

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

To: CABINET - 13 October 2014

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - JULY**
- (2) **KEY ACTIVITY MONITORING FOR 2014-15 - JULY**

Classification: **Unrestricted**

1. SUMMARY

1.1 This report provides the budget monitoring position for July 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 a summary of the proposed management action
- Appendix 2 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**

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 changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 2.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £4.580m, before management action, but management action is expected to reduce this to an underspend of £0.895m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2015-16 to fulfil our legal obligations, detailed in section 3.6, therefore this changes the position to an underspend of £0.764m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.7, which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the authority as whole is sufficiently underspending by year end. If we allow for this, then this changes the position to an **underlying overspend of £2.233m**. 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 1 but further work is required to identify actions to eliminate this forecast £2.233m underlying pressure if we want to be able to provide these roll forwards. We also need to take into consideration that delivery of the £5.475m of management action already built into this forecast is by no means certain. The annexes to this report provide the detail of the overall forecast position which is summarised in Table 1 below.

3.2 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 £6.269m reduction in the forecast position (excluding schools), as shown in table 1. This is mainly due to: **E&YP** - underspending/re-phasing against the Kent Youth Employment programme; further underspending on the Kent 16+ Travel Card following reduced usage in the summer term; underspending on early years collaboration projects and a reduction in Early Years & Childcare staffing and associated costs; and an improvement in the position for Attendance & Behaviour Service, Youth & Youth Offending Service. **SCH&W (SCS)** - a reduction in the forecast shortfall in grant funding for the Asylum Service and a general reduction in the fostering, leaving care and preventative services activity budgets due to a reduction in Looked after Children numbers and additional contributions from health for direct payments. **SCH&W (Adults)** - further underspending on the Kent Support and Assistance Service (Social Fund) based on inclusion of the rolled forward underspend from 2013-14 and anticipated demand for the rest of the financial year. **GE&T** - further waste contract savings; reduction in the pressure related to increased waste tonnage due to cheaper methods of disposal (i.e. increased recycling and waste diverted to landfill from Allington waste to energy plant); additional income from trade waste; further savings on Concessionary Fares due to reduced journeys being travelled and higher than anticipated savings from part night switch off of street lights; **FI** - reduced anticipated cost of Carbon Reduction and External Audit Fee.

3.3 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	+952,116	+4,580	-5,475	-895	+5,374	-6,269
Adjustments: - Legally committed roll forward/ re-phasing (see section 3.6 for detail)		+131	-	+131	+12	+119
Underlying position (including legally committed roll forward requirements only)	+952,116	+4,711	-5,475	-764	+5,386	-6,150
- Roll forward/ re-phasing required to continue/ complete existing initiatives (see section 3.7 for detail)		+2,997	-	+2,997	-	+2,997
Underlying position (including ALL roll forward requirements)	+952,116	+7,708	-5,475	+2,233	+5,386	-3,153

3.4 **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	84,077.1	+207	-500	-293	+790	-1,083
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,455.6	+4,728	-1,925	+2,803	+3,070	-267
	Social Care, Health & Wellbeing - Asylum	280.0	+1,778	-	+1,778	+2,304	-526
	Social Care, Health & Wellbeing - Special Operations	-	+724	-	+724	+609	+115
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,735.6</i>	<i>+7,230</i>	<i>-1,925</i>	<i>+5,305</i>	<i>+5,983</i>	<i>-678</i>
3	Social Care, Health & Wellbeing - Adults	344,906.4	+318	-2,665	-2,347	+187	-2,534
4	Social Care, Health & Wellbeing - Public Health	0.0	-	-	-	-	-
5	Growth, Environment & Transport	179,960.0	-3,113	-	-3,113	-1,439	-1,674
6	Strategic & Corporate Services	82,676.1	+385	-385	-	-	-
7	Financing Items	132,761.0	-447	-	-447	-147	-300
	TOTAL (excl Schools)	952,116.2	+4,580	-5,475	-895	+5,374	-6,269
1	<i>Schools (E&YP Directorate)</i>	-	+2,621	-	+2,621	+3,015	-394
	TOTAL	952,116.2	+7,201	-5,475	+1,726	+8,389	-6,663

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

- a) There is a small improvement for Specialist Children's Services (exc. Asylum and Special Operations, see below) compared to the position reported last month, with Looked After Children numbers reducing this month, but significant financial pressures are still being reported for 2014-15. The net overspend of £4.728m is partially offset by £1.925m of proposed management action, with the remaining pressure of £2.803m attributable in the main to unachievable savings.
- b) The position included in this report for Asylum is a pressure of £1.778m, and this reflects the impact of the May offer from the Home Office now that we no longer receive a Gateway Grant. It should however be noted that referrals are increasing and are at their highest level since 2010 and the number of children we are supporting is at its highest level since January 2012.
- 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 £0.724m 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 £0.318m before management action within Social Care, Health & Wellbeing - Adults is made up of a pressure on the Social Care budgets of £3.417m, with the pressure areas being domiciliary care, direct payments and supported accommodation, offset by a combined underspend on the Commissioned Services budgets of Kent Support & Assistance Service (Social Fund), Supporting People and Drug & Alcohol Services of £3.099m. Further management action of £2.665m is expected to be delivered to offset the pressure on the social care budgets (see Appendix 1 & Annex 3 for further information). This position also assumes a drawdown from the NHS Support for Social Care reserve of £4.375m to fund investment in services to deliver the transformation savings. We are therefore currently forecasting to spend £7.792m (+£3.417m + £4.375m) more than our base budget on adult social care, but this is expected to reduce to £5.127m after delivery of management action, and this must be addressed if we are to deliver an achievable balanced budget for 2015-16.
- e) Within Adult social care, current activity trends are not supporting the level of transformation savings required, as these are likely to be heavily weighted towards the second half of the year, and therefore we are being prudent in the current financial forecasts. However, we are confident that these savings will be delivered and hence this reduction is reflected as management action in table 1 above. As and when delivery of the savings filters through to the activity data, then the management action figure will reduce and the savings will be reflected within the relevant A-Z budget lines. However, if there is any slippage in the timing of the delivery of these savings, then this will cause a problem late in the year, probably at a point when it is too late to implement alternative offsetting management action.
- f) As a result of the domiciliary care contract re-let there has been a shift of clients from domiciliary care to direct payments, as some clients have chosen to remain with their old service providers. These direct payments are being paid at the new lower domiciliary care re-let rate.
- g) Government funding for the Kent Support & Assistance Service (Social Fund) is not expected to continue beyond this financial year. An option would be to roll forward the underspending on this service, currently forecast at -£2.691m, to provide this service for another year whilst alternative longer term solutions are considered. However, this is dependent on the authority as a whole achieving an underspending position of at least this magnitude to be able to fund the roll forward, and will also be subject to consideration of all competing roll forward priorities against the level of roll forward funding available, if any. However, shortly prior to finalising this report, it was announced that high court action by Islington Council has won a possible reprieve for this government funding. The government has signed a consent order agreeing to reconsider its decision to cut the local welfare provision fund in the light of an ongoing review of local welfare provision, proper consultation with stakeholders and due consideration of equalities implications, all of which it had previously failed to do. It has undertaken to announce its new decision in time for the provisional local government finance settlement, expected in December.

- h) 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), underspending on the Kent 16+ Travel Card mainly due to reduced usage during the summer term (-£0.211m), 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, including underspending/re-phasing of the Kent Youth Employment programme, with the directorate as a whole forecasting a net underspend after management action and excluding schools of -£0.293m.
- i) The Growth, Environment and Transport Directorate is forecasting to underspend by £3.113m. The most significant services contributing to this position are Concessionary Fares (-£1.045m) and Subsidised Bus Routes (-£0.583m); Highways budgets (-£0.949m) predominately from savings on streetlight energy and speed awareness courses; Community Services budgets (-£0.649m), mainly due to increased income within the Registration Service and staff vacancy savings which are offsetting a centrally held savings target within the Strategic Management & Directorate Support budget (+£0.350m), and a small net saving on the waste budgets (-£0.201m - see below for further details).
- j) Waste tonnage for the first four months of the year is a cause for concern with a forecast overspend of £1.996m currently reported. This is more than offset by savings predominately from contract changes, giving an overall net waste underspend of £0.201m. The tonnage for April to July was 19,600 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £1.996m assumes 32,200 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 7 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.
- k) Following the start of the new school academic year, early indications are that take-up for the Young Person's Travel Card will be higher than anticipated, which is likely to be due to the new instalment payment mechanism. Until we have a few months data on journey numbers, we will not know whether the assumed budget savings as a result of the new scheme are deliverable. There is a risk that those who have continued with the scheme will be the heavier users, leading to a higher average cost per pass. An update will be provided in the quarter 2 report, to be presented to Cabinet on 1 December, but robust data on usage trends is unlikely to be available until quarter 3.
- l) The forecast for Public Health remains at 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.

- m) 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 underspending on Carbon Reduction, External Audit Fee and 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.
- n) Appendix 1 provides some details of the management action. £3.628m of management action that has already been or is certain to be delivered is already reflected in the forecast £4.580m overspending position shown in the headline table on page 3. The remaining £5.475m of proposed management action is by no means certain and an awful lot needs to happen to ensure this is delivered in full.

3.6 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 £0.131m to 2015-16, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

▪ Kent Youth Employment programme - to fund existing placements that continue into 2015-16 (see annex 1)	+117 k
▪ re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 3)	+14 k
	+131 k

3.7 Details of Roll Forward/Re-phasing required to complete existing initiatives, if the outturn position allows:

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the authority as whole is in an underspending position at year end of at least -£3.128m (£2.997m as detailed below + £0.131m per section 3.6 above). We are currently reporting an underspend after management action of -£0.895m, so we have a shortfall of £2.233m, as highlighted in the headline table on page 3, which will need to be addressed before roll forward for these initiatives can be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+306 k
▪ Kent Support & Assistance (Social Fund) (see annex 3)	+2,691 k
	+2,997 k

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 previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates.
- In addition, cash limits have been adjusted this month to reflect the decisions made by Cabinet on 7 July regarding the roll forward of underspending from 2013-14.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2014-15 Capital Programme is £382.825m. The forecast outturn against this budget is £398.079m giving a variance of +£15.254m. 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	143,687	5,309	13,965	-8,656	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-	-	-	2
Social Care, Health & Wellbeing - Adults	82,918	77,013	1,064	1,064	-	3
Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	4
Growth, Environment & Transport	259,191	130,461	8,753	-1,974	10,727	5
Strategic & Corporate Services	28,806	29,636	128	128	-	6
Financing Items	-	-	-	-	-	7
TOTAL	598,425	382,825	15,254	13,183	2,071	

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

- a) The majority of schemes are within budget and on time.
- b) +£13.183m of the +£15.254m 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) +£9.985m, of which £3.901m is expected to be funded from developer contributions and £0.375m can be funded from an underspend on Goat Lees. The remaining £5.709m reflects an ongoing pressure on the programme which will be reviewed during the budget setting process.

Construction Inflation (EYP) +£3.360m. Last month this estimate of construction inflation was reported as part of the Basic Need programme pressure. However this is a pressure which will be spread across the EYP capital programme - particularly on the Basic Need and Special School Review programmes.

Special Schools Review Phase 2 (EYP) +£0.700m. This pressure will also be reviewed during the budget setting process. Across the three year programme the total forecast pressure is £6.060m.

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.

Astor of Hever (St Augustine's Academy) Maidstone (EYP) +£0.500m due to an asbestos claim. This is to be funded from a corresponding underspend on BSF Unit Costs.

HWRC West Kent (GET) -£0.600m. The existing site's lease has been extended therefore no new capital project is needed. The underspend is being held to offset emerging pressures elsewhere in the GET capital programme.

Rural Broadband Demonstration Project (GET) -£0.516m. The rural allocation was based on providing grants to local communities. Market review shows that response is likely to be insufficient to generate good value for money. The funding has been rolled into the Superfast Extension Programme which is due to start in 2016-17.

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

Information Technology Projects (SC,H&WB - Adults) +£0.821m. This relates to predicted expenditure on Telecare equipment to be legitimately capitalised at year end. This will be funded from available grant and developer contributions.

Integrated Transport Schemes (GET) +£0.791m. This reflect additional grant awarded by the DfT to deliver local sustainable transport schemes.

The remaining -£2.715m 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) +£2.071m of the +£15.254m variance relates to rephasing on a number of projects. The main projects comprising the rephasing are as follows:
- Special School Review Phase 2 (EYP) -£8.124m. Rephasing is due to delays at the planning stage on a number of complicated projects. Redesign and reconfigurations have also been necessary due to budget pressures.
- 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) -£0.435m - 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 -£1.598m 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.** Learning Disability Good Day Programme - Community Initiatives (SC,H&WB - Adults) -£0.032m. This amount has been offered up as a saving on prudential borrowing.

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 2.

5. CONCLUSIONS

- 5.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has reduced by £4.731m from +£12.439m to +£7.708m since the quarter 1 position provided to Cabinet in September. However, management action of £5.475m is proposed, which is expected to reduce this position to +£2.233m, an improvement of £3.153m since the last report. Whilst this improved position is welcome, the delivery of the proposed management action is by no means certain and there remains two risk areas, waste tonnage and Young Person's Travel Pass, where it is possible that the overspend may increase. Therefore, despite an encouraging movement in the right direction this month, we must not be complacent. In summary, the current forecast remains a cause for concern for the following reasons:
- 1) the potential for adverse movements in the Waste & YPTP positions,
 - 2) the risks around full delivery of the £5.475m of management action, and even if achieved:
 - 3) a £2.233m forecast pressure still needs to be resolved, if we are to be in a position to roll forward funds to provide the Kent Support & Assistance Service (KSAS) and the Kent Youth Employment Programme (KYEP) in 2015-16.
- If we do not resolve this residual £2.233m underlying pressure before the year end, then roll forward to provide the KSAS & KYEP in 2015-16 will not be possible. Considering the further substantial budget savings required to balance the 2015-16 budget, it is essential that we do not enter 2015-16 with an underlying pressure.
- 5.2 In addition, 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.

6. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **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 2.

7. BACKGROUND DOCUMENTS

None

8. CONTACT DETAILS

Report Authors:

Chris Headey
Central Co-ordination Manager
Revenue Finance
01622 69 4847
chris.headey@kent.gov.uk

Jo Lee/Julie Samson
Capital Finance Manager
01622 69 6600
jo.lee@kent.gov.uk
julie.samson@kent.gov.uk

Director:

Andy Wood,
Corporate Director of Finance and Procurement
01622 69 4622
andy.wood@kent.gov.uk

2014-15 JULY SUMMARY OF THE PROPOSED MANAGEMENT ACTION

	Total in July 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 (including IFAs to in-house)	-800	-700	-100
Adoption	-600		-600
Leaving Care	-100	-25	-75
Disability Services	-200	-100	-100
Staffing - Agency and Non Social Work	-1,050	0	-1,050
Sub Total - SCS	-3,200	-1,275	-1,925
OPPD - Recruit to staff vacancies in order to accelerate the transformation programme which in turn will deliver savings against the current forecast	-2,600	-867	-1,733
LDMH - Review of all current activities and jointly funded arrangements	-1,100	-168	-932
Sub Total SCH&W (Children's and Adults)	-6,900	-2,310	-4,590
S&CS	-703	-318	-385
KCC TOTAL	-9,103	-3,628	-5,475

2014-15 JULY SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	Cash Limit Change Requested			Funding	Description
		2014-15 £'000	2015-16 £'000	2016-17 £'000		
Cash limit change due to revised external/grant funding availability/previous decisions:						
GET	Broadband	-2,036			Grant	Project scope revised leading to an underspend and repayment of grant.
GET	Ashford Ring Road	-94			Developer Contribution	
S&CS	Swanley Gateway	293			Developer Contribution	Project costs aligned to reflect available funding.
		-170			External - Other	
		5			Capital Receipt	
Cash limit change to cover overspends elsewhere in the capital programme:						
GET	Incubator Development	-41			Prudential	Underspend on project to go back into the Regeneration Fund.
GET	Regeneration Fund	41			Prudential	From underspend on Incubator Development project.
SC,H&WB (Adults)	Learning Disability Good Day Programme - Community Hubs	100			Capital Receipt	Overspend to be funded from Learning Disability Good Day Programme - Community Initiatives
SC,H&WB (Adults)	Learning Disability Good Day Programme - Community Initiatives	-100			Capital Receipt	To fund overspend on Learning Disability Good Day Programme - Community Hubs
SC,H&WB (Adults)	Learning Disability Good Day Programme - Community Initiatives	-5			Capital Receipt	To be vired to Swanley Gateway
Other cash limit changes:						
GET	Public Rights of Way	75			Revenue	Additional works due to severe winter weather. To be funded from grant sitting in revenue reserve.
SC,H&WB (Adults)	Learning Disability Good Day Programme - Community Initiatives	-32			Prudential	Real saving

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
JULY 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)	+84,077	+207	-500	-293
	Schools (£k)	-	+2,621	-	+2,621
	Directorate Total (£k)	+84,077	+2,828	-500	+2,328

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Education & Young People's Services						
Delegated Budget:						
Schools & Pupil Referral Units Delegated Budgets	711,209.4	-711,209.4	0.0	+2,621	+2,621	Drawdown from school reserves for 36 expected academy converters
TOTAL DELEGATED	711,209.4	-711,209.4	0.0	+2,621		
Non Delegated Budget:						
E&YP Strategic Management & directorate support budgets	7,090.6	-9,158.0	-2,067.4	+1,516	+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.
					-155	Underspend on legal fees
					-179	<i>DSG variance - feasibility studies</i>
					-72	Other minor variances
Children's Services - Children in Need						
- Children's Centres	14,532.6	-1,607.1	12,925.5	-500	-500	Savings from vacancies linked to the service restructure
- Preventative Services	5,442.9	-1,331.0	4,111.9	0		
	19,975.5	-2,938.1	17,037.4	-500		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Children's Services - Education & Personal						
- 14 - 19 year olds	3,845.8	-941.0	2,904.8	-426	-423 Kent Youth Employment programme placements - £117k of this underspend will need to roll forward to fund our legal obligation to continue with the current placements. If required, the remaining £306k of the underspend could be used to help towards achieving an overall balanced outturn position for the authority as a whole, but this would mean that no further placements can be made. -3 Other minor variances	
- Attendance & Behaviour	3,398.2	-2,620.9	777.3	-195	-223 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£122k)</i> +183 Kent Integrated Adolescent Support Service (KIASS) Education Welfare staffing pressure <i>(includes a DSG variance of +£135k)</i> -153 DSG variance - underspend on Individual Tuition -2 Other minor variances	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
- 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	
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	-42	+17 Staff vacancies and associated non staff underspend for the Early Years restructured services offset by a one off staffing overspend for the pre restructured service <i>(includes a DSG variance of +£111k)</i>	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-101 Underspend on Early Years collaboration projects	
					+42 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	-172	-155 Traded income from schools for non statutory psychology services	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-17 Other minor variances	
- Individual Learner Support	8,218.0	-7,350.2	867.8	-374	-155 Portage service non staffing underspend <i>(includes a DSG variance of -£107k)</i>	
					-162 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 -£108k)</i>	
					-57 Other minor variances	
- Statemented Pupils	4,309.8	-4,309.8	0.0	+128	+173 <i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i>	
					-45 Other minor variances	
- Youth Service	8,138.4	-2,605.8	5,532.6	-95		
- Youth Offending Service	5,463.3	-2,441.9	3,021.4	-130	-172 Underspend on KIASS district budgets due mainly to staff vacancies	
					+42 Other minor variances	
	105,743.2	-85,795.2	19,948.0	-1,806		
<u>Children's Services - Other Children's</u>						
- Safeguarding	507.5	-150.0	357.5	-14		
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,544.9	-14,673.6	-1,128.7	0		

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Supporting Employment	1,056.2	-335.0	721.2	0			
- Troubled Families Programme	4,586.0	-4,228.1	357.9	0			
	19,187.1	-19,236.7	-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	+144	+144	<i>DSG variance - Increased costs of independent special school placements</i>	
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	49,926.7	-49,926.7	0.0	+144			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	-53			
- Other Schools Services	6,794.5	-6,900.7	-106.2	+82	+110	<i>DSG variance - Pressure on mobile moves budget to fulfil basic need</i>	
					-28	Other minor variances	
- Redundancy Costs	1,188.7	-1,188.7	0.0	0			
- School Improvement	8,477.6	-5,340.3	3,137.3	+744	+790	Shortfall against budgeted surplus for training & development	
					+160	Shortfall against budgeted surplus for governor training services	
					-106	Increased surplus for other traded services (Clerking and Improving Together Network)	
					-100	Other minor variances	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Schools Staff Services	2,644.0	-2,541.0	103.0	-40			
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-489	-489	Reduced annual capitalisation costs of pensions	
	28,338.7	-19,560.6	8,778.1	+244			
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-211	-126	Reduced costs for the 16+ card due to reduced journey usage during the summer term	
					-85	Other minor variances	
- 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	+1,768	+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
					+93	Costs of the new Independent Travel Trainers service to enable some pupils currently in receipt of SEN transport to travel to school using public transport	This pressure is ongoing and a realignment of SEN HTST budget between transport costs & independent travel trainers service will need to 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	+841			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,731.0	-7,372.2	2,358.8	-166	-143	Staff vacancies <i>(includes a DSG variance of -£96k)</i>	
					-23	Other minor variances	
- Children's Social Care Staffing	6,026.5	-3,276.6	2,749.9	-110	-58	KIASS social work assistant staff vacancies	
					-52	Other minor variances	
	15,757.5	-10,648.8	5,108.7	-276			

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Support to Frontline Services - Human Resources	0.0	0.0	0.0	0		
TOTAL NON DELEGATED	283,924.2	-199,847.1	84,077.1	-142		
- <i>Transfer to(+)/from(-) DSG reserve</i>				+349	<i>Transfer to DSG reserve to offset - £92k of DSG variances explained above & a number of other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	283,924.2	-199,847.1	84,077.1	+207		
Total E&YPS	995,133.6	-911,056.5	84,077.1	+2,828		
Assumed Mgmt Action				-500	Whilst the forecast at this stage is showing a £0.207m 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 position to change to an underspend of £0.293m. Detailed work is currently being undertaken to confirm that this projected saving is not a double count of any part of the £2m saving agreed in the 2014-15 budget.	

