduced considerably in 2014-15, due in part to an increased fee payable to acquire the pass, as well as an assumed reduction in cost as there would be a number of people who no longer thought the pass to be cost effective for their needs. The pass can also now be purchased in two instalments, with the new criteria impacting from September, and hence there are a number of variables that could impact on this budget. Current estimates suggest that the take-up will not reduce as much as originally modelled between September and February, due to the revised instalment payment mechanism. At this stage, and until September /October, it is difficult to quantify what impact these variables may have as the first instalment of passes will not be acquired until July-August and in advance of the next academic year. As an indicator, the activity reported for the April to June period shows a reduction in the passes issued against budget but a higher number of journeys travelled.
- Subsidised Bus Routes	10,362.1	-2,454.0	7,908.1	-628	-544	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies
					-84	Staff vacancies
- Transport Operations	1,271.4	-214.5	1,056.9	+75		
- Transport Planning	561.4	-228.0	333.4	0		
	42,502.4	-7,519.5	34,982.9	-1,432		

ANNEX 5

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Waste Management							
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	+80			
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-298	-199	The amounts to be paid in recycling bonuses to contractors are expected to be lower than budget primarily as a result of a change of contractor at two sites, where under the terms of the new contract no bonuses are payable.	
					-80	Underspend due to contract changes at Dunbrik and North Farm Household Waste Recycling Centres	
					-19	Other minor variances	
- Partnership & development	500.7	-168.0	332.7	-26			
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	0			
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-550	+571	Forecast increase of +17,300 tonnes of hardcore, wood, garden and food waste, and other materials; the higher volume of waste has generated a small amount of additional income which is also included within this variance.	
					-1,076	Savings resulting from the new Materials Recycling Facilities contract	The full year effect of saving from new waste contracts will need to be reflected in the 2015-18 MTFP
					-102	Actual price of in-vessel composting is lower than budgeted	
					+57	Other minor variances	
	22,749.9	-3,244.0	19,505.9	-874			

ANNEX 5

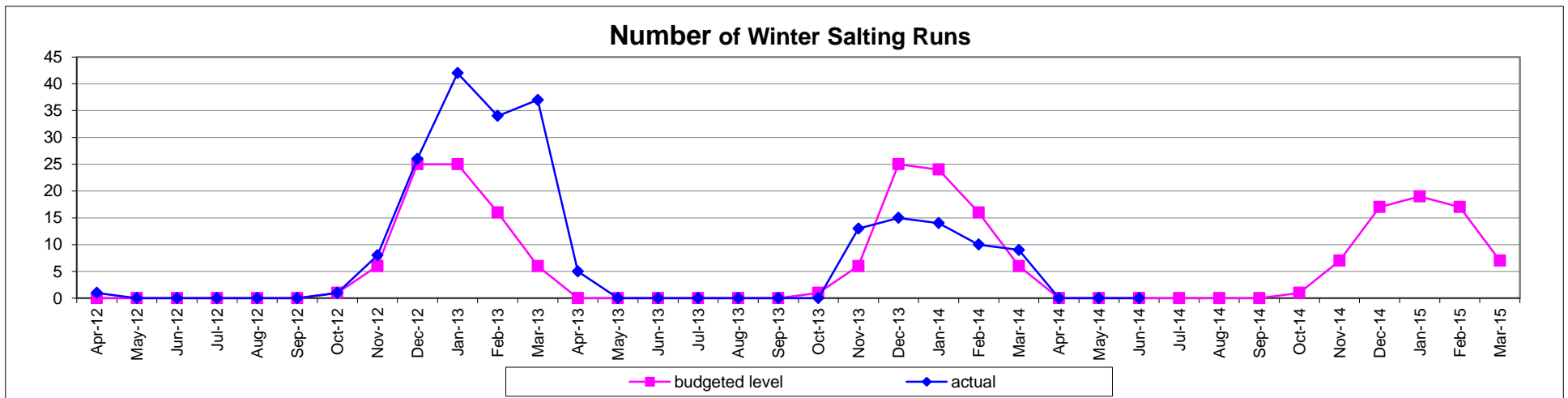
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	-7			
- Disposal Contracts	31,131.0	-156.0	30,975.0	+1,524	+1,325	Additional +11,500 tonnes of residual waste to be sent to the Allington Waste to Energy plant	
					+94	Forecast increased tonnage of residual waste to be sent to landfill (+1,700 tonnes)	
					+105	Other minor variances	
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	+98	+32	Additional haulage fees due to higher volume of waste	
					+66	Other minor variances	
- Landfill Tax	4,651.0	0.0	4,651.0	+141	+141	Forecast increase in the volume of waste sent to landfill due to an overall increase in residual waste (+1,700 tonnes).	
	46,297.0	-261.0	46,036.0	+1,756			
Total GE&T	215,350.9	-35,676.6	179,674.3	-1,439			
Assumed Mgmt Action							
Total Forecast <u>after</u> mgmt action	215,350.9	-35,676.6	179,674.3	-1,439			

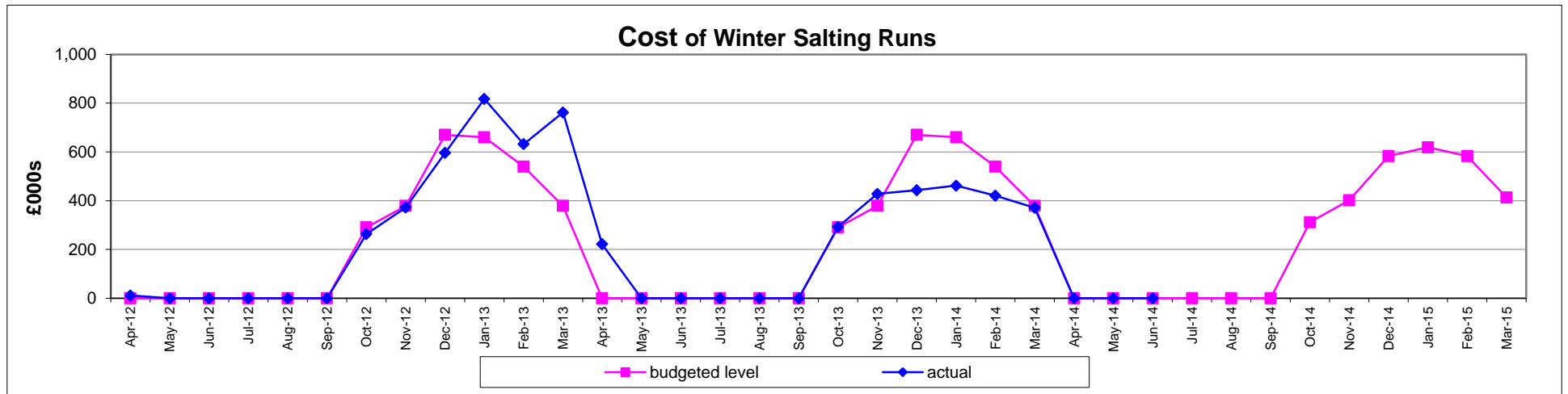
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	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	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	1	-	12	-	5	-	222	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	1	291	263	1	-	291	293	1	-	311	-
Nov	6	8	379	372	6	13	379	428	7	-	402	-
Dec	25	26	670	596	25	15	670	443	17	-	583	-
Jan	25	42	660	817	24	14	660	462	19	-	619	-
Feb	16	34	540	632	16	10	540	421	17	-	583	-
Mar	6	37	379	762	6	9	379	371	7	-	414	-
	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.



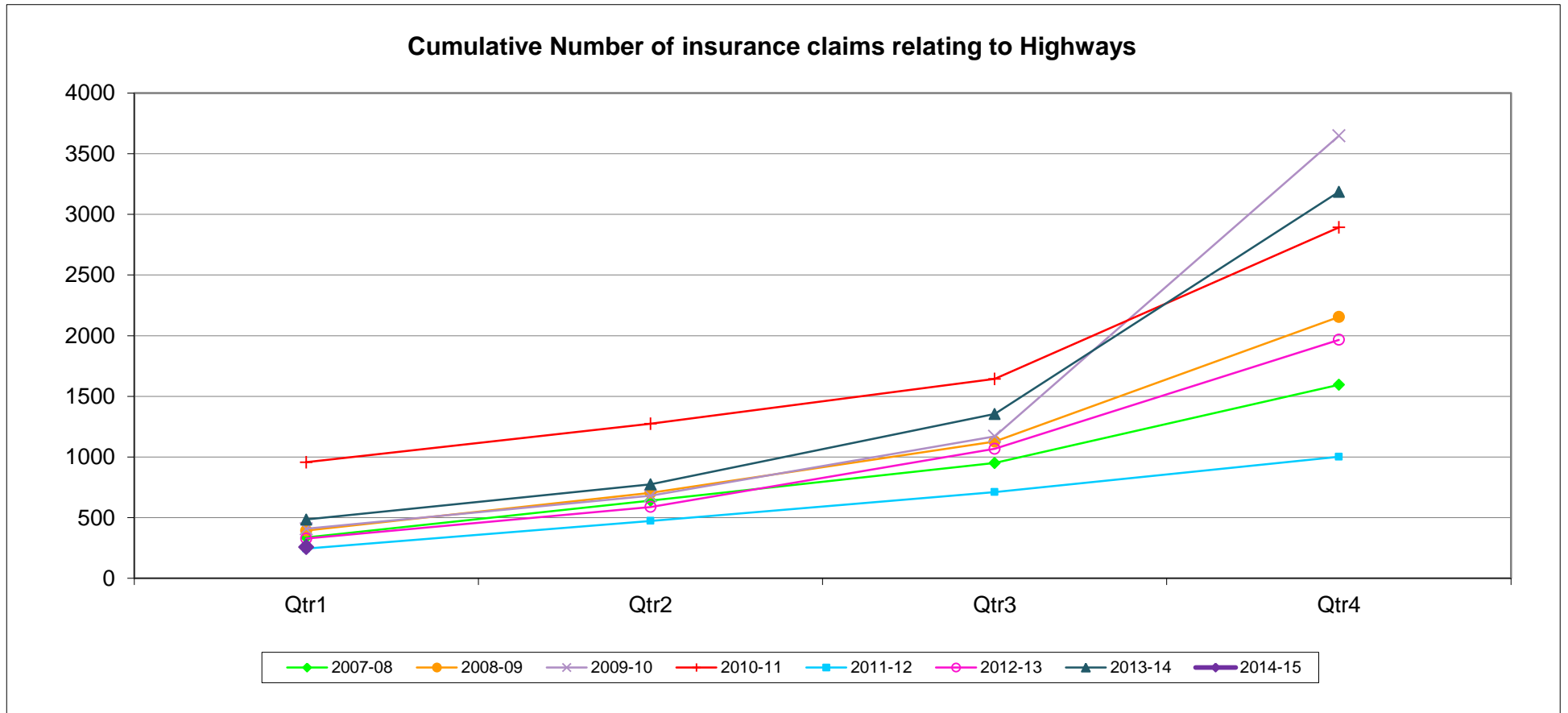


Comments:

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of last financial year resulting in additional expenditure of £222k. 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 was 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. The 2014-15 budgeted level of runs is lower than either of the last two years as the contract has changed with a greater proportion of the total cost per run now being fixed, resulting in fewer overall runs being affordable.
- The actual number of salting runs in 2012-13 was above the budgeted levels, however, the budgeted cost of salting runs was calculated using the worst case scenario in terms of the rate of spread of salt. As the actual spread of salt was at a lower rate than assumed, this resulted in the costs of salting runs not being as high as the number of salting runs may suggest. Overall there was a net overspend of £1.669m on the adverse weather budget in 2012-13, which was due to an overspend of £0.535m on winter salting runs (as shown in the table above) and an overspend of £1.134m of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	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	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	327	484	257
Jul to Sep	640	704	680	1,273	473	588	775	
Oct to Dec	950	1,128	1,170	1,643	710	1,068	1,354	
Jan to Mar	1,595	2,155	3,647	2,893	1,001	1,966	3,185	



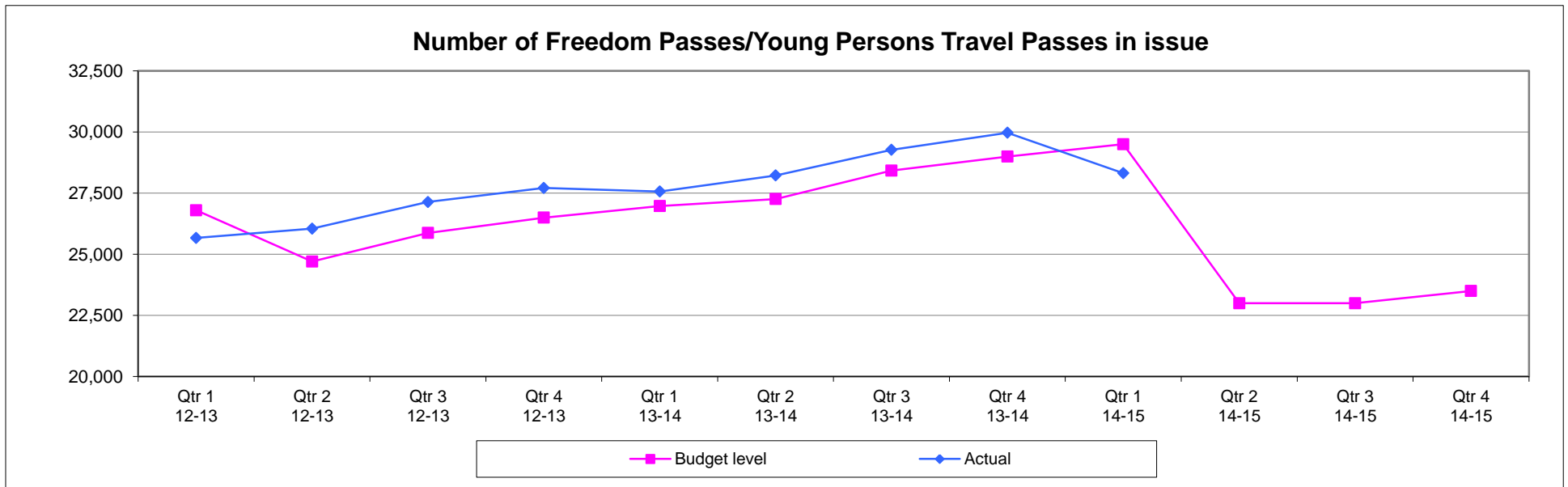
Comments:

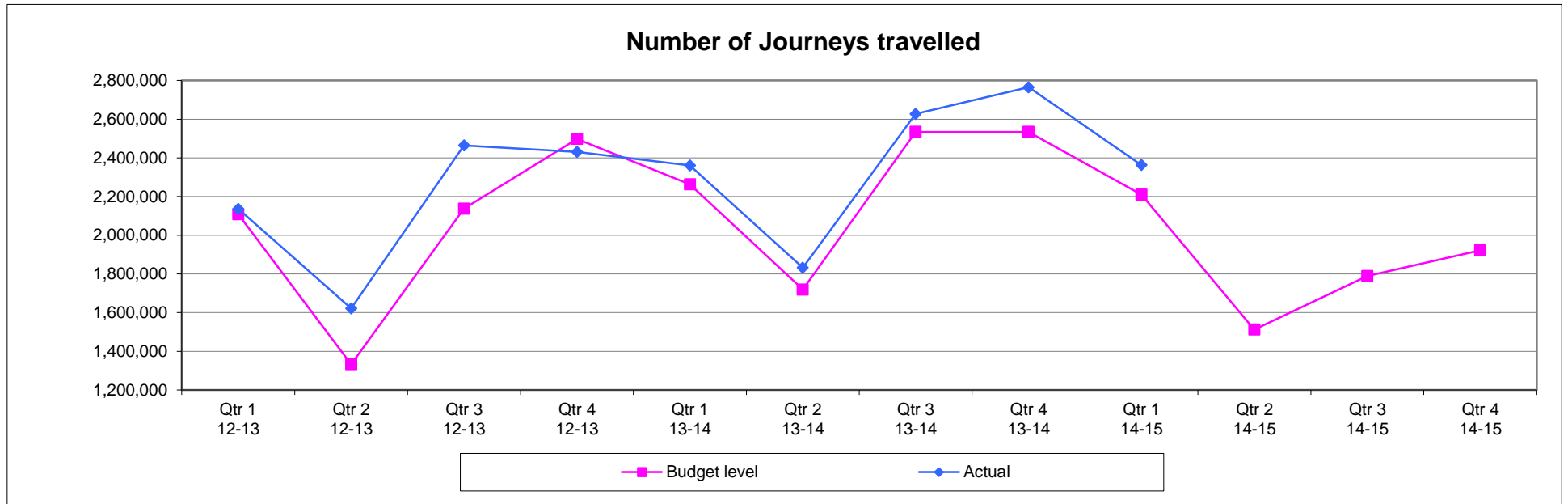
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 June 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 may 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. Claim numbers for both 2011-12 and 2012-13 have increased since the 2013-14 outturn report presented to Cabinet on 7 July 2014 as new claims have been received relating to incidents occurring during these two years, as explained above. Claim numbers were again high in 2013-14, probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. However, additional funding has been made available 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 claims received over the past 12 months where it is considered that we do not have any liability, of about 91%.