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 continued					£'000	Roll forward of £0.117m is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £0.306m underspend against this programme is required for the scheme to continue into 2015-16. To enable this an underspending position of £0.423m for the directorate will need to be achieved, as well as an underspending position for the overall authority as a whole. The Directorate is therefore now looking at options to cover the remaining £0.130m required to achieve this position, and that will be a priority issue for DMT. Finance staff are currently working to identify possible options for discussion with EYP DMT.
Total E&YPS Forecast <u>after</u> mgmt action	995,133.6	-911,056.5	84,077.1	+2,328		

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	410
Total value of school reserves	£59,088k	£48,124k	£45,730k	£43,109k
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 36 schools (including 2 secondary schools and 34 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 £2,621k assumes 36 schools convert to academy status this financial year. 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.

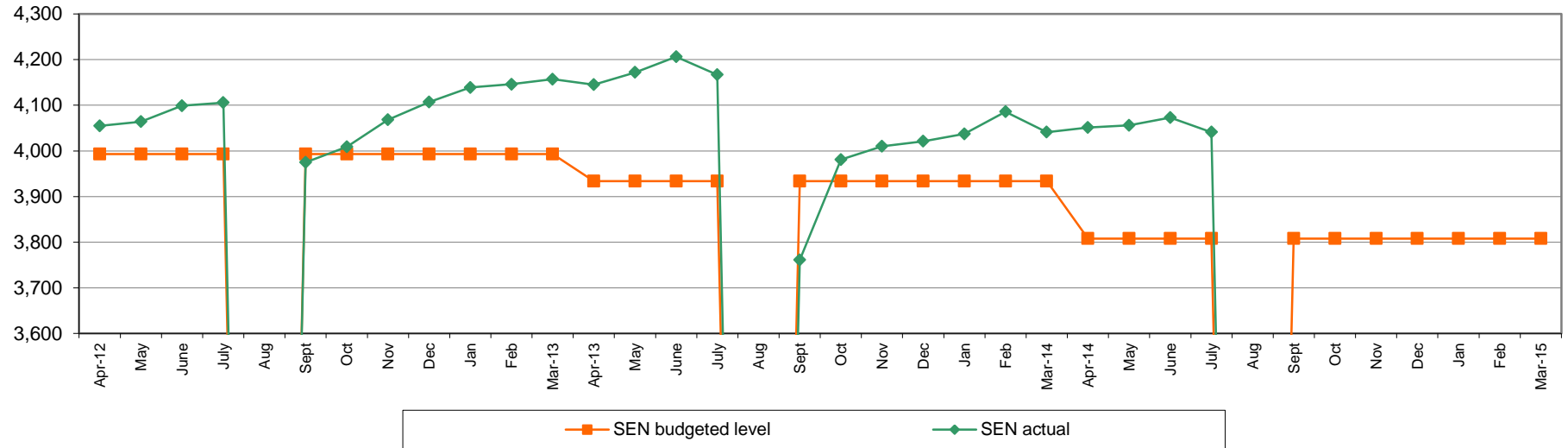
2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	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

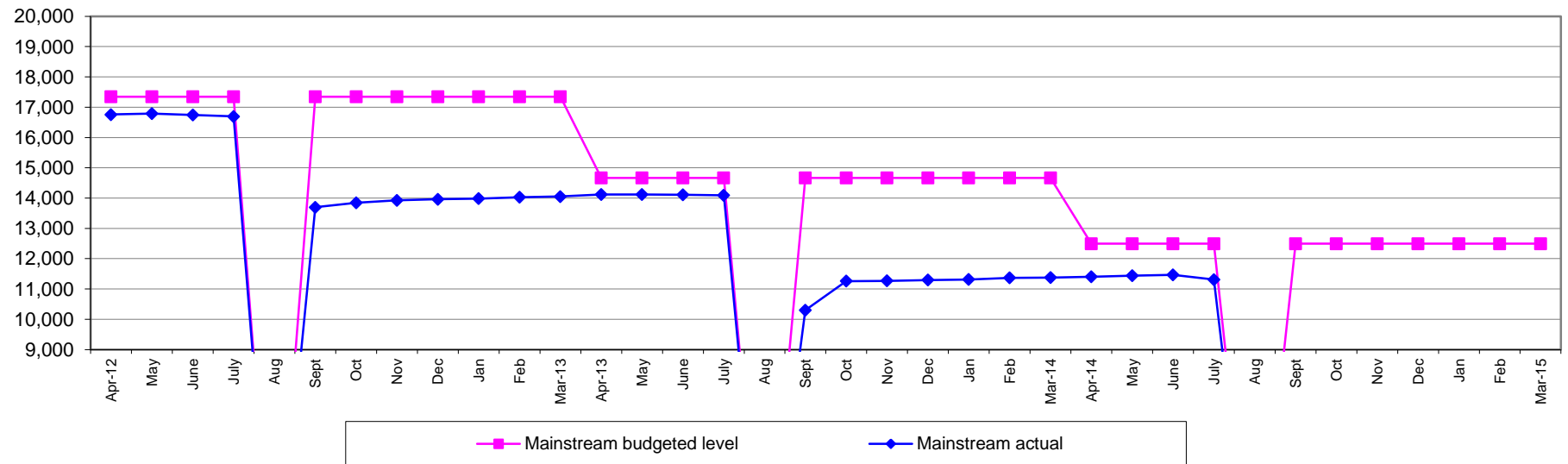
Comments:

- **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 1, 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 1.

Number of children receiving assisted SEN transport to school



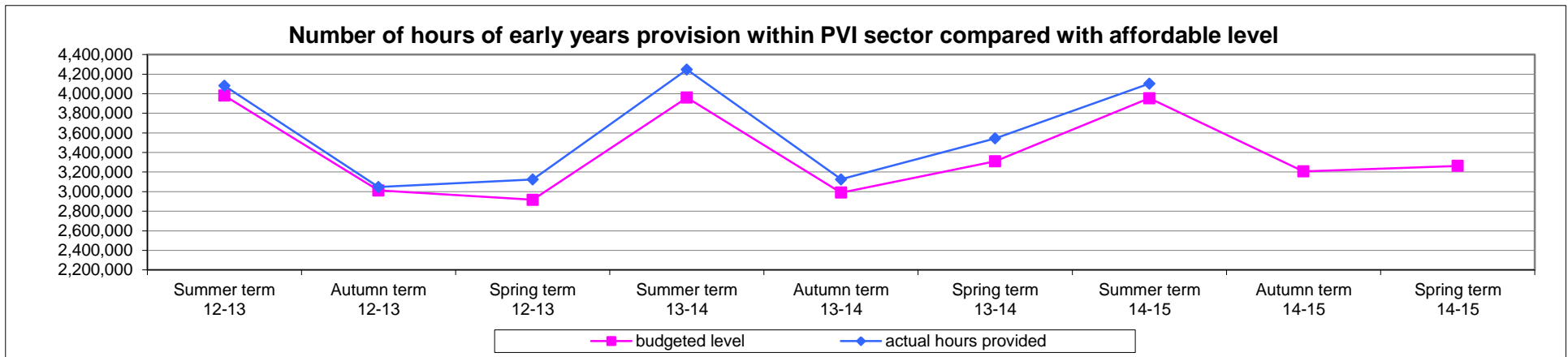
Number of children receiving assisted Mainstream transport to school



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	4,104,448
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	4,104,448

* 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 1. 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.

3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2014-15 of £143,687k. The forecast outturn against the 2014-15 budget is £148,996k giving a variance of +£5,309k, of which £13,965k is a real variance. £4,166k of this overspend is to be funded from expected developer contributions and additional grant funding, £9,769k will be discussed and reviewed as part of the budget setting process, and £30k from a revenue contribution.

3.2 **Table 2** below details the Education and Young People's 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									
Annual Planned Enhancement Programme	24,000	12,073	-607	-857 250	Real underspend - grant Real overspend - grant	Underspend to be used to fund additional costs at St Johns/Kingsmead. Overspend relates to additional works at Minster Primary.	Green		
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,759	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
Individual Projects									
Basic Need									
Basic Need Programme 2013-15	70,037	51,077	9,985	9,985	£3,901k Real - dev cons £375k Real - prudential £5,709k Real - funding to be determined	£3,901k to be funded from expected developer contributions relating to Knights Park. The remaining £6,084k overspend reflects an ongoing pressure against the basic need programme, of which £375k can be funded from the underspend on Goat Lees, and the remaining £5,709k which will be reviewed in detail during the budget setting process.	Amber		
Construction Inflation			3,360	3,360	Real - funding to be determined as part of the budget setting process	Last month this estimate of construction inflation was reported as part of the Basic Need Programme pressure, however this is a pressure which will be spread across the EYP capital programme - particularly on the Basic Need and Special Schools Programmes.	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
Basic Need Allocations 2015-16 and 2016-17	27,449	0	0				Amber	Significant pressures are being forecast against the future years Basic Need programme.	
Goat Lees Primary School, Ashford	13	711	-375	-375	Real - prudential	Underspend to be used to fund pressure on the Basic Need programme.	Green		
Repton Park Primary School, Ashford		139					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		
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 the Annual Planned Enhancement Programme.	Amber		
Special Schools Review - major projects supporting the special schools review:									
Special Schools Review phase 1	0	670					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
Special Schools Review phase 2	56,220	33,706	-7,424	700	Real - funding to be determined	Latest forecast costs predict an overspend on this programme, which will be reviewed in detail during the budget setting process.	Amber	Across the three year programme, there is a £6,060k forecast overspend which will be reviewed during the budget setting process.	
				-8,124	Rephasing	Rephasing is due to delays at the planning stage on a number of complicated projects. Redesign and reconfiguration has also been necessary due to budget pressures.			
The Wyvern School, Ashford (Buxford Site)		6					Green		
Primary Improvement Programme		0	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	500	500	Real - grant £336k & supported borrowing £164k	Asbestos claim to be funded from underspend on BSF Unit Costs.	Amber		
Dover Christ Church	9,619	7,425					Green		
The Duke of York's Royal Military School	4,922	4,778					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
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		
Skinner's Academy		0	265	265	Real - grant	Additional works in exchange for a piece of land from the school.	Amber		
Academy Unit Costs		511					Green		
BSF Wave 3 Build Costs		834					Green		
BSF Unit Costs		623	-500	-500	Real - grant -£336k & supported borrowing - £164k	Underspend to be used to fund asbestos claim at Astor of Hever.	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.	Green		
Community Learning and Skills Service - Sevenoaks Reprovision	1,000	50	-50	-50	Rephasing		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
Free School Meals Capital Money	2,777	2,777					Green		
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	5,540					Green		
Tenterden Infant School		25					Green		
Trinity Free School, Sevenoaks		3,794					Amber	Full project cost expected to be £11.3m, to be funded from grant.	
Unit Review	1,505	322	-36	-36	Real - prudential	Funding to be transferred to Primary Improvement Programme.	Green		
Vocational Education Centre Programme		148					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
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	143,687	5,309	5,309					

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
JULY 2014-15 MONITORING REPORT

1. REVENUE

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+127,456	+4,728	-1,925	+2,803
Asylum (£k)	+280	+1,778	-	+1,778
Special Ops (£k)	-	+724	-	+724
Total (£k)	+127,736	+7,230	-1,925	+5,305

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Specialist Children's Services						
Strategic Management & Directorate Support budgets	4,893.5	-175.0	4,718.5	-320	-301 Underspend on commissioning staffing budget -150 Underspend of staffing funded from the Improvement budget +97 Staffing pressure +34 Other minor variances	
Children's Services - Children in Care (Looked After)						
- Fostering	33,380.6	-221.0	33,159.6	+1,644	-338 In House: Forecast -925 weeks below affordable level +279 In House: Forecast unit cost £5.05 above affordable level +1,000 In House: unachievable savings -98 In House: Other minor variances +1,336 Independent Sector (IFA): Forecast 1,479 weeks above affordable level	This pressure will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-370 Independent Sector (IFA): Forecast unit cost -£42.07 below affordable level -82 Independent Sector (IFA): Other minor variances +124 Financial allowances for permanency arrangements: unachievable saving -313 Reduction in Related Fostering payments and other financial allowances for permanency arrangements +100 Provision for proposed increase in Financial Allowances for Child Arrangement Orders +6 Other minor variances	
- Legal Charges	7,599.9	0.0	7,599.9	-227	+300 Unachievable saving -527 Reduction in legal fees and court charges	This saving will be reflected in the 2015-18 MTFP
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-950	-1,139 Independent Sector residential care: Forecast -363 weeks below affordable level partially due to young people becoming care leavers (see care leavers below) -320 Independent Sector residential care: Forecast unit cost -£127.50 below affordable level +400 Independent Sector residential care: unachievable saving +242 Independent residential care: reduction in income as a result of activity being 363 weeks below affordable level -300 Reduction in secure accommodation placements +119 Additional activity within residential short breaks unit +143 Staffing pressure	This saving will be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-95 Additional contributions from health in lieu of Preston Skreens health respite unit, which has now closed. These contributions are to enable KCC to provide the respite care ourselves.	
- Virtual School Kent	4,348.7	-2,953.3	1,395.4	-14		
	61,216.0	-6,037.0	55,179.0	+453		
Children's Services - Children in Need						
- Preventative Services	10,650.5	-1,327.6	9,322.9	+134	+217 Increase in direct payments +26 Direct payments: unachievable saving -136 Additional contributions from health for direct payments +233 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 -174 Additional income from health previously received by external provider -32 Other minor variances	
	10,650.5	-1,327.6	9,322.9	+134		
Children's Services - Other Social Services						
- Adoption	10,788.5	-1,319.1	9,469.4	+987	-258 Reduction in adoption payments due to fewer children. This is mainly due to a high proportion of adoption payments relating to older children, who are no longer eligible for payments once they become 18+. +183 Increase in costs of commissioned management service	This pressure will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+601 Increase in the number of guardianship payments, partly due to a reduction in financial allowances for permanency arrangements reported within Fostering above, together with a general increase in the number of guardianship payments +500 Provision for proposed increase in Financial Allowances for Adopters and Special Guardianship Orders -39 Other minor variances	
- Asylum Seekers	11,883.3	-11,603.3	280.0	+1,778	-1,690 Underspend relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs less than grant receivable +530 Pressure relating to under 18 UASC due to ineligibility +669 Pressure relating to over 18's due to ineligibility, of which £510k relates to All Rights Exhausted (ARE) clients +2,269 Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6) below, of which £395k relates to ARE clients.	In relation to the pressures on the over 18's UASC, we are reviewing levels of support to those aged over 21 who are continuing to be supported on the basis of their remaining in further or higher education.
- Leaving Care (formerly 16+)	5,303.4	0.0	5,303.4	+526	+543 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education. -17 Other minor variances	This pressure will need to be addressed in the 2015-18 MTFP
- Safeguarding	4,768.8	-249.8	4,519.0	+8	+106 Staffing pressure -105 Underspend on Kent Safeguarding Children Board (KSCB) base budget +7 Other minor variances	
	32,744.0	-13,172.2	19,571.8	+3,299		

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	40,644.2	-1,700.8	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)	150,148.2	-22,412.6	127,735.6	+6,506			
Assumed Mgmt Action				-1,925		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 £2,125k 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	150,148.2	-22,412.6	127,735.6	+4,581			
Memorandum <i>These costs are in addition to the position reported above</i>							
Special Operations				+724	+164	In house fostering: 458 weeks @ £358.63 per week	
					+145	Staffing	
					+40	IFA fostering: 39 weeks @ £1,024.19 per week	
					+230	Residential: 66 weeks @ £3,490.91 per week	
					+30	Interpreter costs	
					+115	Legal costs	

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

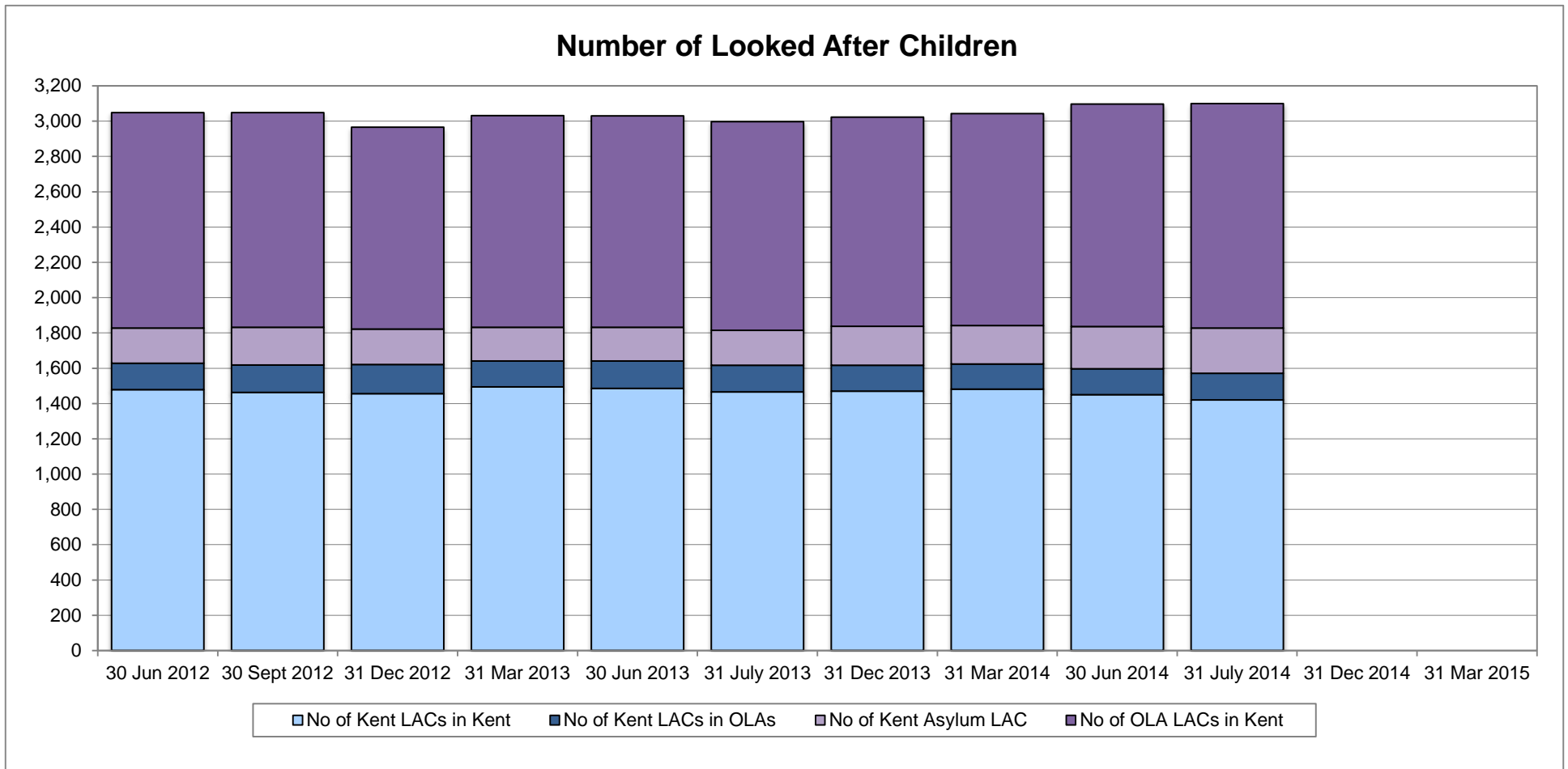
2.1 Number of Looked After Children (LAC) :

		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-Jul	1,420	150	1,570	257	1,827	1,273	3,100
	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 since quarter 1, 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.

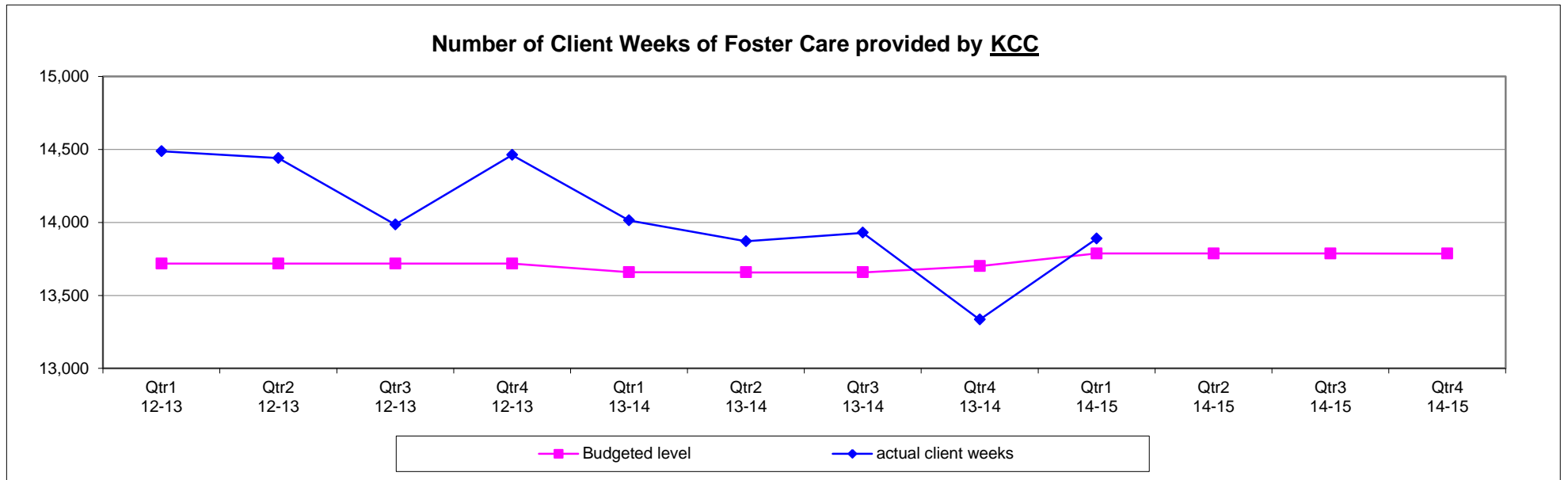
- The OLA LAC information has a confidence rating of 45% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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 Looked After Children as a result of special operations**

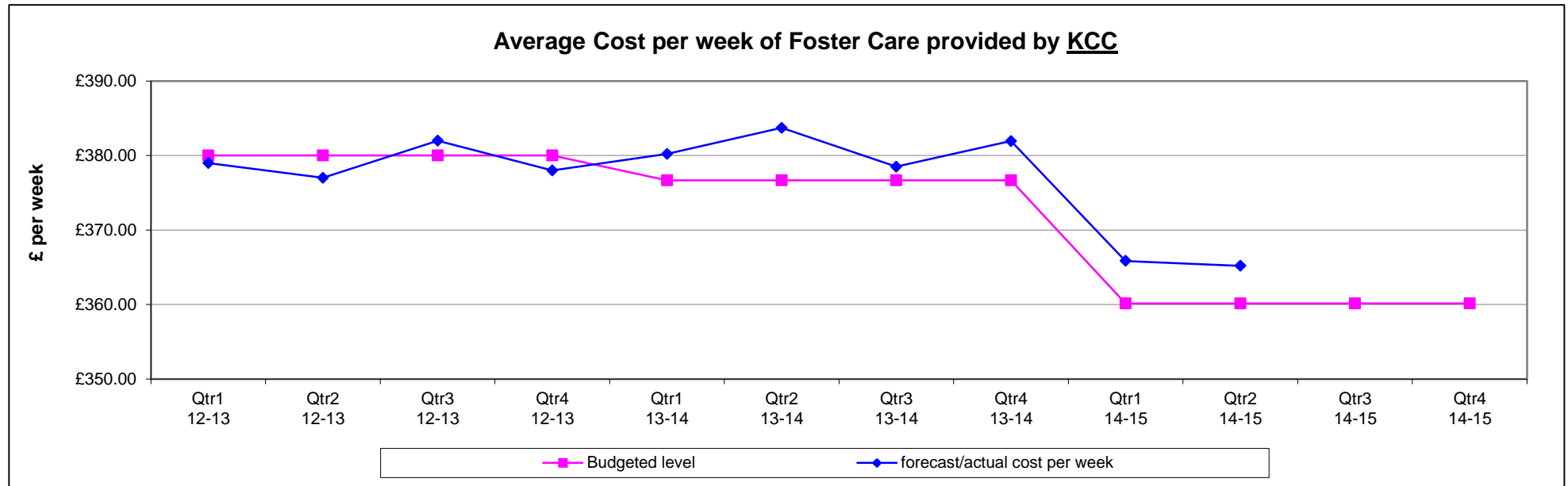


2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC (excluding Asylum):

	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 Sept	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	13,787	4,629	£360.14	£365.19
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	18,518	£360.14	£365.19

position as at 31 July





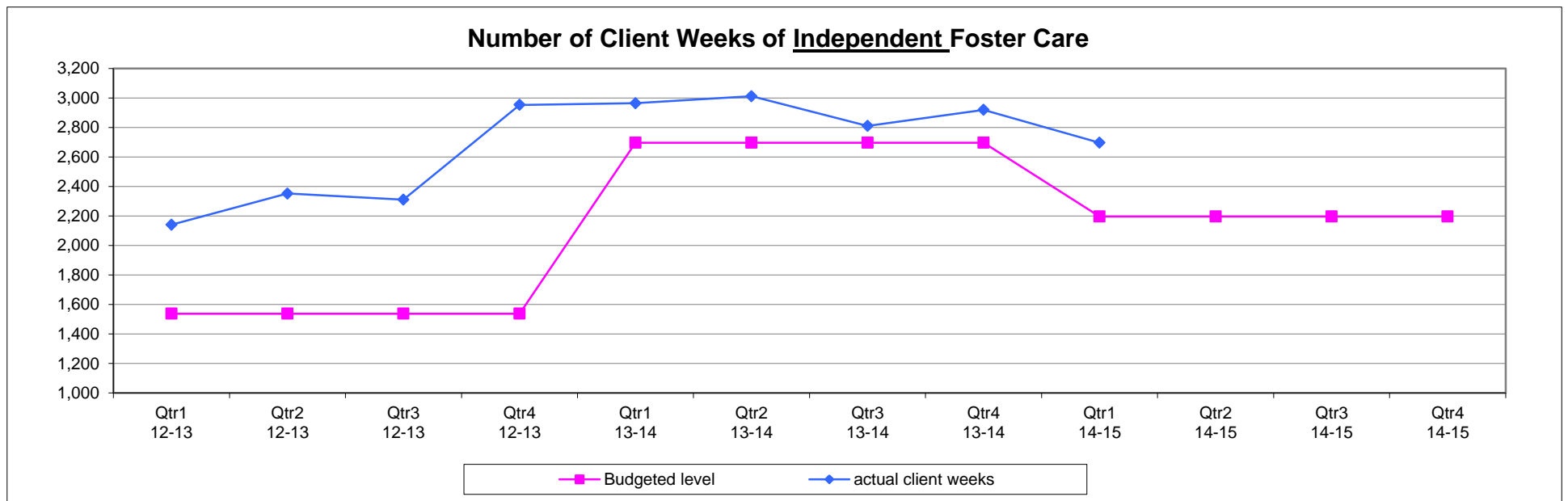
Comments:

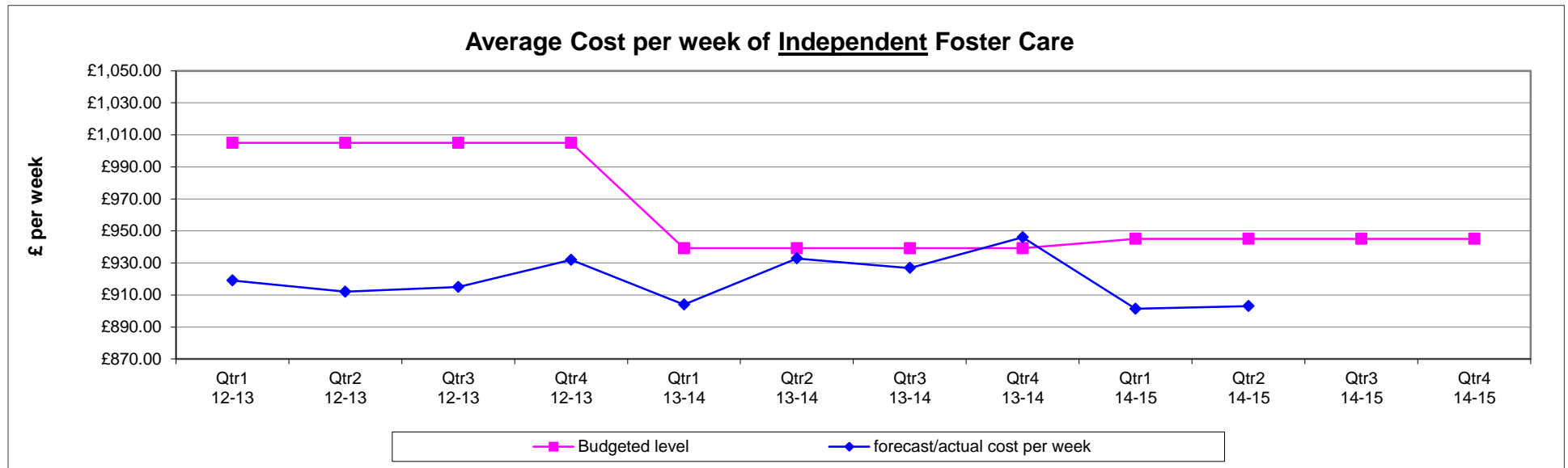
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported to Cabinet on 15 September.
- The forecast number of weeks is 54,222 (excluding asylum), which is 925 weeks below the affordable level. At the forecast unit cost of £365.19 per week, this increase in activity gives an underspend of -£338k, as shown in table 1. 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 £365.19 is +£5.05 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£279k, as shown in table 1.
- Overall therefore, the combined gross underspend on this service is -£59k (-£338k + £279k).
- **Special Operations forecast activity of 458 weeks at £358.63 per week is excluded from this activity indicator**

2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care (excluding Asylum):

	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 Sept	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,197	852	£945.07	£903.00
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	3,549	£945.07	£903.00

position as at 31 July



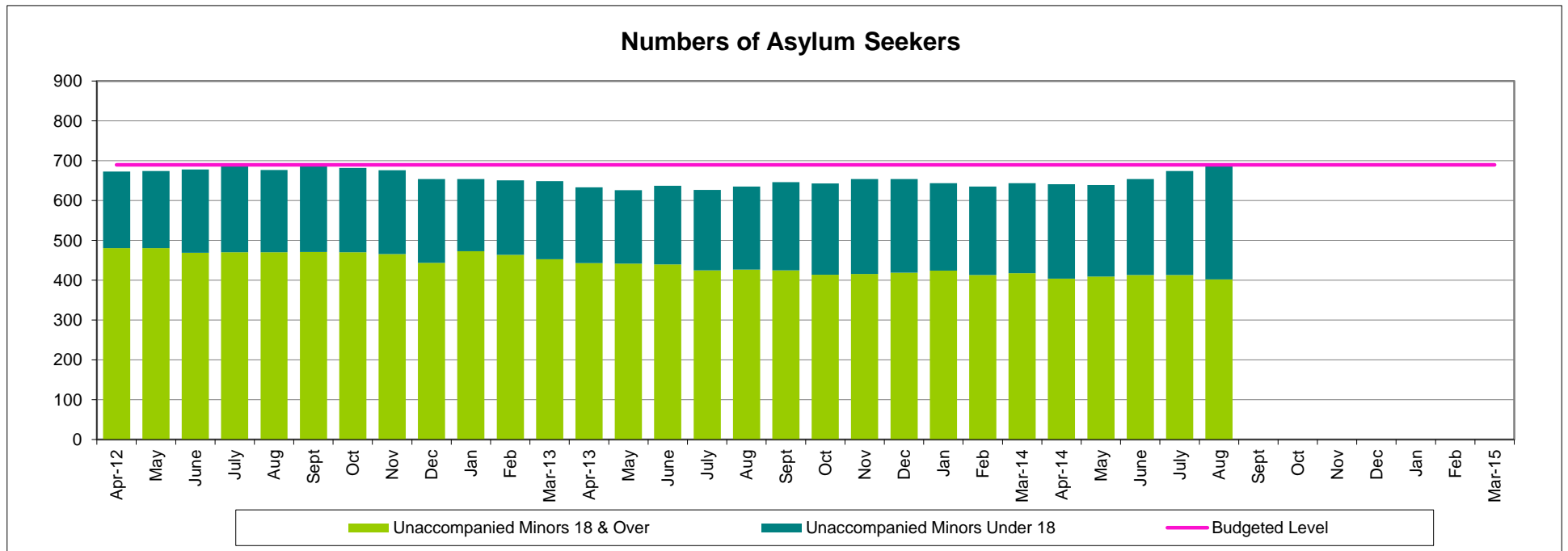


Comments:

- 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 to Cabinet on 15 September.
- The forecast number of weeks is 10,267 (excluding asylum), which is 1,479 weeks above the affordable level. At the forecast unit cost of £903.00 per week, this increase in activity gives a pressure of £1,336k as shown in table 1. 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 £903.00 is £42.07 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of £370k as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £966k (£1,336k - £370k)
- The forecast average unit cost of £903.00 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 forecast activity of 39 weeks at £1,024.19 per week is excluded from this activity 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	261	413	674
Aug	207	470	677	208	427	635	287	402	689
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			



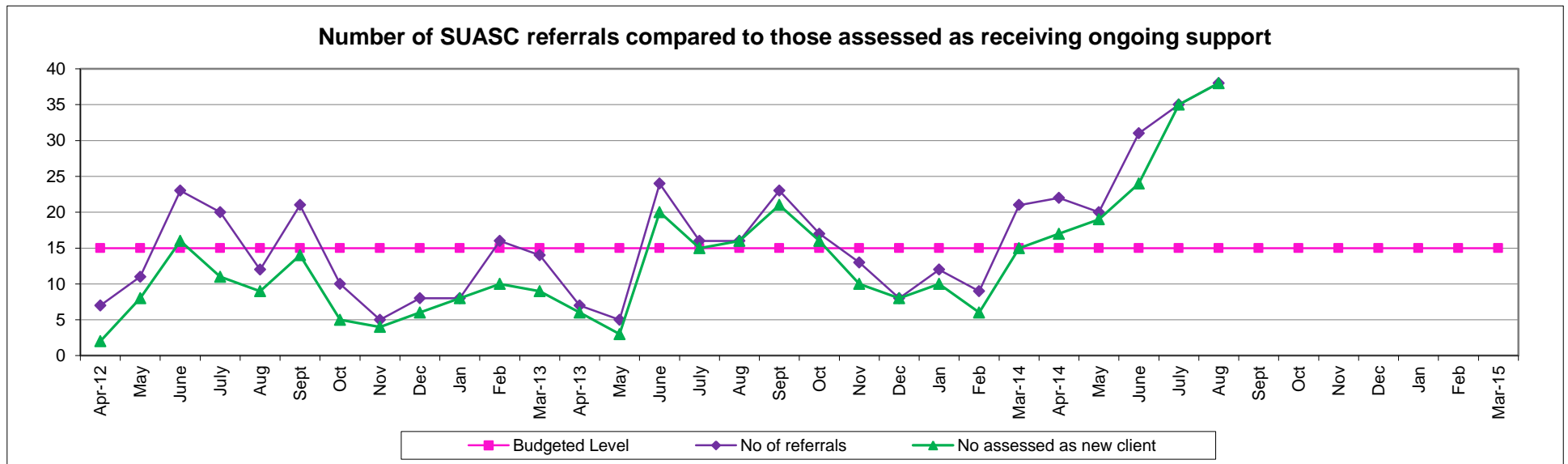
Comments:

- The overall number of children is increasing, with numbers at the highest level they have been since January 2012. The current number of clients supported is only slightly 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.
- Referrals are increasing, (see section 2.5 below), and as a result the number of UASC is increasing. Currently this increase is within the under 18 category for whom we are fully funded, however as these children grow up, this is likely to lead to an increase in asylum seekers aged 18 and over for whom, under the current grant rules, we are underfunded. This could potentially lead to a funding problem in the future, unless the grant rules 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%	20	19	95%
Jun	23	16	70%	24	20	83%	31	24	77%
Jul	20	11	55%	16	15	94%	35	35	100%
Aug	12	9	75%	16	16	100%	38	38	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%	146	133	91%

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.

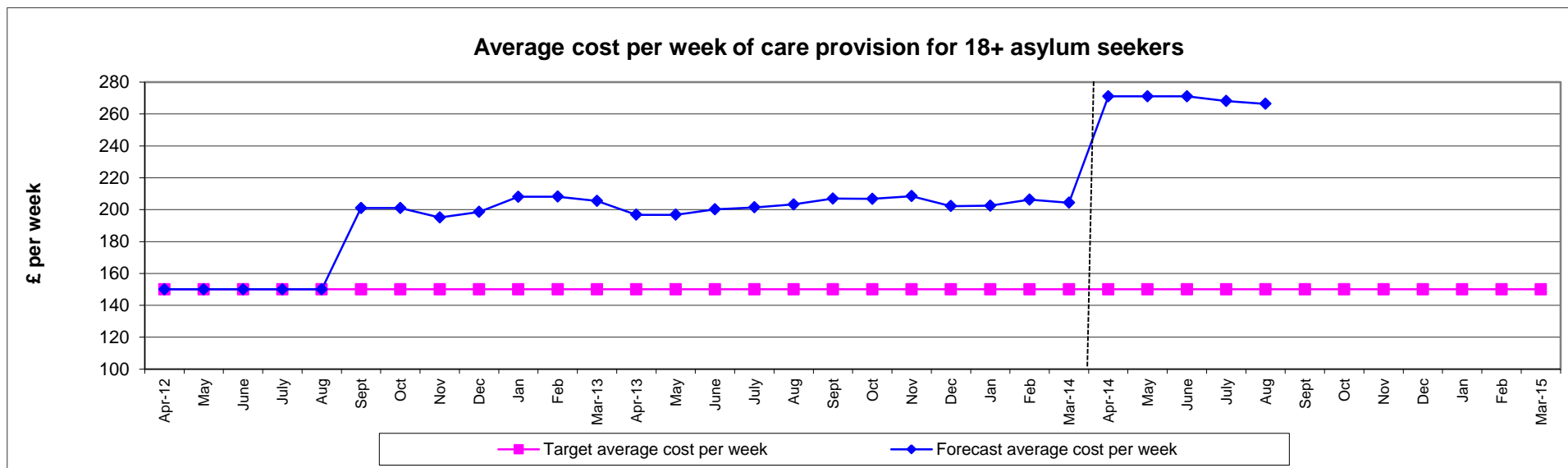


Comments:

- The average number of referrals per month is 29, 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 currently 91%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 27 i.e. a 200% 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	268.15
Aug	150	150.00	150	203.29	150	266.33
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 £266.33, £116.33 above the £150 claimable under the grant rules. This adds £2,269k 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+. A dotted line has therefore been added to the graph to show that the unit costs pre and post April 2014 are not directly comparable.