2.3 Young Persons Travel Pass (formerly Freedom Pass)

	2012-13				2013-14				2014-15			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)
Qtr 1	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	28,322	2,210	2,363
Qtr 2	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	23,000		1,512	
Qtr 3	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	23,000		1,789	
Qtr 4	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	23,500		1,922	
			8,076	8,652			9,050	9,585			7,433	2,363

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





Comments:

- 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 £800k 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 above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education & Young People Directorate budget and not from the Freedom Pass/Young Persons Travel Pass budget.
- The above figures show that the current number of passes in issue is below the budgeted number, however there is a higher than budgeted number of journeys being travelled. Also, until we have more knowledge of the take up for the new academic year, it is difficult to quantify the impact of the changes to the scheme, so a balanced position is currently forecast.
- The reduction in the budgeted number of journeys for 2014-15 is as a result of changes to the scheme, agreed by County Council in February 2014, to restrict travel to between the hours of 6am and 7pm, Monday to Friday, between 1 September and 31 July; meaning the pass is no longer valid during the school summer holidays or at weekends. As a result of these changes it is anticipated that the number of passes in issue will reduce and this is reflected in the 2014-15 budgeted number of passes shown in the table above.

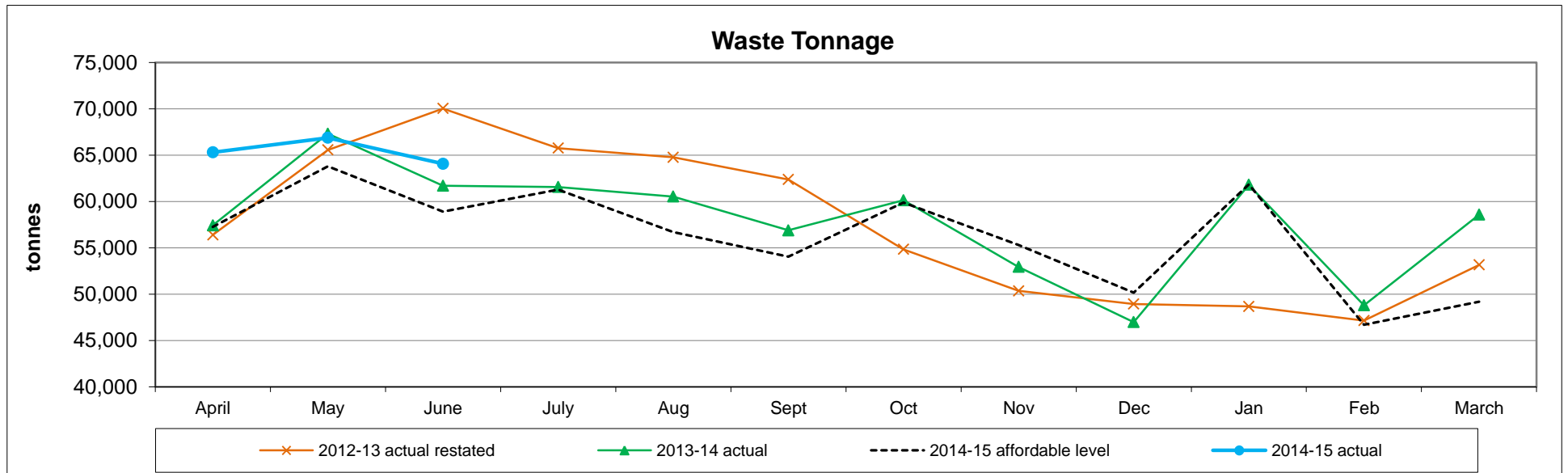
2.4 Waste Tonnage

	# 2012-13 restated	2013-14 restated	2014-15	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	56,390	57,423	57,246	65,302
May	65,562	67,314	63,802	66,859
Jun	70,033	61,701	58,899	64,064
Jul	65,764	61,563	61,282	
Aug	64,760	60,519	56,684	
Sep	62,377	56,884	54,032	
Oct	54,837	60,127	59,881	
Nov	50,344	52,934	55,294	
Dec	48,668	46,979	50,167	
Jan	48,668	61,791	61,844	
Feb	47,135	48,801	46,682	
Mar	53,150	58,583	49,187	
	687,945	694,619	675,000	196,225

^ 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 .