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 Children's 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
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
JULY 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+344,906	+318	-2,665	-2,347

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Social Care, Health & Wellbeing - Adult Social Care						
Strategic Management & Directorate Support budgets	6,911.9	-373.5	6,538.4	+154	+111	Legal Charges
					-106	Operational Support Budgets due to lower than anticipated staffing costs
					+149	Other minor variances each under £100k
<u>Support to Frontline Services:</u>						
- Adults Social Care Commissioning & Performance Monitoring	4,050.1	-526.3	3,523.8	+38	+137	Overspend on the Strategic Commissioning staffing budget from current structure
					-100	Vacancies in the Performance & Information Management Team being held plus associated other staffing related costs
					+1	Other minor variances
<u>Adults & Older People:</u>						
- Direct Payments						
- Learning Disability	16,927.6	-30.0	16,897.6	-263	+154	Forecast +554 weeks above affordable level of 61,245 weeks
					+85	Forecast average unit cost +£1.39 above affordable level of £276.39
						Demographic pressures & savings are expected to be ongoing & will need to be addressed 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	
					+295 One-off direct payments -731 Recovery of unspent funds from clients -66 Other minor variances	
- Mental Health	1,208.3	0.0	1,208.3	-313	-527 Forecast -6,253 weeks below affordable level of 15,479 weeks +97 Forecast average unit cost +£6.28 above affordable level of £78.06 +133 One-off direct payments -16 Minor other variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	6,767.3	0.0	6,767.3	+2,128	+2,194 Forecast +11,874 weeks above affordable level of 37,421 weeks. A significant part of this variance is due to clients who previously received Domiciliary care transferring to Direct Payments during the Domiciliary contract relet as they wished to remain with their existing service provider, as described in Section 2.1 below. +155 Forecast average unit cost +£4.14 above affordable level of £180.62 +366 One-off direct payments -620 Recovery of unspent funds from clients +33 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	+1,125	+925 Forecast +4,775 weeks above affordable level of 53,511 weeks +152 Forecast average unit cost +£2.84 above affordable level of £190.96 +680 One-off direct payments -698 Recovery of unspent funds from clients +66 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	+2,677		

ANNEX 3

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-239	-172 Forecast -13,577 hours below affordable level of 72,190 hours -66 Forecast average unit cost -£0.92 below affordable level of £13.61 -1 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	30,480.1	-2,249.2	28,230.9	+3,139	+2,656 Forecast +184,447 hours above affordable level of 1,582,330 hours +649 Forecast average unit cost +£0.41 above affordable level of £13.99 -191 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 Physical Disability clients +25 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability	4,158.1	0.0	4,158.1	+1,413	+1,307 Forecast +99,298 hours above affordable level of 263,527 hours -111 Forecast average unit cost -£0.42 below affordable level of £13.58 +217 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)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Domiciliary Care	35,725.2	-2,249.2	33,476.0	+4,313		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Non Residential Charging							
- Learning Disability	0.0	-3,167.5	-3,167.5	+62	-199	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report.	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings
					+261	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.	
- Older People	0.0	-8,999.4	-8,999.4	-230	-230	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	-35			
Total Non Residential Charging Income	0.0	-13,481.8	-13,481.8	-203			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Nursing & Residential Care							
- Learning Disability	77,219.8	-6,294.2	70,925.6	+147	-1,942	Forecast -1,658 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
					+148	Leading to a shortfall in client contributions	
					+1,974	Forecast average unit cost +£29.16 above affordable level of £1,142.45	
					-96	Independent Sector: forecast average unit client contribution -£1.41 above affordable level of -£88.12	
					+63	Other minor variances	
- Mental Health	7,628.7	-993.0	6,635.7	+729	+550	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
					-37	Leading to an increase in client contributions	
					+138	Forecast average unit cost +£10.72 above affordable level of £592.65	
					+43	Independent Sector: forecast average unit client contribution +£3.33 below affordable level of -£43.52	
					+35	Other minor variances	
- Older People - Nursing	47,226.3	-24,529.1	22,697.2	-1,710	-1,757	Forecast -3,637 weeks below affordable level of 78,686 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+726	Leading to a shortfall in client contributions	
					-316	Forecast average unit cost -£4.01 below affordable level of £487.05	
					-423	Independent Sector: forecast average unit client contribution -£5.38 above affordable level of -£194.20	
					+60	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 - Residential	79,797.8	-33,009.1	46,788.7	-2,328	-2,138	Forecast -5,208 weeks below affordable level of 147,739 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+1,006	Leading to a shortfall in client contributions	
					+626	Forecast average unit cost +£4.24 above affordable level of £406.35	
					-1,604	Independent Sector: forecast average unit client contribution -£10.86 above affordable level of -£182.29	
					-149	Lower than anticipated utility, security and equipment costs for in-house units	
					-116	Other minor variances for in-house units	
					+47	Other minor variances	
- Physical Disability	11,307.4	-1,558.1	9,749.3	+1,589	+2,111	Forecast +2,533 weeks above affordable level of 13,003 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-262	Leading to an increase in client contributions	
					-471	Forecast average unit cost -£36.23 below affordable level of £869.60	
					+178	Independent Sector: forecast average unit client contribution +£13.69 below affordable level of -£117.23	
					+33	Other minor variances	
Total Nursing & Residential Care	223,180.0	-66,383.5	156,796.5	-1,573			
- Supported Accommodation							
- Learning Disability	36,664.6	-1,849.6	34,815.0	+1,362	+1,117	Forecast +136,164 hours above affordable level of 3,996,038 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+799	Forecast average unit cost +£0.20 above affordable level of £8.00	
					-246	In-house services and staffing levels have been reconfigured to reflect reductions in demand	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-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 Learning Disability Non-Residential Charging A-Z line. This will be realigned for the Quarter 2 Report.	
					-47	Other minor variances	
- Older People	4,575.4	-4,350.0	225.4	+152	+193	Forecast +16,848 hours above affordable level of 16,054 hours. The large increase in forecast hours compared to the affordable level 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
					-41	Forecast average unit cost -£2.57 below affordable level of £14.04	
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+486	+162	Mental Health Forecast +14,062 hours above affordable level of 170,188 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+152	Mental Health Forecast average unit cost +£0.89 above affordable level of £10.62	
					+391	Physical Disability Forecast +51,532 hours above affordable level of 232,101 hours	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+58	Physical Disability Forecast average unit cost +£0.25 above affordable level of £7.33
					-210	Anticipated reduction to forecast as a result of mental health activity data validation exercise currently being undertaken
					-67	Other minor variances
Total Supported Accommodation	44,967.9	-6,469.0	38,498.9	+2,000		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-240	-158	Various contracts have been reviewed, with the services 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.
					-82	Other minor variances
- Day Care						
- Learning Disability	13,264.5	-177.7	13,086.8	+175	+113	In-house services and staffing levels have been reconfigured to reflect changes in demand
					+62	Other minor variances
- Mental Health	1,566.8	-30.2	1,536.6	-31		
- Older People	2,242.4	-45.0	2,197.4	-429	-416	Current demand for services provided by the independent sector
					-13	Other minor variances
- Physical Disability	937.5	0.0	937.5	-42		
Total Day Care	18,011.2	-252.9	17,758.3	-327		

ANNEX 3

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Safeguarding	1,160.5	-282.1	878.4	-14		
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-528	-379 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +373 Leading to lower than anticipated client income -419 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme -103 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	-11		
Total Social Support	22,334.5	-6,985.3	15,349.2	-193		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Support & Assistance Service (Social Fund)	5,140.2	-3,418.0	1,722.2	-2,691	-2,689	<p>The budgeted level now includes the roll-forward of funds from 2013-14 of £1,722k. The forecast underspend reflects the estimated full year impact of lower than anticipated demand and lower average unit cost than anticipated.</p> <p>The government funding for this service is expected to cease this year, with no funding identified for 2015-16; one option would be to roll forward this underspend in order to provide this service for another year, whilst alternative longer term solutions are considered. However, this is dependent on the authority as a whole achieving an underspending position of at least this magnitude to be able to fund the roll forward and will be subject to consideration of all competing roll forward priorities. However, recent high court action by Islington Council has won a possible reprieve for this funding with the government due to reconsider its decision, with the outcome expected in time for the provisional local government finance settlement in December.</p>
					-2	Other minor variances
Total Other Services for Adults & Older People	63,412.5	-33,389.8	30,022.7	-5,774		
<u>Housing Related Support for Vulnerable People (Supporting People)</u>						
- 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		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- 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		
<u>Public Health</u>						
- Drug & Alcohol Services	19,138.4	-17,775.5	1,362.9	-203		Variances primarily due to staffing vacancies and lower associated costs, with cover provided within the team: -211 - Public health funded element (see transfer to reserves below) -14 - KCC funded element, for which roll forward will be required to fund our obligation to the pooled budget arrangement +22 Other minor variances
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+211	+211	<i>transfer to Public Health reserve of underspending against public health grant</i>
- Drug & Alcohol Services base funded variance				+8		
<u>Assessment Services</u>						
- Adult Social Care Staffing	37,875.7	-3,395.4	34,480.3	-906	-354	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 -332 As part of the Transformation Programme, older people and physical disability assessment teams are being restructured. This restructuring has progressed more quickly than anticipated, providing greater savings.

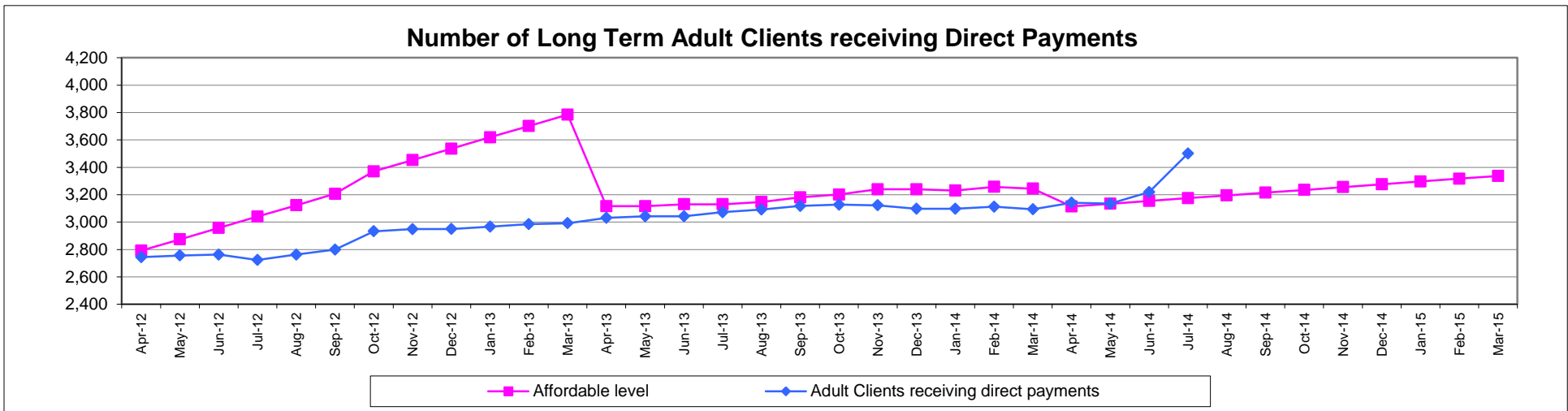
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-270	Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners.
					+50	Other minor variances
Total SCH&W (Adults)	488,980.4	-144,074.0	344,906.4	+318		
Assumed Mgmt Action				-2,665		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 during the remainder of quarter 2 and into quarter 3, and the Directorate is confident that £1,733k of management action will be achieved.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
Assumed Mgmt Action continued	£'000	£'000	£'000	£'000	£'000	In relation to LDMH services, management action of up to £932k will continue to 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.
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	488,980.4	-144,074.0	344,906.4	-2,347		

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	3,142	206
May	2,874	2,756	147	3,116	3,043	169	3,134	3,135	151
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,219	167
Jul	3,040	2,724	156	3,130	3,072	173	3,175	3,500	168
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			692

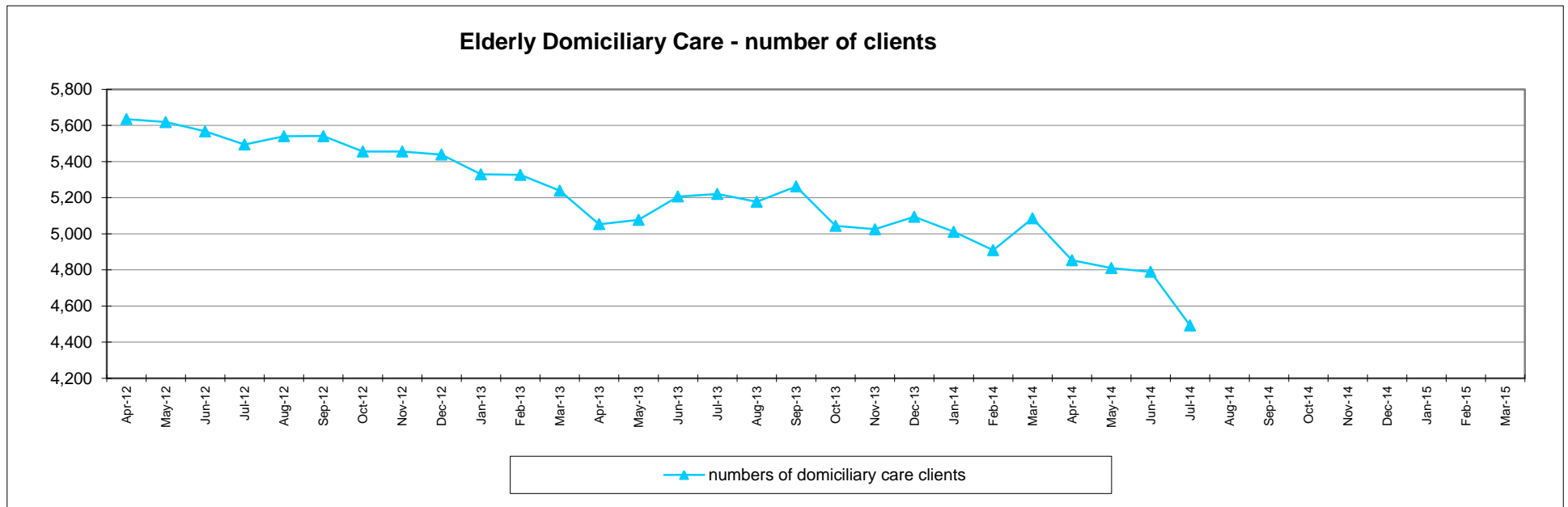


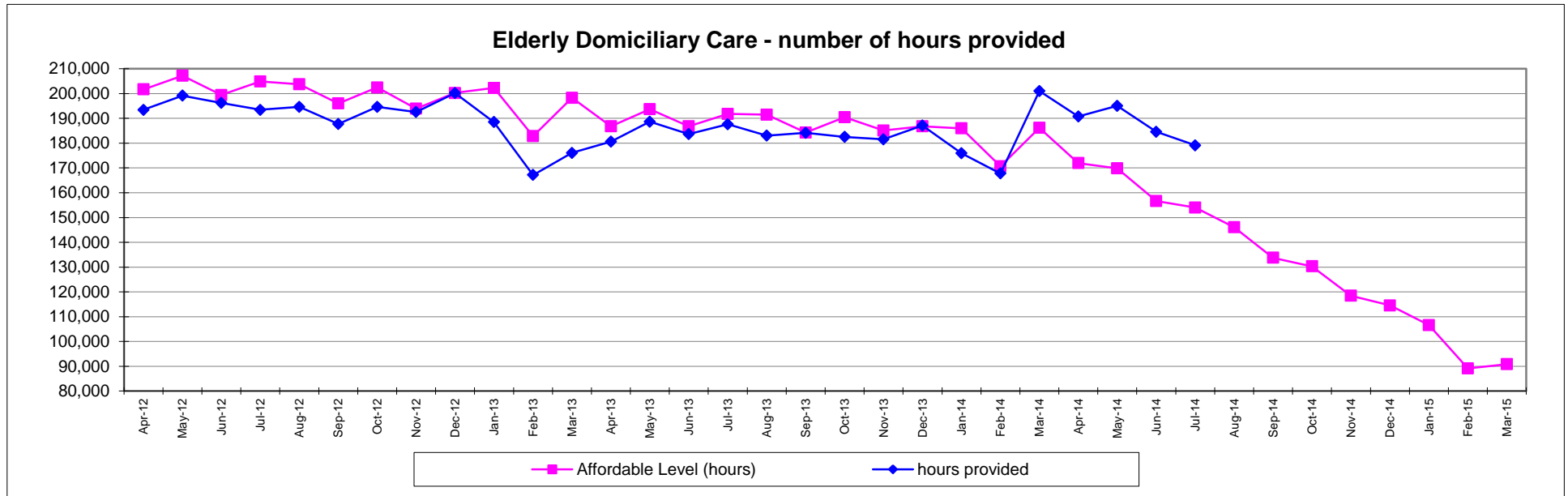
Comments:

- 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.
- The increase in client numbers between June and July is predominately due to clients who previously received domiciliary care transferring to direct payments during the domiciliary contract relet because they wanted to remain with their existing provider (these direct payments are made at the new lower domiciliary care re-let rate). This process is ongoing, so it is likely that some further clients will transfer from domiciliary care to direct payments.
- A pressure is forecast against the direct payments budget as a result of the significant increase in client numbers receiving long term direct payments and higher than budgeted unit costs. This position is being partially offset by recoveries of unspent funds from clients. The overall effect of these factors across individual client groups is reflected in table 1, which shows a forecast pressure of £2,677k against the overall direct payments budget.

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	179,105	4,492
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	749,532	





Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Client numbers have reduced significantly between June & July. This reduction is offset by an increase in clients receiving Direct Payments (see section 2.1 above). This is predominately because following the domiciliary care contract re-let, some clients wanted to remain with their existing service providers, so have chosen to take a Direct Payment instead. The domiciliary care contract re-let process is ongoing, so it is likely that further clients will transfer from domiciliary care to direct payments and therefore domiciliary care client numbers are expected to reduce further over the coming few months as a result of the re-let process, as well as from the impact of the transformation savings.
- Client numbers are based on end of month snapshots, and therefore if a client stopped receiving this service on the 25th July, this would show as a reduction in the client numbers for July (taken at month end) but the number of hours provided would still include the clients care package from 1st to 25th July. The full impact of the reduction in client numbers will therefore not be seen in the number of hours provided until the month after the client leaves the service. Therefore, due to the large reduction in client numbers in July, it is expected that the number of hours provided will drop further in August. In addition, the large scale of the changes due to the domiciliary contract re-let has resulted in slight delays in the recording of cancellation of domiciliary packages on the activity system, meaning the year to date activity is currently overstated and these reductions will impact in future months.
- The current forecast is 1,766,777 hours of care against an affordable level of 1,582,330, a difference of +184,447 hours. Using the forecast unit cost of £14.40, this additional activity increases the forecast by +£2,656k, as shown in Table 1.

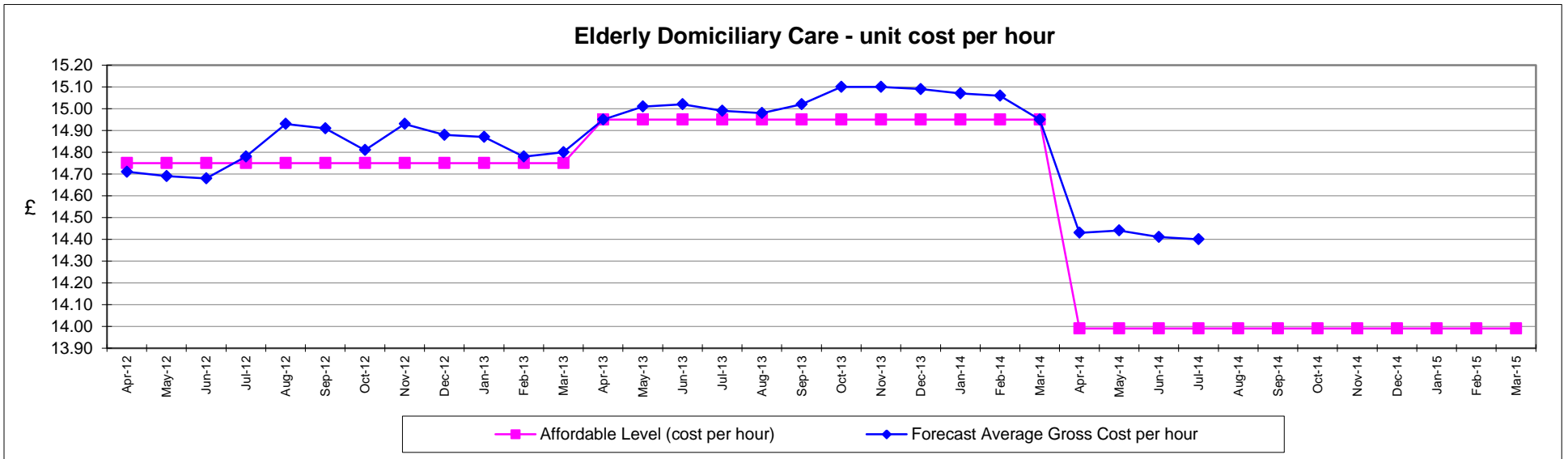
- To the end of July 749,532 hours of care have been delivered against an affordable level of 652,500, a difference of +97,032 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and previous years' trends. Current year to date activity suggests that the forecast should be higher on this service when compared to the budgeted profile, but as explained above, the year to date activity is overstated due to delays in recording cancellations of domiciliary packages on the activity system following the contract re-let process. In addition, this position is reliant on a variety of savings streams within the Transformation Programme, each of which could exhibit fluctuations from the assumptions made within the profile of the affordable level. An example of this is that the transfer of domiciliary clients to a new contract is taking longer than initially planned.
- 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	14.40
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:

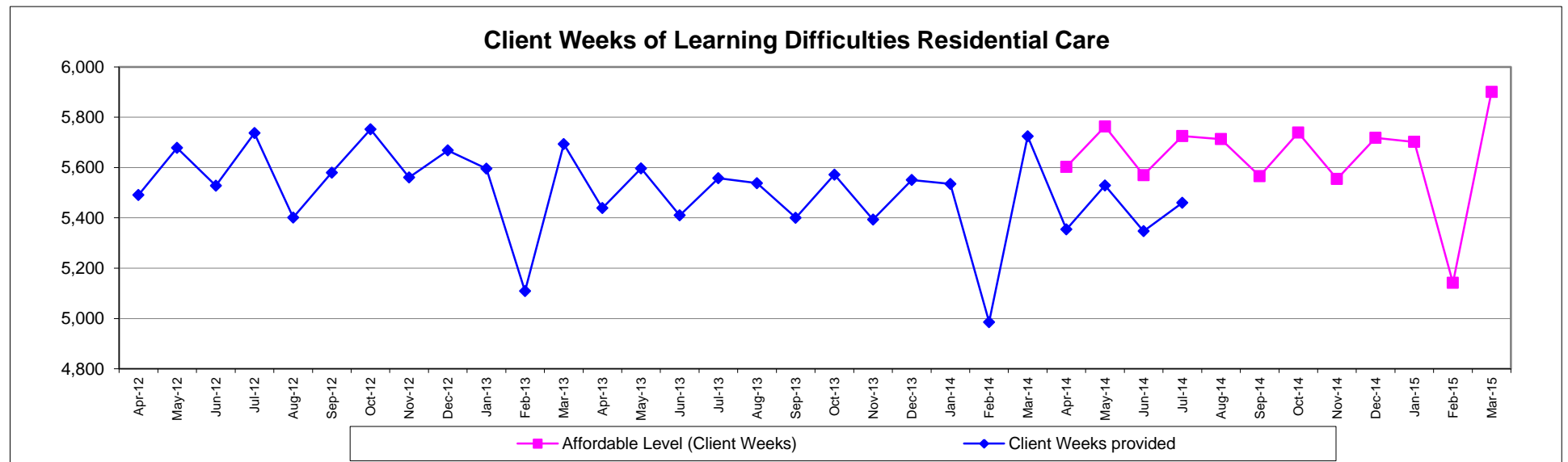
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.40 is higher than the affordable cost of +£13.99 and this difference of +£0.41 adds +£649k to the position when multiplied by the affordable hours, as shown in Table 1.
- 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	5,460
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	21,690

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.



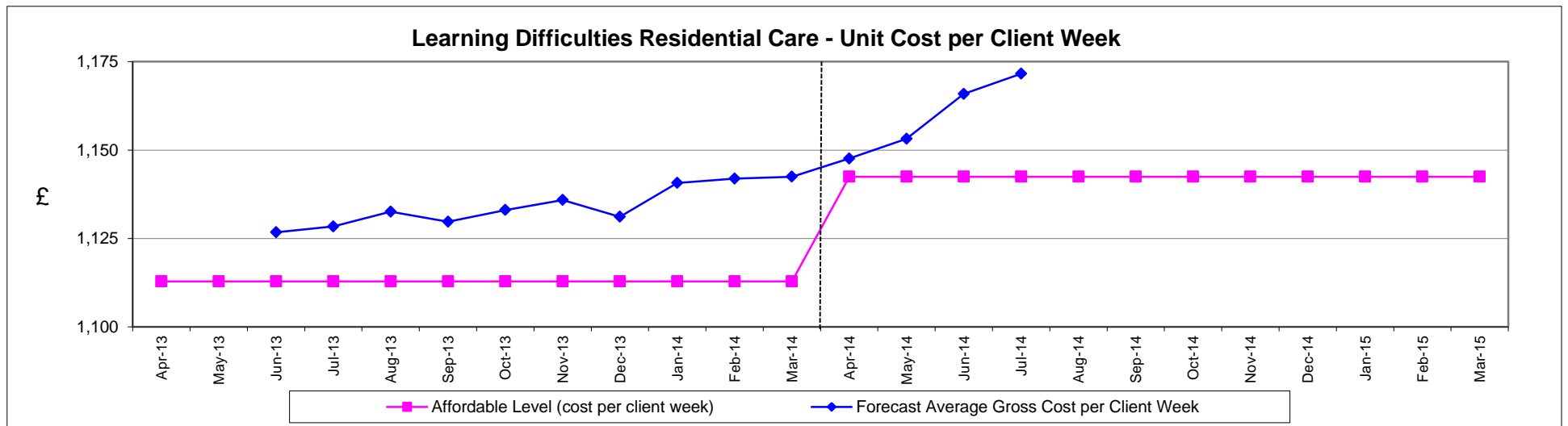
Comments:

- 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 July 2014 it was 1,244. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 66,039 weeks of care against an affordable level of 67,697, a difference of -1,658 weeks. Using the forecast unit cost of £1,171.61, this reduced activity decreases the forecast by -£1,942k, as shown in Table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of July 21,690 weeks of care have been delivered against an affordable level of 22,661, a difference of -971 weeks. The 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	1,171.61
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.



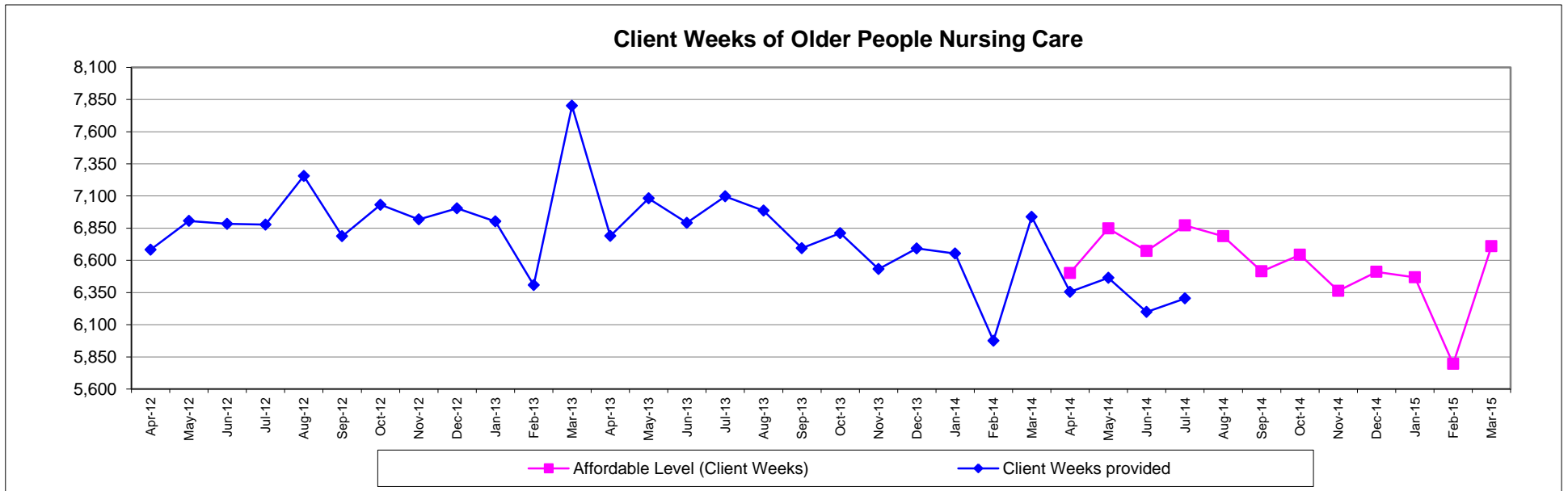
Comments:

- 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 +£1,171.61 is higher than the affordable cost of +£1,142.45 and this difference of +£29.16 adds +£1,974k to the position when multiplied by the affordable weeks, as shown in Table 1.

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

	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	6,304
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	25,322

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.



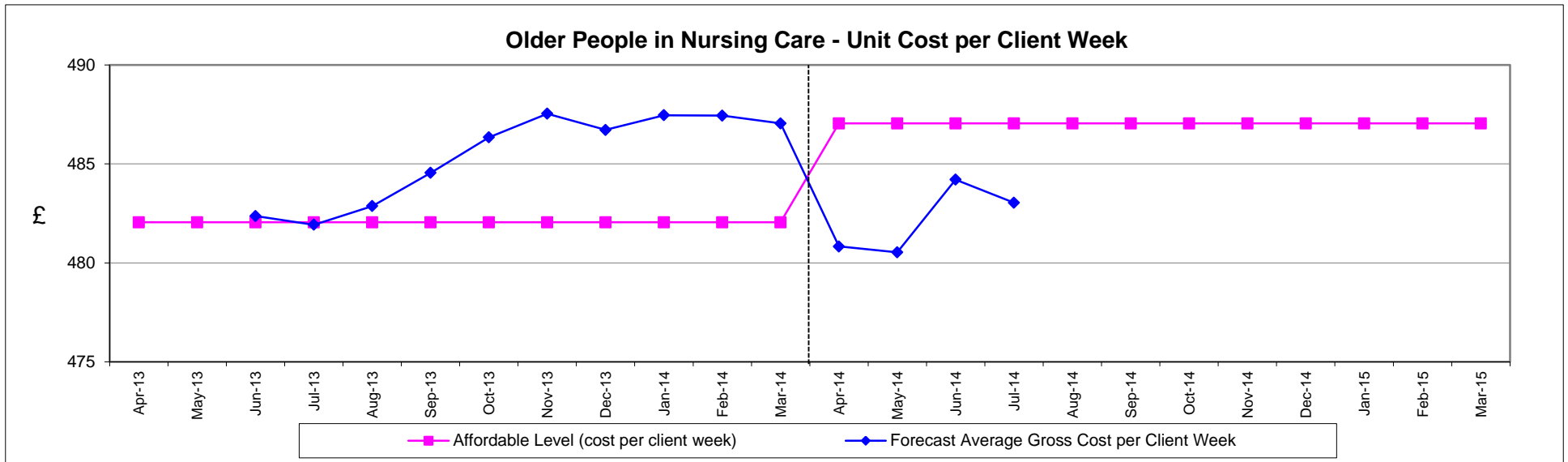
Comments:

- 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 July 2014 it was 1,435.
- The current forecast is 75,049 weeks of care against an affordable level of 78,686, a difference of -3,637 weeks. Using the forecast unit cost of £483.04, this reduced activity decreases the forecast by -£1,757k, as shown in Table 1.
- To the end of July 25,322 weeks of care have been delivered against an affordable level of 26,894, a difference of -1,572 weeks. The 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	483.04
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.



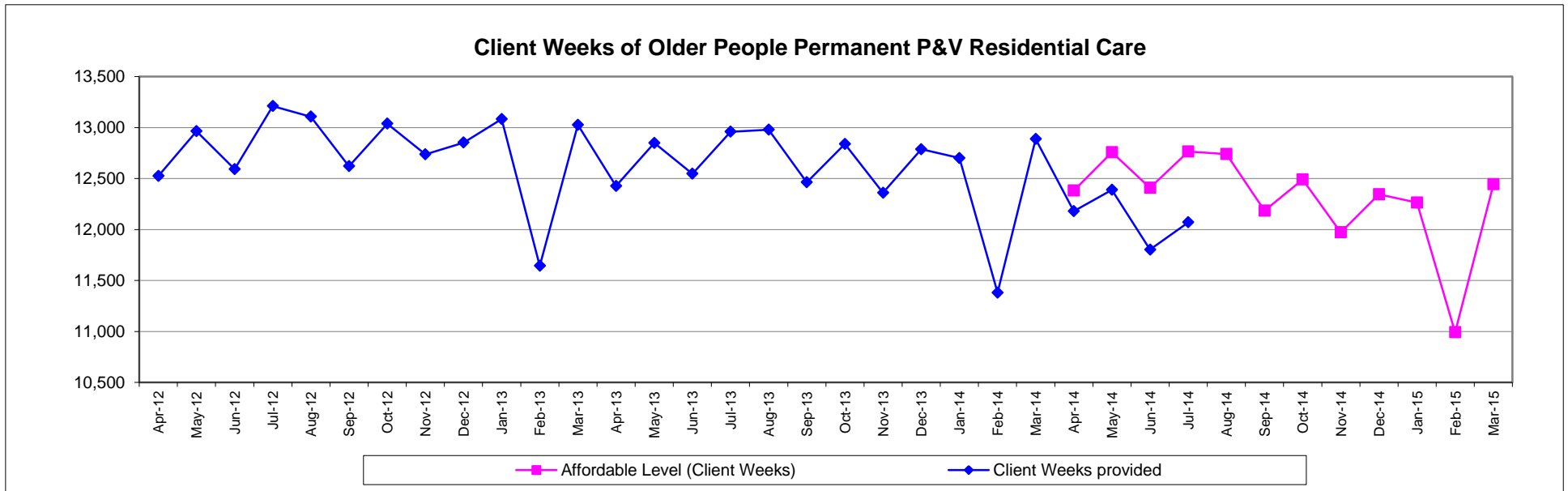
Comments:

- 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 +£483.04 is lower than the affordable cost of +£487.05 and this difference of -£4.01 reduces the position by -£316k when multiplied by the affordable weeks, as shown in Table 1.
- 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	12,071
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	48,440

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.



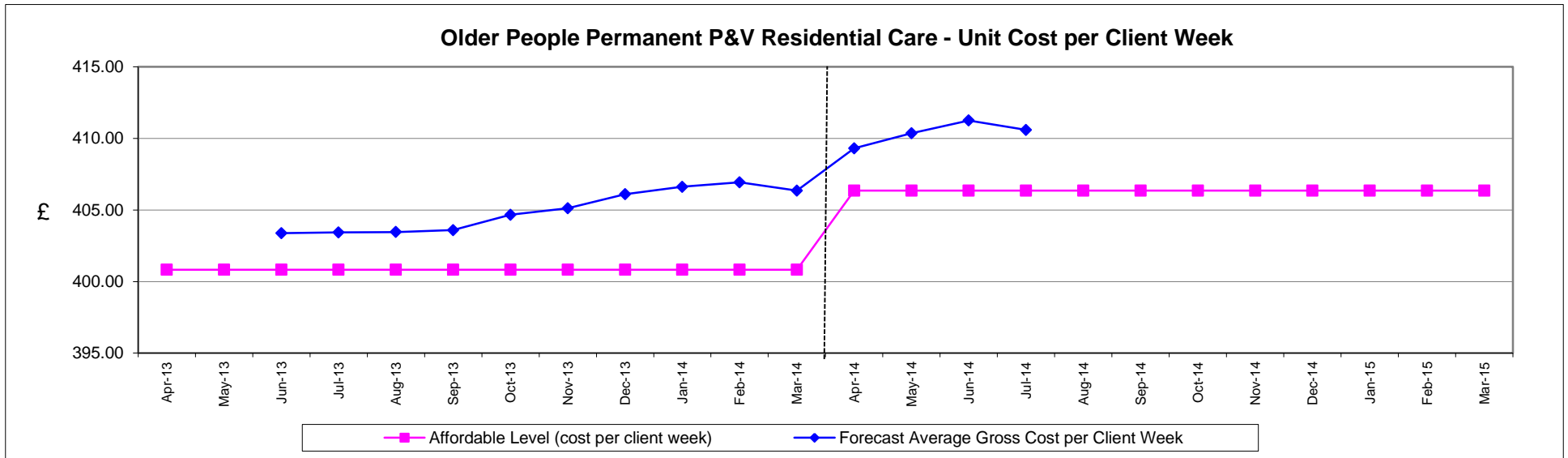
Comments:

- 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 July 2014 it was 2,734. 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 142,531 weeks of care against an affordable level of 147,739, a difference of -5,208 weeks. Using the forecast unit cost of £410.59, this reduced activity decreases the forecast by -£2,138k, as shown in Table 1.
- To the end of June 48,440 weeks of care have been delivered against an affordable level of 50,311 a difference of -1,871 weeks. The year to date activity suggests a lower level of activity than currently forecast; 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. Permanent year to date client weeks suggest a slightly higher level of activity than currently forecast, partly offsetting this. This is because the forecast includes anticipated effects of the transformation programme that should lead to lower levels of residential care activity in forthcoming months than would otherwise be expected. 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	410.59
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.