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:

- From 2013-14 Waste tonnage data is based on waste outputs from transfer stations rather than waste inputs to our facilities. This is necessary due to the changes in how waste is being presented to KCC by the waste collection authorities, where several material streams are now being collected by one refuse collection vehicle utilising split body compaction. These vehicles are only weighed in once at our facilities, where they tip all of the various waste streams into the separate bays, and then the vehicle is weighed out when empty. The separate waste streams are stored separately at our transfer stations, where these materials are bulked up for onward transfer to various processing plants/facilities. The bulked loads are weighed out, providing data for haulage fees and then are weighed in at the relevant processing plant, providing data for processing fees. All the data presented in the table above has been restated on this output basis in order to enable comparison.
- These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- The overall volume of waste managed in 2013-14 was 694,619 tonnes, which was 20,381 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The actual tonnage in 2013-14 of 694,619 tonnes was far higher than the forecast figure of 676,900 tonnes based on actuals to January and reported to Cabinet in April. This unexpected increase in volume in the final quarter of 2013-14 has continued into 2014-15, with cumulative tonnage activity for the first three months of the year approximately 16,300 tonnes more than the affordable level for the same period; the 2014-15 affordable level is based on the actual activity of the first three quarters of 2013-14. This increase in waste tonnage is reflected in the current financial forecast in table 1b of this annex.
- Based on the actual waste tonnage for April and May and forecasts for June to March, the overall volume of waste to be managed this financial year is expected to be approximately 705,500 tonnes, which is 30,500 tonnes above the affordable level and equates to a pressure of £2.163m. However this pressure on waste volumes is partially offset by other savings within the service, as detailed in table 1b, giving an overall pressure against the waste management budget of £0.962m. The service believes that the increase in waste tonnage experienced over the last six months can be explained by two separate issues: Firstly, climatic: the extraordinarily mild and moist winter and spring has led to a very favourable and advanced growing season, leading to high levels of organic waste. In addition, large volumes of broken fence panels etc were evident in the early part of the year as a result of repairs to winter storm damage. Secondly, the growth in the UK economy has led to increased waste arising across the UK, but particularly in the south east, where economic activity is greatest, in particular in house purchases and renovations.
- The figures in Table 1b of section 1.4 are based on actual activity for April and May, with estimates for the remaining months; the division has recently received figures for June and early indications suggest a revised forecast tonnage of 707,200 which may result in an increased financial pressure reported next month. Overall waste volumes are currently 5.2% higher for the first three months when compared with the same period for last year.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £125,829k. The forecast outturn against the 2014-15 budget is £142,057k giving a variance of +£16,228k.

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

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	180	77	0	0			Green		
Library Modernisation Programme	1,095	782	0	0			Green		
Management and Modernisation of Assets - Vehicles	430	141	0	0			Green		
Public Rights of Way	2,505	1,023	0	0			Green	Following the floods of winter 2013 this programme is under significant pressure, but spend will be restricted to the allocated budget.	
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Village Halls and Community Centres - Capital Grants	725	325	0	0			Green		

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	31,259	8,465	8,465	Real: Grant 6,296; Revenue 1,669; Cap Receipt 500;	The variance represents the additional grant awarded by the DfT and an additional sum from KCC to clear the back log of drainage works caused by the extreme weather. This has been committed for resurfacing and prevention works.	Amber	Programme is amber due to real variance. This is due to additional funding for which a cash limit adjustment is requested.	Increase cash limit: £6,296k grant, £1,669k revenue and £500k capital receipt
Integrated Transport Schemes under £1 million	11,346	5,599	-600	-600	Real: Grant	This planned underspend on the IT programme is requested to help fund the overspend on the Poorhole Lane scheme.	Green		Decrease cash limit by £600k grant
Member Highway Fund		1,117	0	0					
Land compensation and Part 1 claims arising from completed projects	1,213	1,315	-1,054	-1,054	Real: Prudential	Budget review has identified an underspend of £1,054k. £705k of this is requested to help fund the overspend on Poorhole Lane, and the balance of £349k is a real saving.	Green		Decrease cash limit by £1,054k prudential

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Major Schemes - Preliminary Design Fees	450	680	0	0			Green		
Individual Projects									
Cheesemans Green Library, Ashford	0	0	0	0			Green		
Dartford Library Plus	434	434	0	0			Green		
Kent History & Library Centre	0	104	0	0			Green		
New Community Facilities at Edenbridge	0	43	0	0			Green		
Southborough Hub	250	125	0	0			Green		
Tunbridge Wells Library	0	10	0	0			Green		
Broadband	21,850	14,991	0				Green		
Cyclopark	0	29	6	6	Real - External Funding Dev Cont		Green		Increase cash limit by £6k Dev Cont
Empty Property Initiative	7,500	2,972	10	10	Real - Revenue		Green		
Eurokent Road (East Kent)	69	71	0	0			Green		
Folkestone Heritage Quarter	300	402	0				Green		
Incubator Development	0	442	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
LIVE Margate	2,656	5,076	0				Green		
Marsh Million	200	283	50	50	Real - External funding other		Green		Increase cash limit by £50k Ex Other
No Use Empty - Rented Affordable Homes	250	563	0				Green		
Old Town Hall, Gravesend	58	15	0				Green		
Payers Park	0	500	0				Green		
Regeneration Fund Projects	2,006	2,861	0				Green		
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	0				Green		
Rural Broadband Demonstration Project	1,315	675	0				Green		
Swale Parklands	0	48	0				Green		
Tram Road/Tontine Street Road Works	0	13	0				Green		