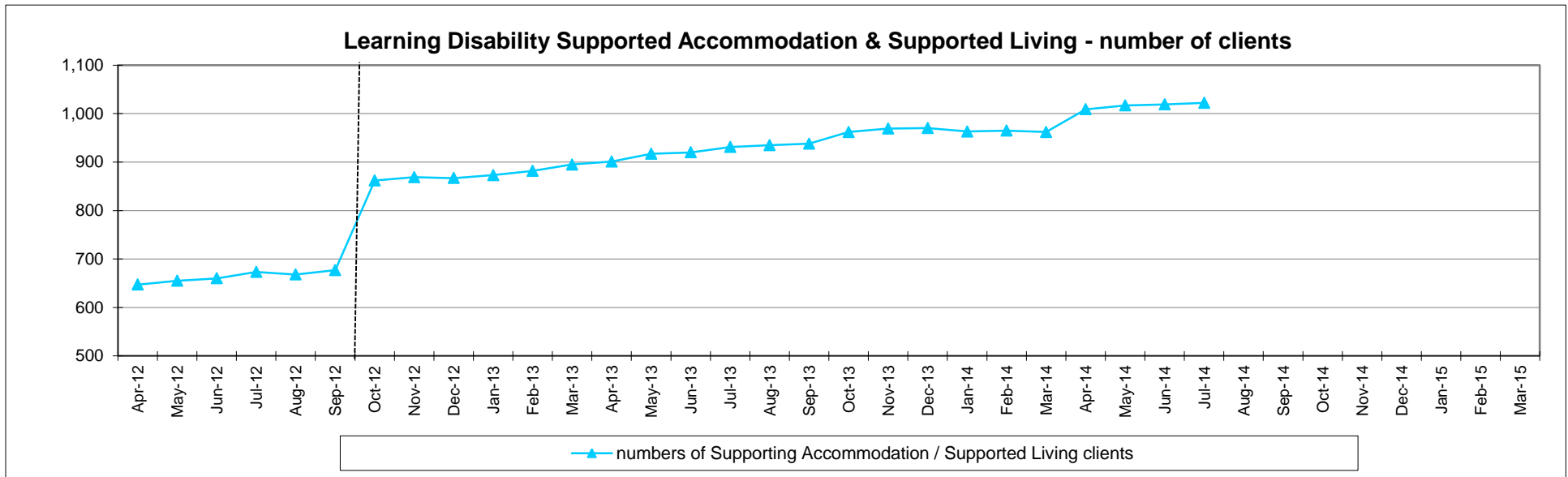


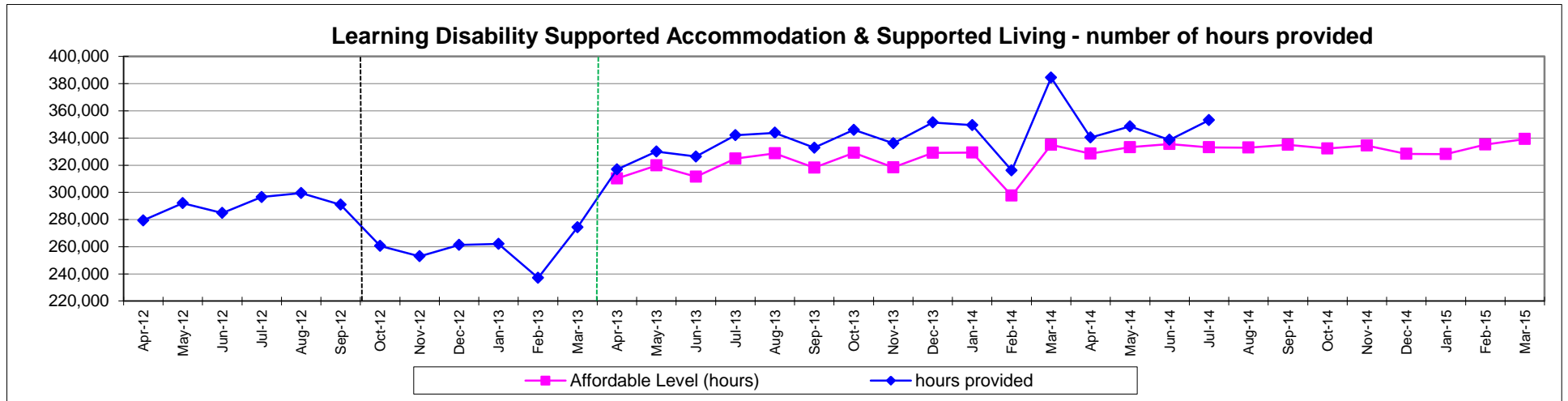
Comments:

- The forecast unit cost of +£410.59 is higher than the affordable cost of +£406.35 and this difference of +£4.24 adds +£626k to the position when multiplied by the affordable weeks, as shown in Table 1.
- 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	310,234	316,882	901	328,492	340,402	1,009
May		292,122	655	319,790	330,055	917	333,241	348,564	1,017
Jun		284,835	660	311,563	326,381	920	335,519	338,693	1,019
Jul		296,532	673	324,853	342,117	931	333,140	353,079	1,022
Aug		299,521	668	328,693	343,856	935	332,930		
Sep		290,914	677	318,098	332,862	938	335,006		
Oct		260,574	862	329,037	346,001	962	332,260		
Nov		252,932	869	318,371	336,051	969	334,509		
Dec		261,257	867	329,160	351,431	970	328,357		
Jan		262,070	873	329,252	349,416	963	328,115		
Feb		237,118	882	297,660	316,116	965	335,263		
Mar		274,334	895	334,943	384,428	962	339,206		
		3,291,574		3,851,654	4,075,596		3,996,038	1,380,738	





Comments:

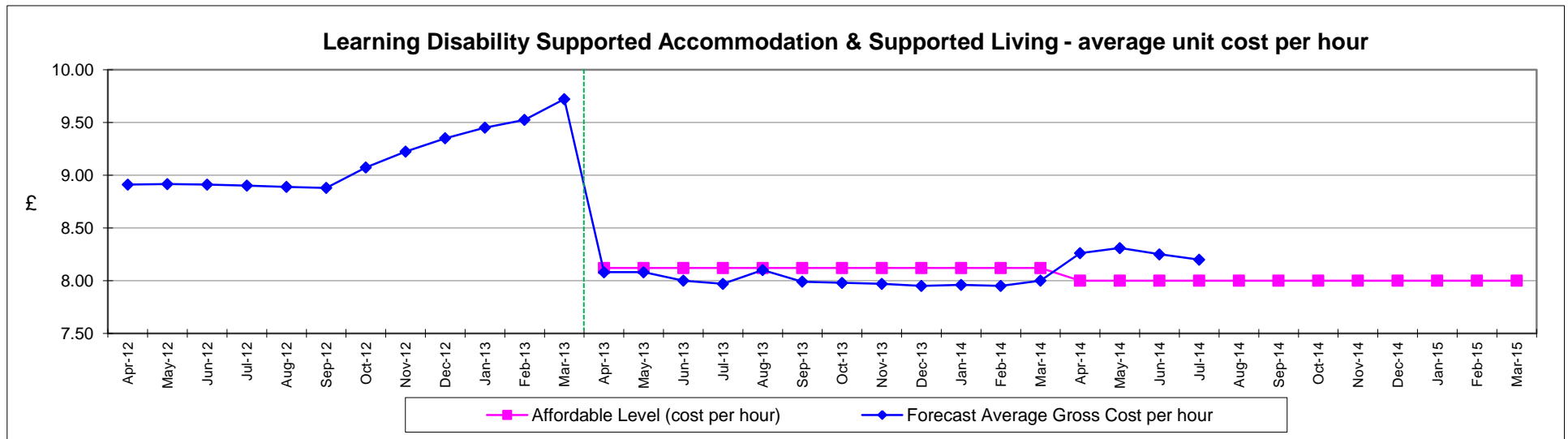
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level 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 black 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.**
- Services provided are recorded in terms of weeks, sessions or hours before all being converted into hours for this activity indicator. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but, for the first time in this report, this estimate has been revised upwards to 9 hours, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data have been restated on the same basis in order to show a comparable position. **A green dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts. This has also impacted on the unit cost reported in 2.11 below.**

- The spike in activity shown for March 2014 is due to backdated hours for transitional and provisional clients being recorded on the activity system but relating to activity undertaken throughout 2013-14 .
- The current forecast is 4,132,202 hours of care against an affordable level of 3,996,038, a difference of +136,164 hours. Using the forecast unit cost of £8.20, this additional activity increases the forecast by +£1,117k, as shown in Table 1.
- To the end of July 1,380,738 hours of care have been delivered against an affordable level of 1,330,392, a difference of +50,346 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. The July year to date activity suggests a slightly higher level of activity for the year than currently forecast. Also, a delay in the recording of transitional and provisional clients on the activity database suggests the current forecast is further understated. This is because the forecast assumes reductions in the unit cost throughout the remainder of the year from contract reviews and targeted reviews of the higher cost client packages.

Delays in the recording of transitional and provisional clients on the activity database 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	8.12	8.08	8.00	8.26
May		8.92	8.12	8.08	8.00	8.31
Jun		8.91	8.12	8.00	8.00	8.25
Jul		8.90	8.12	7.97	8.00	8.20
Aug		8.89	8.12	8.10	8.00	
Sep		8.88	8.12	7.99	8.00	
Oct		9.07	8.12	7.98	8.00	
Nov		9.22	8.12	7.97	8.00	
Dec		9.35	8.12	7.95	8.00	
Jan		9.45	8.12	7.96	8.00	
Feb		9.53	8.12	7.95	8.00	
Mar		9.72	8.12	8.00	8.00	



Comments:

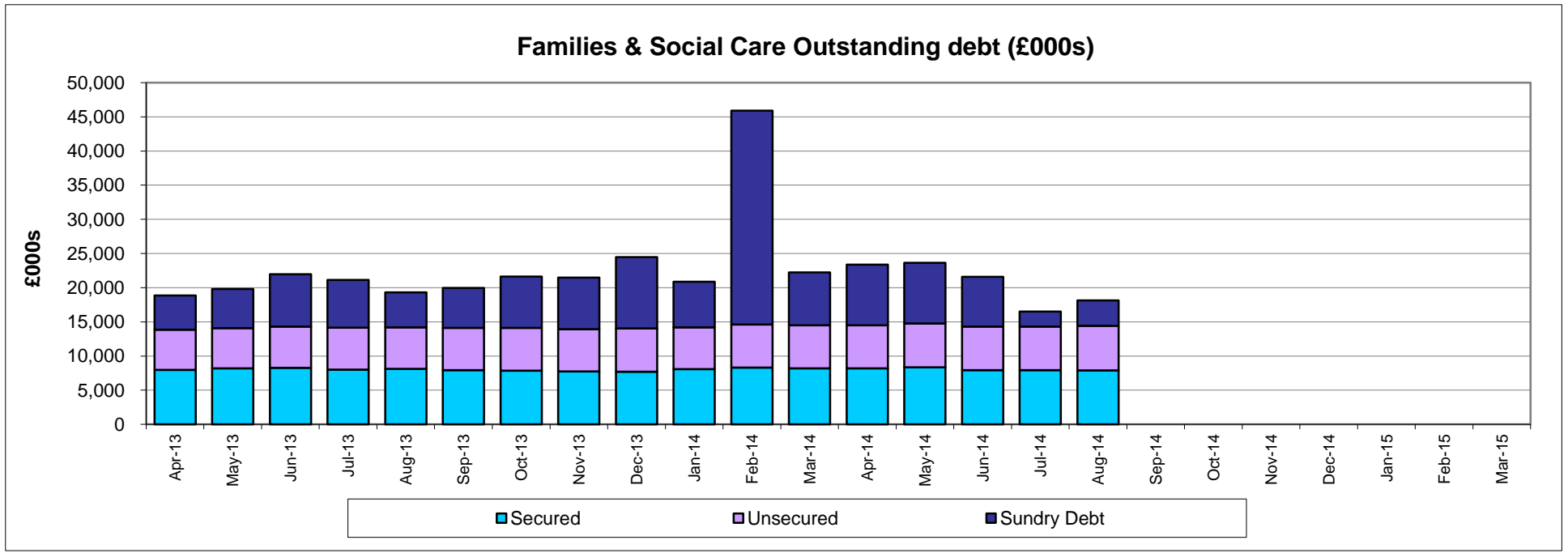
- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of +£8.20 is higher than the affordable cost of +£8.00 and this difference of +£0.20 adds +£799k to the position when multiplied by the affordable hours, as shown in table 1. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but, for the first time in this report, this estimate has been revised upwards to 9 hours, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data have been restated on the same basis in order to show a comparable position. **A dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis** i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts.

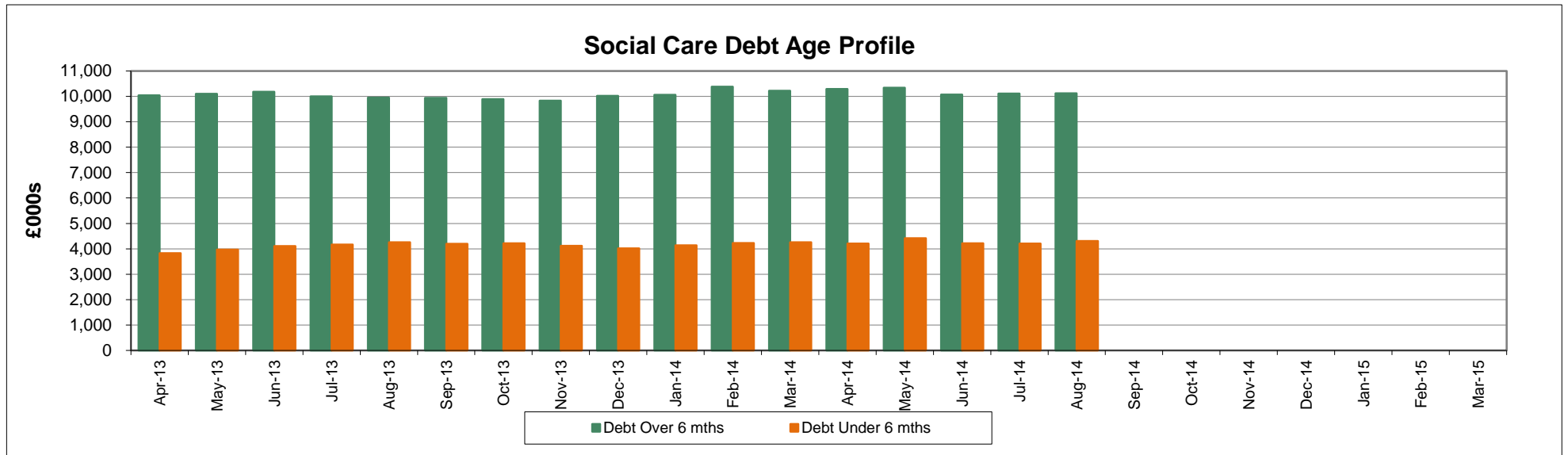
2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of August was £18.138m compared with June's figure of £21.579m (reported to Cabinet in September) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £3.707m of sundry debt compared to £7.289m in June. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.431m relating to Social Care (client) debt which is a small increase of £0.141m from the last reported position to Cabinet in September. 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	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549

	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	June £000s	August £000s	Movement £000s
Secured	7,944	7,882	-62
Unsecured - Deceased/Terminated Service	1,768	1,842	74
Unsecured - Ongoing	4,580	4,702	122
Caution/Restriction (Unsecured)	0	7	7
Health (Unsecured)	-2	-2	0
TOTAL	14,290	14,431	141

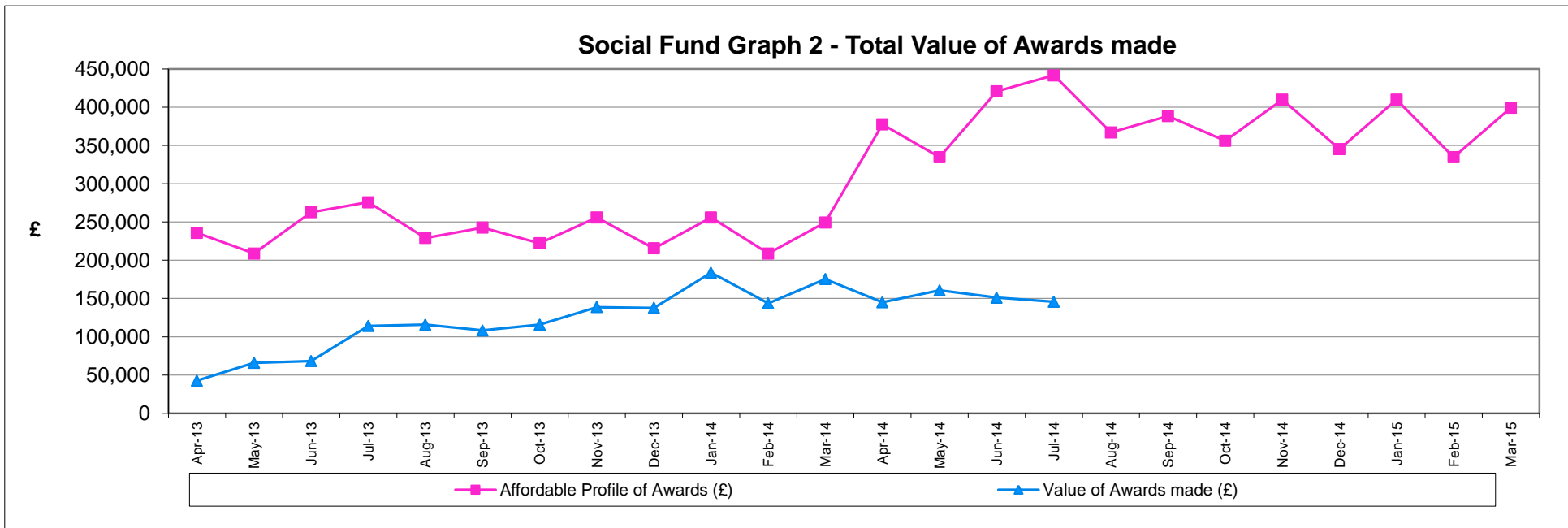
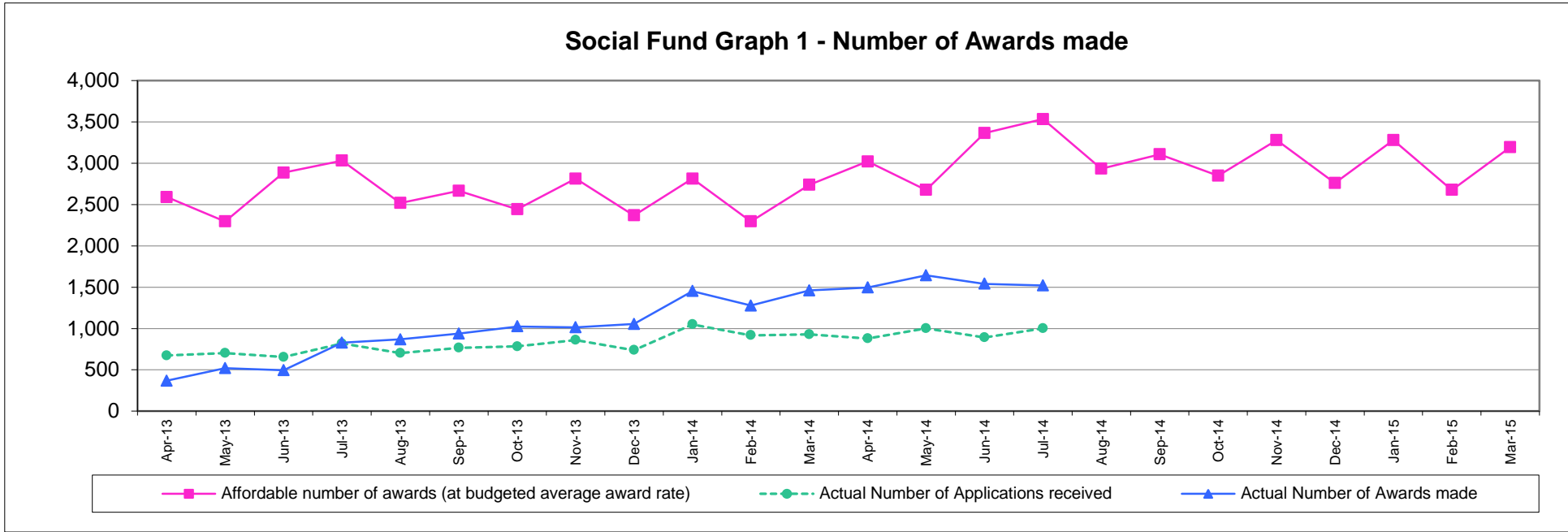
Unsecured debt by Client Group	June £000s	August £000s	Movement £000s
Older People/Physical Disability	5,906	6,138	232
Learning Disability	342	313	-29
Mental Health	100	100	0
Health	-2	-2	0
TOTAL	6,346	6,549	203

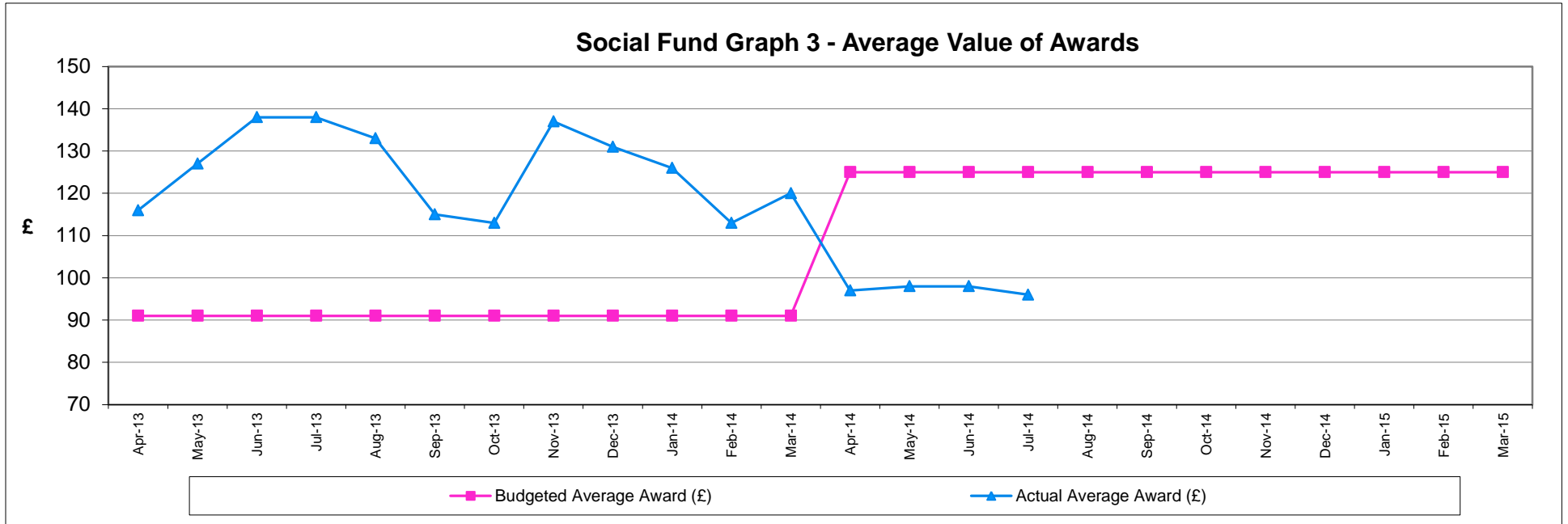
2.13 Number and Value of Social Fund awards made

		(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	3,021	880	1,496	377,600	145,043	125	97
	May	2,677	1,003	1,644	334,600	160,674	125	98
	Jun	3,366	891	1,541	420,700	151,071	125	98
	Jul	3,534	1,001	1,520	441,700	145,708	125	96
	Aug	2,935			366,900		125	
	Sep	3,108			388,500		125	
	Oct	2,848			356,000		125	
	Nov	3,280			410,000		125	
	Dec	2,762			345,300		125	
	Jan	3,280			410,000		125	
	Feb	2,677			334,600		125	
	Mar	3,194			399,300		125	
			36,682	3,775	6,201	4,585,200	602,496	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 gross budget for this service, as shown in Table 1 is £5.140m, with £0.555m being the cost of administering the scheme including signposting applicants to alternative appropriate services, and £4.585m 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 has been reflected in the cash limits and the affordable level for this indicator in this 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 July, on average, award values in 2014-15 have been lower with an average of £97 currently reported. In the four months of 2014-15, 38% of the number of awards have been for food & clothing, compared to 49% for 2013-14. Furniture & equipment (incl white goods) accounts for 38% of the number of awards but 56% of the value of awards (in 2013-14 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 £77,013k. The forecast outturn against the 2014-15 budget is £78,077k giving a variance of +£1,064k.

3.2 **Table 2** below details the Adults 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	280	280	Real - grant	Predicted additional expenditure on equipment to be legitimately capitalised at year end.	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		
OP Strategy - Transformation / Modernisation	6,978	6,089	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
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	2,182	1,480	100	100	Real - capital receipt	Relates to 2 smaller schemes increasing in scope. To be funded from underspend on Community Initiatives.	Green		Increase cash limit by £100k - capital receipt in 14-15
Learning Disability Good Day Programme-Community Initiatives	679	759	-5	-5	Real - capital receipt	To fund spend on Swanley Gateway in S&CS Directorate.	Green		Decrease cash limit by £5k - capital receipt in 14-15
			-100	-100	Real - capital receipt	To fund overspend on the Community Hubs programme.	Green		Decrease cash limit by £100k capital receipt in 14-15
			-32	-32	Real - prudential	Real saving	Green		Decrease cash limit by £32k prudential in 14-15
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	821	821	Real - £721k grant, £100k dev cons	Predicted expenditure on Telecare equipment to be legitimately capitalised at year end.	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
Lowfield St (formerly Trinity Centre, Dartford)	972	978	0	0			Green		
Total	82,918	77,013	1,064	1,064					

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
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	5,924.5	-5,924.5	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				
	37,567.3	-37,567.3	0.0	-904			
- <i>trf to(+)/from(-) Public Health reserve</i>				+904	+904	<i>Transfer of underspend on staffing to reserve</i>	
Total SCH&W (Public Health)	37,567.3	-37,567.3	0.0	0			

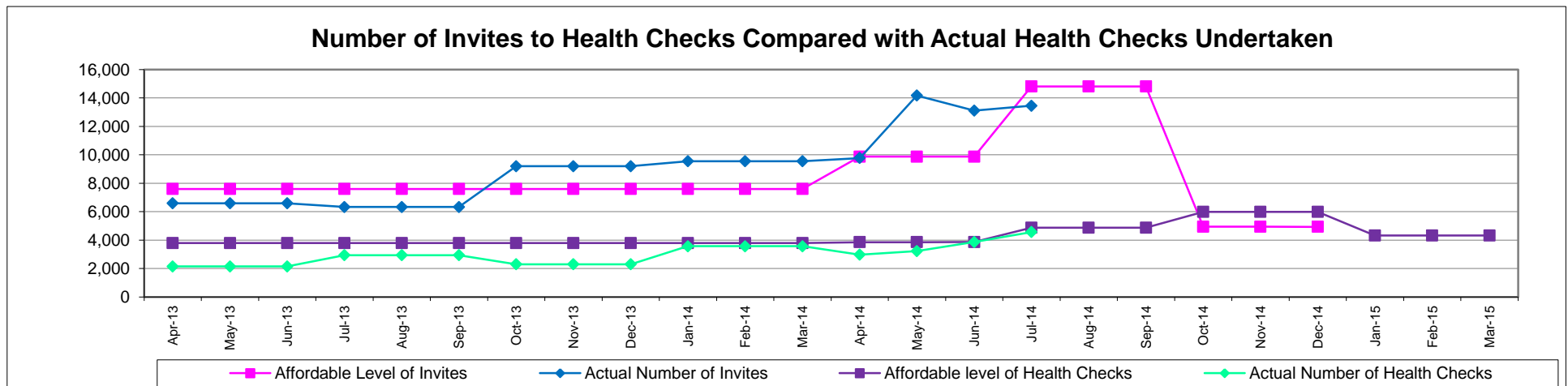
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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	13,457	4,874	4,572
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	50,510	57,145	14,646

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.

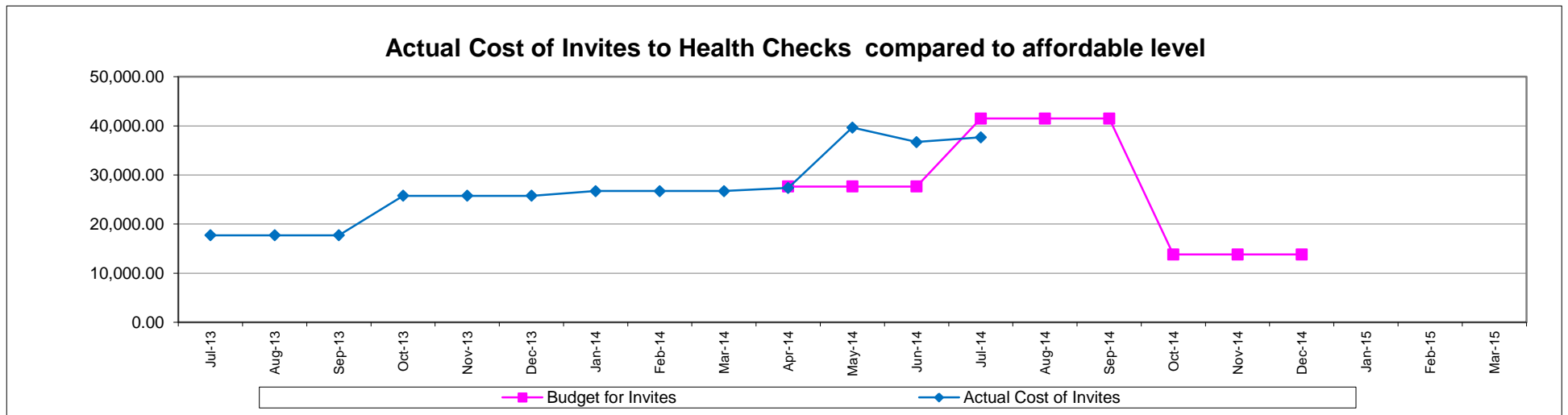


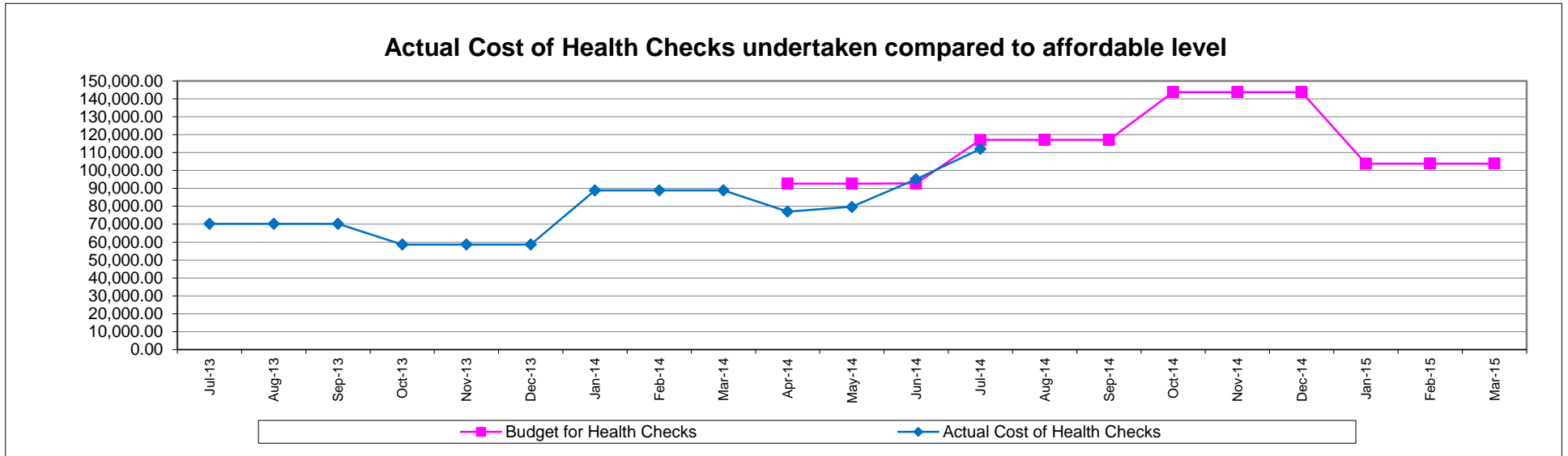
2.2 Cost of Health Check invites and Health Checks undertaken compared to budget

	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	37,680	117,052	112,119
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	141,428	1,372,372	364,026

* 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.

Overall the health check activity for the first four months of 2014-15 is below budget. We are now expecting the same profile of spend experienced in 2013-14 to continue into 2014-15 with higher than budgeted activity in the second half of the year, 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 a 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
JULY 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+179,960	-3,113	-	-3,113

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,776.6	-93.6	4,683.0	+350	+407 Savings held centrally but being more than achieved through underspends within other budget headings (primarily in Community Wardens, Sports Development, and Development Planning within Highways Management). -57 Other minor variances	This pressure is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP
<u>Children's Services - Education & Personal</u>						
- 14 - 19 year olds	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,365.1	-230.0	2,135.1	-25		
- Community Safety	443.3	-61.2	382.1	+1		
- Community Wardens	2,689.8	0.0	2,689.8	-179	-256 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). +77 Other minor variances	This saving is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP
- Gypsies & Travellers	666.1	-430.0	236.1	-1		

ANNEX 5

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Libraries, Registration & Archives	18,526.2	-5,256.7	13,269.5	-318	-180 Increased Registration Service income primarily from ceremonies and nationality checking service -120 Staffing vacancies -58 Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock +40 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	3,008.9	-2,208.7	800.2	-127	-127 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is on-going and realignment of budgets between these A to Z lines will need to be reflected in the 2015-18 MTFP
	27,699.4	-8,186.6	19,512.8	-649		
<u>Environment:</u>						
- Country Parks	1,532.9	-1,023.7	509.2	-17		
- Countryside Access (incl. Public Rights of Way)	2,646.9	-885.1	1,761.8	+4		
- Environment Management	4,752.7	-2,414.6	2,338.1	-53		
	8,932.5	-4,323.4	4,609.1	-66		
<u>Highways:</u>						
- Highways Maintenance						
- Adverse Weather	3,214.9	0.0	3,214.9	+12		
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	-1		
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+5		
- Highway drainage	2,962.4	0.0	2,962.4	+50		
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-60		
	24,648.1	-851.7	23,796.4	+6		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Highways Management:							
- Development Planning	2,117.5	-2,135.2	-17.7	-155	-124	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is on-going and realignment of budgets between these A to Z lines will need to be reflected in the 2015-18 MTFP
					-31	Other minor variances	
- Highways Improvements	1,596.7	-33.3	1,563.4	-62			
- Road Safety	3,059.8	-2,146.4	913.4	-311	-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
					-82	Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees	
					+223	Reduced income for Speed Awareness courses due to fewer attendees	
					+6	Other minor variances	
- Streetlight energy	5,689.5	0.0	5,689.5	-320	-264	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
					-56	Lower than budgeted impact of electricity price increase	
- Traffic management	5,304.7	-3,363.2	1,941.5	-142		Small variances on gross (-£44k) and income (-£98k) budgets	
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	+35	+120	Additional weed treatment. The budget only provides for one treatment but two treatments are required this year due to the mild and moist winter and spring leading to favourable growing conditions	
					-85	Other minor variances	
	21,129.7	-7,678.1	13,451.6	-955			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,121.7	-60.0	1,061.7	-2			
- Planning Applications	1,094.4	-600.0	494.4	0			
	2,216.1	-660.0	1,556.1	-2			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Regeneration & Economic</u>							
- Regeneration & Economic Development Services	5,709.3	-1,777.8	3,931.5	+55			
<u>Regulatory Services</u>							
- Coroners	3,737.2	-1,105.5	2,631.7	-36			
- Emergency Planning	740.5	-169.0	571.5	-55			
- Trading Standards (incl. Kent Scientific Services)	3,839.5	-972.3	2,867.2	-3			
	8,317.2	-2,246.8	6,070.4	-94			
<u>Schools Services</u>							
- Other Schools Services	416.4	0.0	416.4	-3			
<u>Transport Services:</u>							
- Concessionary Fares	17,006.0	-27.0	16,979.0	-1,045	-806	Reduced bus operator costs due to reduced number of journeys being taken	Part of this saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-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.	An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)
					-13	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0	<p>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, and therefore usage was expected to reduce accordingly. 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.</p> <p>The current position is that approximately 22,900 passes have been issued with further applications being received on a daily basis; it appears therefore that the overall take-up will not reduce as much as originally modelled between September and February, due to the revised instalment payment mechanism. At this stage it is difficult to quantify what impact these variables may have as the first instalment of passes have only recently been acquired with no data yet on number of journeys travelled. 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.</p>		
- Subsidised Bus Routes	10,490.8	-2,582.7	7,908.1	-583	-583	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies	This saving is expected to be ongoing and will need to 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		
- Transport Operations	1,271.4	-214.5	1,056.9	+76			
- Transport Planning	562.8	-228.0	334.8	-2			
	42,632.5	-7,648.2	34,984.3	-1,554			
<u>Waste Management</u>							
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	-6			
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-456	-403	Underspend due to contract changes at household waste recycling centres	
					-153	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.	
					+100	Other minor variances	
- Partnership & development	500.7	-168.0	332.7	+41			
- 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	-567	+607	Forecast increase of +21,600 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.	
					-1,038	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	
					-34	Other minor variances	
	22,749.9	-3,244.0	19,505.9	-982			

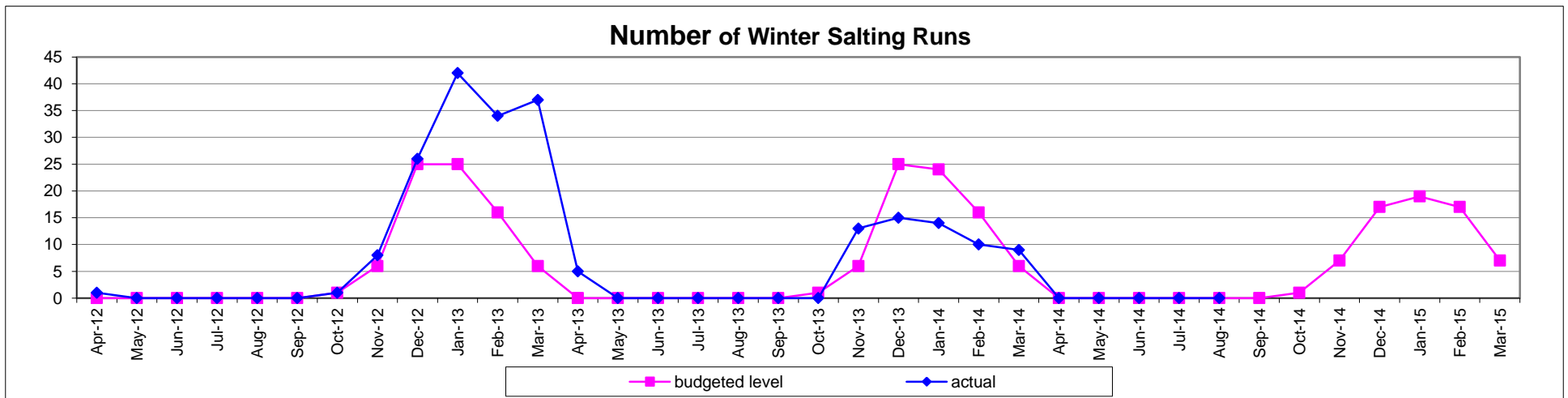
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Waste Disposal:						
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	+145	+154 Insufficient creditor provision set up for Southern Water charges in 2013-14, plus an increase in the metered water charges at North Farm -9 Other minor variances	Approx £90k of this pressure is expected to be ongoing and will need to be addressed in the 2015-18 MTFP
- Disposal Contracts	31,131.0	-156.0	30,975.0	+784	+774 Additional +5,400 tonnes of residual waste to be sent to the Allington Waste to Energy plant +157 Forecast increased tonnage of residual waste to be sent to landfill (+5,200 tonnes) following re-direction of waste due to down time at the Allington Waste to Energy Plant -246 Income from Trade Waste at North Farm and Dunbrik +99 Other minor variances	
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	-555	-623 Underspend due to contract changes at transfer stations +45 Additional haulage fees due to higher volume of waste +23 Other minor variances	
- Landfill Tax	4,651.0	0.0	4,651.0	+413	+413 Forecast increase in the volume of waste sent to landfill due to an overall increase in residual waste and unplanned maintenance at the Allington Waste to Energy plant (+5,200 tonnes)	
	46,297.0	-261.0	46,036.0	+787		
Total GE&T	216,990.5	-37,030.5	179,960.0	-3,113		

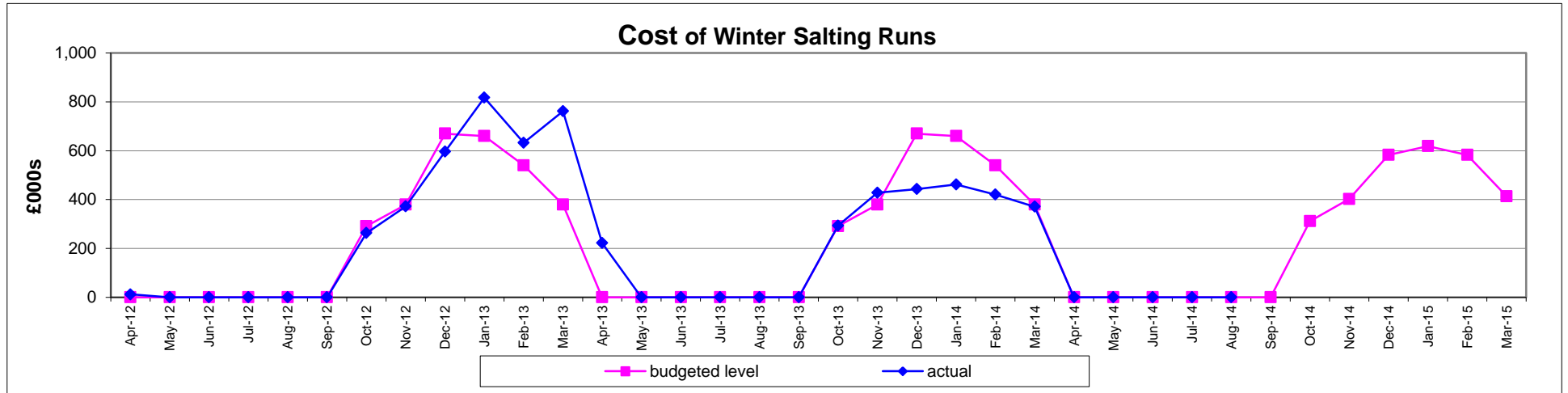
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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.