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
TIGER	16,000	10,296	-22	-22	Re-phasing - grant +5,478 Real - grant -5,500	We have a review meeting with BIS in Sept where we hope to secure the further £5.5m as we had originally in principle secured. The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		Decrease cash limit by £5,500k Grant
Escalate	5,400	5,500	-311	-311	Re-phasing - grant	The forecast has been adjusted according to current actual and pipeline cases in current year.	Green		
Energy and Water Efficiency Investment Fund - External	431	235	0	0			Green		
Energy Reduction and Water Efficiency Investment - KCC	292	172	0	0			Green		
Sandwich Sea Defences	1,875	1,515	0	0			Green		
Coldharbour Gypsy site		41	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Mid Kent Joint Waste Project		911	-911	-911	Real : Pru/Rev	Scheme complete. Savings due to type and number of containers used and lower price than originally estimated. Underspend requested to fund Poorhole lane.	Green		Decrease cash limit by £911k prudential/rev
HWRC - Tonbridge and Malling	300		0	0			Green		
HWRC - West Kent	600	600	-600	-600	Real : Prudential	Existing site's lease is now extended therefore no new project is needed. Underspend to be held to offset emerging pressures elsewhere in the GET capital programme.	Green		
TS/HWRC - Ashford	50	50	0	0			Green		
TS/HWRC - Swale	3,380	1,880	-580	-580	Rephasing	Preparatory works to be carried out in this financial year with construction due to start in 15-16.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Highway Services									
Weather Damage - Major Patching	0	1,516	0	0			Green		
Carriageway Collapse-Emergency works	0	1,119	0	0			Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0					
Ashford Ring Road		94	0				Green		
East Kent Access Phase 2 - Major Road Scheme	3,447	2,011	-1,374	-1,374	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Growth without Gridlock initiatives	350	100	-100	-100	Real: Prudential	The remaining budget is requested to go towards the overspend on Poorhole Lane. Over the three year period this totals £350k.	Green		Decrease cash limit by £350k prudential: £100k 14-15, £100k 15-16 & £150k 16-17
Kent Thameside Strategic Transport Programme	11,526	1,479	0	0			Green		
Lorry Park	14,620	1,080	-830	-830	Rephasing	Further options are being explored hence the start date has been delayed.	Green		

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
North Farm Longfield Road, Tunbridge Wells	4,275	4,344	1,710	1,710	Real - Ex developer; +£2,300k Real - Cap Receipt - £590k	Increased scheme cost due to increased utility works as reported to PAG. The additional expenditure will be funded from the Developer Contributions.	Green		Increase cash limit by £2,300k dev cont in 14-15, £640k dev cont in 15-16 and decrease cash limit by £590k cap receipt in 14-15
Rushenden Link (Sheppey) - major road scheme	749	694	-539	-539	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Sandwich Highways Depot	3,000	0	0	0			Green		
Sittingbourne Northern Relief Road - major road scheme	2,722	2,395	-1,825	-1,825	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Street Lighting Column - Replacement Scheme	2,500	1,804	0	0			Green		
Street Lighting Timing - Invest to Save	1,817	1,512	0	0			Green		
South East Maidstone Strategic Link - Major Road Scheme	0	0	0	0					
Thanet Park Way	2,600	1,642	-602	-602	Rephasing	The rephasing is due to delays in the procurement process. The delay has an impact on the initial delivery time scale.	Amber		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	1,820	2,042	2,042	Real: £600k grant, £1,055k prudential, £911k prud/rev. -£524k rephasing	The increased scheme cost was due to the relocation of utility works and this additional expenditure is offset by the real underspends against LCA Part 1, Growth Without Gridlock, Mid Kent Joint Waste Programme and the IT programme.	Red	The expected overspend on the project as a whole is £2,566k, of which, £2,042k is in 2014-15. The project has been delayed by two months with completion expected May 2015.	Increase cash limit in 14-15: £600k grant, £1,055k prudential, £911k prud/rev.
Ashford's Future Schemes									
A28 Chart Road, Ashford	16,600	0	0	0			Green		
Drovers Roundabout junction	192	242	0	0			Green		
Orchard Way Railway bridge, Ashford	0	0	0	0					
Victoria Way	468	505	0	0			Green		
Total	259,191	125,829	16,228	16,228					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+81,691	+703	-703	-

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, reflect technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,073.9k gross and -£1,073.9k income.

There are also a number of other corporate adjustments which total +£480.8k gross/net, which are predominantly related to the allocation of the single pay reward scheme funding, some further centralisation of budgets, transfer of funding to Financing Items for the directorate funded prudential borrowing costs and where responsibilities between directorates are still being refined following the authority wide directorate restructure which took effect from 1 April 2014, such as the split of the Business Transformation Unit between S&CS, GE&T and E&YP directorates .

The overall movements are therefore an increase in gross of £1,554.7k and an increase in income of -£1,073.9k, giving a net impact of +£480.8k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
Strategic & Corporate Services									
Strategic Management & Directorate Support Budgets	4,013.7	-5,089.3	-1,075.6	3,585.7	-5,089.3	-1,503.6	-428.0	0.0	-428.0
Community Services									
- Contact Centre & Citizens Advice Help Line	3,497.8	-1,411.4	2,086.4	3,569.4	-1,524.1	2,045.3	71.6	-112.7	-41.1
- Gateways & Customer Relationship	2,613.1	-57.0	2,556.1	2,665.2	-57.0	2,608.2	52.1	0.0	52.1
- Local Healthwatch & NHS Complaints Advocacy	1,340.4	-766.0	574.4	1,281.5	-706.0	575.5	-58.9	60.0	1.1
	7,451.3	-2,234.4	5,216.9	7,516.1	-2,287.1	5,229.0	64.8	-52.7	12.1
Local Democracy									
- Community Engagement	406.4	0.0	406.4	415.3	0.0	415.3	8.9	0.0	8.9
- County Council Elections	570.0	0.0	570.0	570.0	0.0	570.0	0.0	0.0	0.0
Local Member Grants	2,100.0	0.0	2,100.0	2,100.0	0.0	2,100.0	0.0	0.0	0.0
Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	2,463.2	0.0	2,463.2	0.0	0.0	0.0
	5,539.6	0.0	5,539.6	5,548.5	0.0	5,548.5	8.9	0.0	8.9
Support to Frontline Services									
- Business Strategy	3,211.5	-82.0	3,129.5	3,263.5	-82.0	3,181.5	52.0	0.0	52.0
- Communications & Consultation	2,615.4	-11.0	2,604.4	2,775.4	-131.0	2,644.4	160.0	-120.0	40.0
- Democratic & Members	3,809.3	-128.7	3,680.6	3,835.1	-128.7	3,706.4	25.8	0.0	25.8
- Finance & Procurement	19,448.3	-7,761.9	11,686.4	19,657.2	-7,761.9	11,895.3	208.9	0.0	208.9
- Human Resources	15,633.0	-6,579.1	9,053.9	15,632.9	-6,430.6	9,202.3	-0.1	148.5	148.4
- Information, Communications & Technology	34,700.3	-17,440.0	17,260.3	34,880.0	-17,336.2	17,543.8	179.7	103.8	283.5
- Legal Services & Information Governance	10,051.8	-12,407.9	-2,356.1	10,068.3	-12,407.9	-2,339.6	16.5	0.0	16.5
- Property & Infrastructure	31,728.5	-5,258.5	26,470.0	32,994.7	-6,412.0	26,582.7	1,266.2	-1,153.5	112.7
	121,198.1	-49,669.1	71,529.0	123,107.1	-50,690.3	72,416.8	1,909.0	-1,021.2	887.8
Total S&CS	138,202.7	-56,992.8	81,209.9	139,757.4	-58,066.7	81,690.7	1,554.7	-1,073.9	480.8

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Strategic & Corporate Services							
Strategic Management & Directorate Support Budgets	3,585.7	-5,089.3	-1,503.6	-55			
<u>Community Services</u>							
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+576	+165	In the current year there has been an increase in the number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to maintain performance.	Management action has been taken to improve performance and efficiencies and thus keep additional staff to a minimum.
					+390	The service transferred to S&CS with a previous year saving of -£573k and a further -£213k saving for 2014-15 in the base budget. Delivery was focussed on reducing staffing levels but has not been entirely possible because of the unanticipated effect on performance/ outputs, as described above.	Management action underway to address the savings targets by reviewing the way these can be delivered. Future strategy is focussed on moving customer contact to a web based solution which will yield further efficiencies.
					+21	Other minor variances	
- Gateways & Customer Relationship	2,665.2	-57.0	2,608.2	-26			
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	0			
	7,516.1	-2,287.1	5,229.0	+550			
<u>Local Democracy</u>							
- Community Engagement	415.3	0.0	415.3	+267	+301	The service transferred to S&CS with an existing saving of £327k based on an anticipated service review which should have happened in the previous financial year.	A review is currently being undertaken which will be subject to a Member decision on scoping the future nature of the service.
					-34	Other minor variances	
- County Council Elections	570.0	0.0	570.0	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Local Member Grants	2,100.0	0.0	2,100.0	+9			
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	-40			
	5,548.5	0.0	5,548.5	+236			
<u>Support to Frontline Services</u>							
- Business Strategy	3,263.5	-82.0	3,181.5	-82			
- Communications & Consultation	2,775.4	-131.0	2,644.4	-274	-282	Staff vacancies	
					+8	Other minor variances	
- Democratic & Members	3,835.1	-128.7	3,706.4	-7			
- Finance & Procurement	19,657.2	-7,761.9	11,895.3	-44	+329	Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-193	Staffing vacancies	
					-180	Other minor variances individually below £100k	
- Human Resources	15,632.9	-6,430.6	9,202.3	-136	-112	Staffing vacancies	
					-24	Other minor variances	
- Information, Communications & Technology	34,880.0	-17,336.2	17,543.8	-7			
- Legal Services & Information Governance	10,068.3	-12,407.9	-2,339.6	+221	-807	Staff vacancies	
					+1,144	Reduction in income resulting from market conditions and difficulties in recruiting staff with specialist knowledge	
					-116	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Property & Infrastructure Support	32,994.7	-6,412.0	26,582.7	+301	+300 Property Group budget for 2014-15 has a £300k savings target which depends on service changes and reviews taking place in other parts of the Authority in order to enable the overall property portfolio to reduce. The service reviews are outside the control of Property Group. +1 Other minor variances	Action to address through working with service directorates to identify opportunities.
	123,107.1	-50,690.3	72,416.8	-28		
Total S&CS	139,757.4	-58,066.7	81,690.7	+703		
Assumed Management Action				-703	The Directorate is working to deliver a break even position by the end of the financial year. This includes all divisions being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure on the Directorate as a whole. Recognising the support and enabling role which the directorate has, some savings and management action are dependent on other parts of the organisation e.g. Property Group who are working with services to suggest possible asset rationalisations.	
Total S&CS Forecast <u>after</u> mgmt action	139,757.4	-58,066.7	81,690.7	0		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to be banked during 2014-15 is £29.040m. With the imminent closure of PEF1 and PEF2 all receipts achieved will now go towards funding the capital programme. Finance and Property colleagues are undergoing discussions to resolve any ongoing implications from the closure of the two funds.

2.2 Capital Receipts Funding Capital Programme

	2014-15
	£'000
Capital receipt funding required for capital programme	48,158
Banked in previous years and available for use	32,881
Receipts from other sources*	2,743
Requiring to be sold this year	12,534
Forecast receipts for 2014-15	<u>29,040</u>
Potential Surplus/(Deficit)	16,506

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2014-15 totals £48.158m. Taking into account receipts banked in previous years which are available for use, receipts from other sources, and on the assumption the forecast receipts are achieved in 2014-15, there is a forecast "surplus" of capital receipt funding by the end of the year. It should be noted that any surplus would be a result of timing differences between when the receipts are achieved and when the spend is incurred in the capital programme. Any surplus receipts would therefore be required to fund future capital expenditure.

2.2.2 PEF1 and PEF2 have served their original purpose and work is underway to close these two funds as mentioned in paragraph 2.1 above.

3. CAPITAL

3.1 The working budget for the Strategic & Corporate Services Directorate for 2014-15 is £29,116k. The forecast outturn against the 2014-15 budget is £29,636k giving a variance of +£520k.

3.2 **Table 2** below details the S&CS Directorate Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,773	20	20	Real - External Dev Cont		Green		Increase cash limit by £20k
Individual Projects									
Connecting with Kent	282	651	0				Green		
Customer Journey Programme (Facing the Challenge)	990	709	0				Green		
Enterprise Resource Programme	0	209	0				Green		
Gateways (Programme Rollout)	296	296	0				Green		
HR System	160	160	0				Green		
Innovative Schemes Fund	2,000	926	0				Green		
New Ways of Working	12,400	13,738	500	500	Real - Revenue	Contribution from reserves to the Mid Kent Development	Green		Increase cash limit by £500k
Property Asset Management System	0	90	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	0				Green		
Swanley Gateway (Programme Rollout)	490	950	0				Green		
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green		
Winter Gardens Rendezvous site	100	100	0				Green		
S&CS Directorate	28,806	29,116	520	520					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS
JUNE 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+126,087	-147	-	-147

1.2 The cash limits **upon which the variances in this report are based**, include technical adjustments where there is no change in policy including the allocation of £3,873k of the single pay reward scheme funding to directorates based on the 2013-14 performance assessments and the transfer of £1,289k funding from directorates for the directorate funded prudential borrowing costs. In addition there have been two virements from the Financing Items budget to Regeneration & Economic Development Services as detailed below:

- £25k for a grant to Kent Savers Credit Union
- £75k for a grant towards the Folkestone Memorial Arch

The overall movement is therefore a reduction in gross of £2,684k. The impact on the A-Z budgets is detailed in table 1a.

Table 1a shows:

- The published budget,
- The budget following these technical adjustments,
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financing Items									
Audit Fees	314.0	0.0	314.0	314.0	0.0	314.0	0.0	0.0	0.0
Carbon Reduction Commitment	1,000.0	0.0	1,000.0	1,000.0	0.0	1,000.0	0.0	0.0	0.0
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	0.0	-7,691.0	-7,691.0	0.0	0.0	0.0
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	2,352.0	0.0	2,352.0	0.0	0.0	0.0
Contribution to/from Reserves	5,254.1	0.0	5,254.1	5,254.1	0.0	5,254.1	0.0	0.0	0.0
Insurance Fund	4,679.0	0.0	4,679.0	4,679.0	0.0	4,679.0	0.0	0.0	0.0
Modernisation of the Council	3,500.0	0.0	3,500.0	3,500.0	0.0	3,500.0	0.0	0.0	0.0
Net Debt Charges (incl Investment Income)	126,883.5	-8,514.0	118,369.5	128,072.5	-8,514.0	119,558.5	1,189.0	0.0	1,189.0
Other	939.0	-36.0	903.0	939.0	-36.0	903.0	0.0	0.0	0.0
Unallocated	4,090.0	0.0	4,090.0	216.9	0.0	216.9	-3,873.1	0.0	-3,873.1
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	-4,000.0	0.0	-4,000.0	0.0	0.0	0.0
Total Financing Items	145,011.6	-16,241.0	128,770.6	142,327.5	-16,241.0	126,086.5	-2,684.1	0.0	-2,684.1

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
Audit Fees	314.0	0.0	314.0	0			
Carbon Reduction Commitment Levy	1,000.0	0.0	1,000.0	0			

ANNEX 7

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	+1,391	+1,391	shortfall in dividend from Commercial Services based on first quarter's results, new costs of rent payments to KCC and higher than expected costs of closing County Print	
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Contribution to/from Reserves	5,254.1	0.0	5,254.1	+224	+224	Transfer to Insurance reserve of surplus on Insurance Fund (see below)	
Insurance Fund	4,679.0	0.0	4,679.0	-224	-224	Forecast surplus on Insurance Fund following negotiations concerning long term exposure/Period of Time claims during RSA insurance policy years 1996-2001, which has achieved a significant reduction in liabilities	
Modernisation of the Council	3,500.0	0.0	3,500.0	0			
Net Debt Charges (incl Investment Income)	128,072.5	-8,514.0	119,558.5	+400	+400	Impact of continued low interest rates on our cash balances and investments	
Other	939.0	-36.0	903.0	0			
Unallocated	216.9	0.0	216.9	-1,938	-1,905	Additional Business Rate compensation grant, above the budgeted level, for reimbursement of impact of measures introduced in the 2012 and 2013 Autumn Statements	
					-33	Business Rates flood relief grant	
Total Financing Items	142,327.5	-16,241.0	126,086.5	-147			
Assumed Management Action							
Total Fin Items Forecast <u>after</u> mgmt action	142,327.5	-16,241.0	126,086.5	-147			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil		
	2012-13	2013-14	2014-15
	\$	\$	\$
Apr	103.32	92.02	102.07
May	94.65	94.51	102.18
Jun	82.30	95.77	105.79
Jul	87.90	104.67	
Aug	94.13	106.57	
Sep	94.51	106.29	
Oct	89.49	100.54	
Nov	86.53	93.86	
Dec	87.86	97.63	
Jan	94.76	94.62	
Feb	95.31	100.82	
Mar	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.