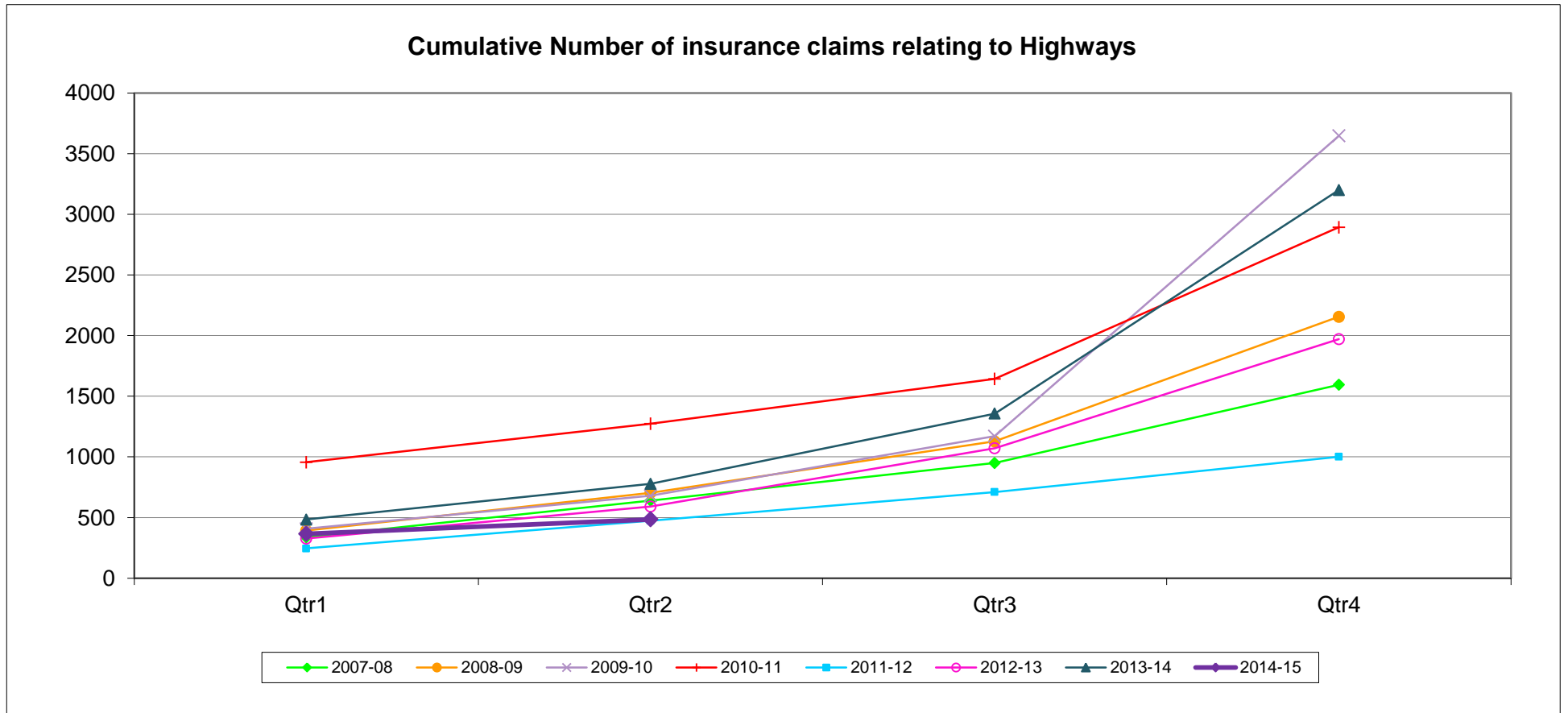
Comments:

- 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	365
Jul to Sep	640	704	680	1,273	473	590	778	485
Oct to Dec	950	1,128	1,170	1,643	710	1,071	1,357	
Jan to Mar	1,595	2,155	3,647	2,893	1,001	1,970	3,200	

position as at 31 August 2014



Comments:

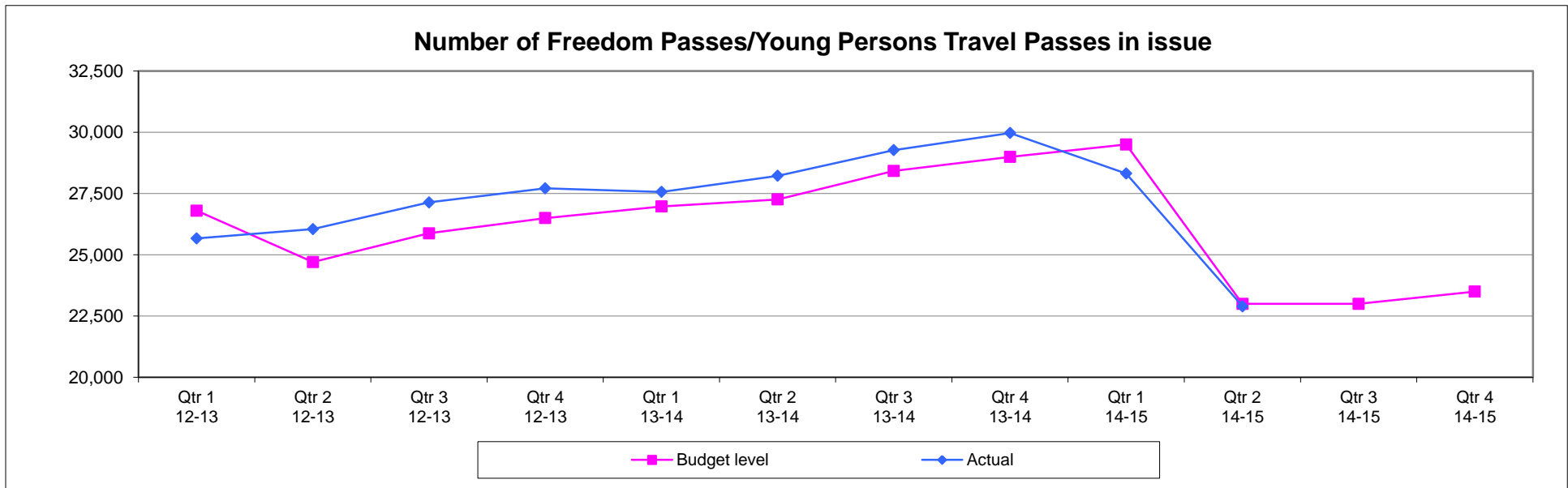
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31 August 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 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.
- Claim numbers for 2011-12, 2012-13 and 2013-14 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.
- 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 just over 92%.

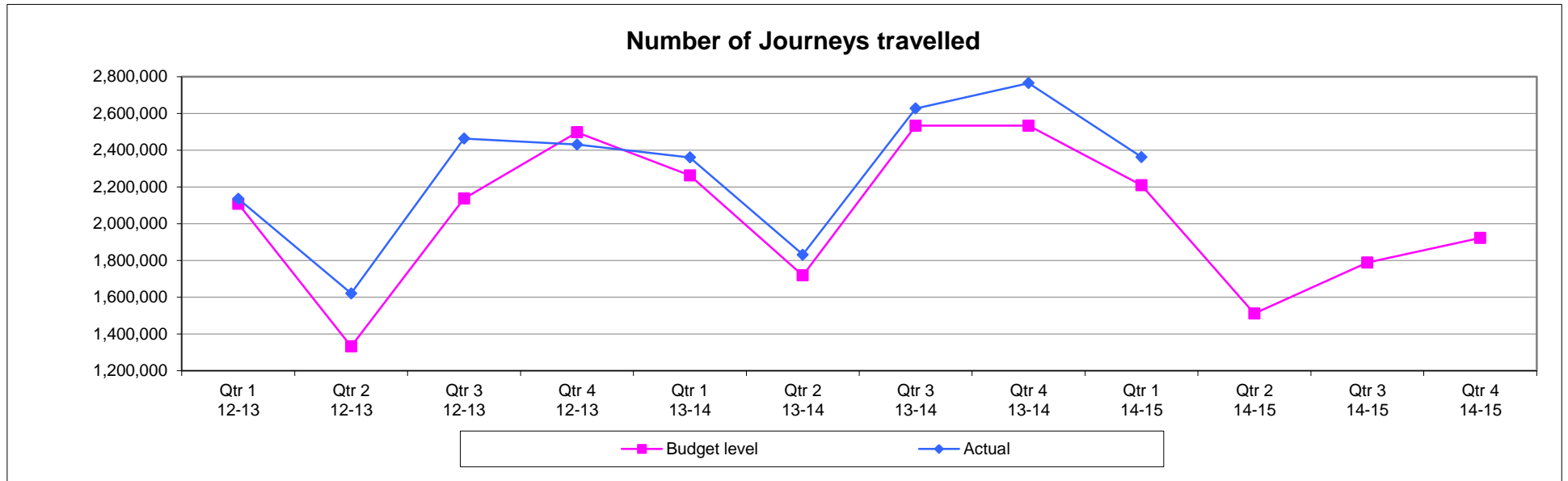
2.3 Young Persons Travel Pass (formerly Freedom Pass)

	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	22,900	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.

position as at 11 September





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 Young Persons Travel Pass budget.
- 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 was 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.
- The above figures show that the current number of passes in issue in Quarter 1 is below the budgeted number, however there is a higher than budgeted number of journeys being travelled. Although 22,900 new passes have been issued as at 11 September 2014 for the new academic year, with further applications being received on a daily basis it remains difficult to quantify the impact of the changes to the scheme until we have information on journey numbers travelled, so a balanced position is currently forecast. Robust data on trends of journeys travelled will not be available until quarter 3.

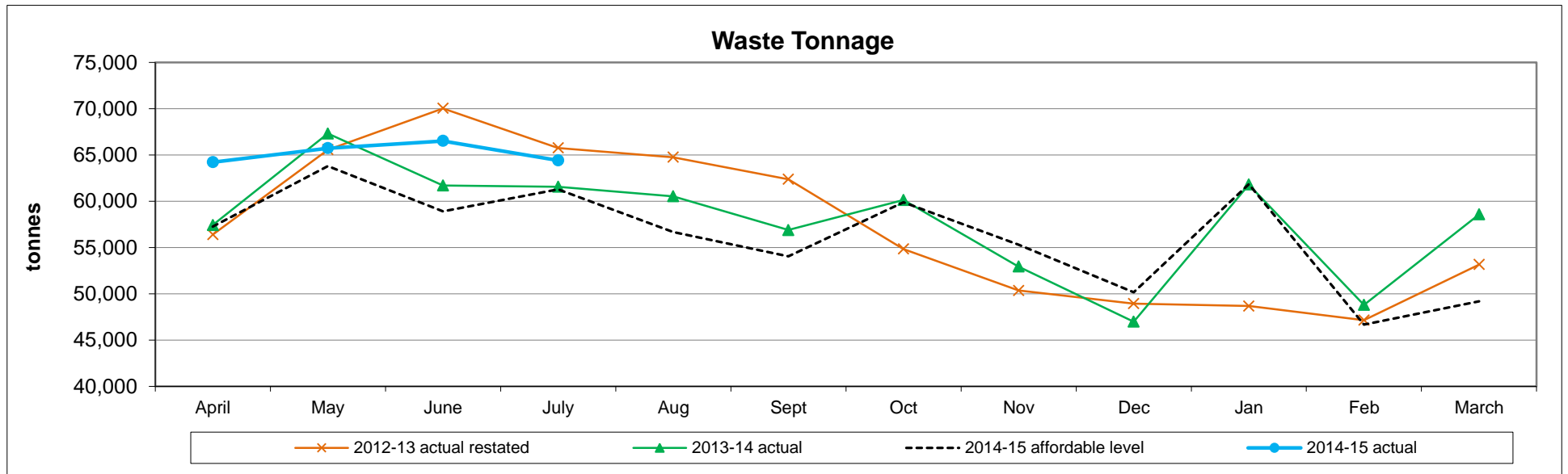
2.4 Waste Tonnage

	# 2012-13 restated	2013-14 restated	2014-15	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	56,390	57,423	57,246	64,111
May	65,562	67,314	63,802	65,736
Jun	70,033	61,701	58,899	66,521
Jul	65,764	61,563	61,282	64,416
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	48,925	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	260,784

^ 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 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 four months of the year approximately 19,600 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 1 of this annex.
- Based on the actual waste tonnage for April to July, and forecasts for August to March, the overall volume of waste to be managed this financial year is expected to be approximately 707,200 tonnes, which is 32,200 tonnes above the affordable level and equates to a pressure of £1.996m. However this pressure on waste volumes is more than offset by other savings within the service, as detailed in table 1, giving an overall underspend against the waste management budget of -£0.201m. The service believes that the increase in waste tonnage experienced over the last seven 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 1 of section 1.4 are based on actual activity for April to July, with estimates for the remaining months. Overall waste volumes are currently 5.2% higher for the first four months when compared with the same period for last year, but the increase in tonnage as a result of the climatic issues is not expected to continue throughout the year, hence the current forecast of 707,200 tonnes is only 1.8% higher than actual tonnage for 2013-14.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £130,461k. The forecast outturn against the 2014-15 budget is £139,214k giving a variance of +£8,753k.

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	75	75	Real - revenue		Green		Increase 14-15 cash limit by £75k revenue
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Village Halls and Community Centres - Capital Grants	725	325	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
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	39,724	0	0			Green		
Integrated Transport Schemes under £1 million	11,346	4,999	722	722	Real - grant +£791k, Rephasing -£69k	Real variance due to additional grant awarded by the DfT to deliver local sustainable transport schemes. A small amount of the developer funded schemes are now being rephased due to design issues.	Green		
Member Highway Fund		1,117	0	0					
Land compensation and Part 1 claims arising from completed projects	1,213	261	86	86	Real - dev cont	Additional claims received on the last day of claim period. Settlement of these claims will be funded from developer contributions.	Green		
Major Schemes - Preliminary Design Fees	450	680	0	0			Green		
Individual Projects									
Dartford Library Plus	434	434	0	0			Green		
Kent History & Library Centre	0	104	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
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	-3,373	-3,373	Real - grant -£2,036k Rephasing - +£4,213k grant, -£5,550k prudential	Real variance: Claim from Defra has decreased due to several postcodes included in the project being removed as they were included in the main BDUK part of the project. There has been a scaling back of project management costs as a result of the in-life contract management controls in place. Rephasing: in the main due to using available grant funding before KCC borrowing.	Green		Decrease cash limit by £2,036k grant
Cyclopark	0	35	0				Green		
Empty Property Initiative	7,500	2,972	10	10	Real - revenue		Green		
Eurokent Road (East Kent)	69	71	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
Folkestone Heritage Quarter	300	402	310	310	Real - external other	Successful HLF funding claim (total of £1.3m) for regeneration of heritage quarter and harbour area in Folkestone.	Green		
Incubator Development	0	442	-41	-41	Real - prudential	Underspend to go back into Regeneration Fund.	Green		Decrease cash limit by £41k prudential
LIVE Margate	2,656	5,076	0				Green		
Marsh Million	200	333	0				Green		
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	41	41	Real - prudential	Funded from underspend on the Incubator Development project.	Green		Increase cash limit by £41k prudential
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently a significant amount of the spend will be defrayed (according to current actual and pipeline cases) in current year.	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
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	0				Green		
Rural Broadband Demonstration Project	1,315	675	-516	-516	Real - £516k: £100k prudential and £416k prudential/revenue	The rural allocation was based on providing grants to local communities. On review of the market, the response is likely to be insufficient to generate good value for money for KCC. The funding has been rolled into the Superfast Extension Programme to enable more rural areas to be covered. This scheme is due to start in 2016-17.	Green		
Swale Parklands	0	48	-25	-25	Real - prudential	Underspend to fund Tram Road/Tontine Street.	Green		
Tram Road/Tontine Street Road Works	0	13	25	25	Real - prudential	To be funded from Swale Parklands.	Green		
TIGER	16,000	4,796	5,478	5,478	Rephasing	The fund is heavily committed, and hence currently a significant amount of the spend will be defrayed (according to current actual and pipeline cases) in current year.	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
Escalate	5,400	5,500	-311	-311	Rephasing	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		
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Mid Kent Joint Waste Project									
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		

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
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		
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	-94	-94	Real- dev cont	The outstanding remedial works are now expected to be delivered by the integrated transport section. Funding will be transferred to Integrated Transport Programme when the work has been scheduled in.	Green		Decrease cash limit by £94k developer contribution
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	0	0	0					

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
Kent Thameside Strategic Transport Programme	11,526	1,479	-142	-142	Rephasing	Work suspended on the scheme until decision to move forward made by KCC and GBC. Therefore reduced statutory order preparation cost in 14-15.	Green		
Lorry Park	14,620	1,080	-830	-830	Rephasing	Further options are being explored hence the start date has been delayed.	Green		
North Farm Longfield Road, Tunbridge Wells	4,275	6,054	0	0			Green		
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		

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
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.	Green		
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	4,386	-435	-435	Rephasing	Scheme is expected to be completed in May 2015. Two months worth of works are now being rephased.	Green		
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	130,461	8,753	8,753					

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
JULY 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+82,676	+385	-385	-

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Strategic & Corporate Services						
Strategic Management & Directorate Support Budgets	3,585.7	-5,089.3	-1,503.6	-56		
Community Services						
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+503	+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. +327 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. +11 Other minor variances	Management action has been taken to improve performance and efficiencies and thus keep additional staff to a minimum. 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.
- Gateways & Customer Relationship	2,940.6	-113.3	2,827.3	-63		
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	+1		
	7,791.5	-2,343.4	5,448.1	+441		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Local Democracy</u>							
- Community Engagement	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			
- Local Member Grants	2,120.5	0.0	2,120.5	+9			
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	-43			
	5,569.0	0.0	5,569.0	+233			
<u>Support to Frontline Services</u>							
- Business Strategy	3,365.5	-82.0	3,283.5	-92			
- Business Strategy (Facing the Challenge & Corporate Portfolio Office)	504.2	0.0	504.2	0		These projects are largely funded from reserves and the forecast includes drawdowns from reserves of: £1,347k for Facing the Challenge and £621k for Corporate Portfolio Office	
- Communications & Consultation	2,805.4	-131.0	2,674.4	-189	-261	Staff vacancies	
					+72	Other minor variances	
- Democratic & Members	3,835.1	-128.7	3,706.4	-7			
- Finance & Procurement	19,664.9	-7,761.9	11,903.0	-47	+342	Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-245	Staffing vacancies	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-138 Reduction in specialist fees within Financial Management -6 Other minor variances	
- Human Resources	15,879.1	-6,535.8	9,343.3	-411	-117 Staffing vacancies -207 Underspend against training budget following finalisation of workforce development plans -87 Other minor variances	The reduction in the training budget is anticipated to be ongoing and will be reviewed as part of the MTFP process
- Information, Communications & Technology	34,912.0	-17,336.2	17,575.8	-8		
- 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	
- Property & Infrastructure Support	32,977.0	-6,465.4	26,511.6	+300	+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.	Action to address through working with service directorates to identify opportunities.
	124,011.5	-50,848.9	73,162.6	-233		
Total S&CS	140,957.7	-58,281.6	82,676.1	+385		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Assumed Management Action				-385		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	140,957.7	-58,281.6	82,676.1	0		

3. CAPITAL

3.1 The working budget for 2014-15 is £29,636k. The forecast outturn against the 2014-15 budget is £29,764k giving a variance of +£128k.

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)	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									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,793	0				Green		
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 Development	160	160	0				Green		
Innovative Schemes Fund	2,000	926	0				Green		
New Ways of Working	12,400	14,238	0				Green		
Property Asset Management System	0	90	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
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	0				Green		
Swanley Gateway (Programme Rollout)	490	950	128	128	Real: -170 other external, +293 dev cont, +5 capital receipt	Costs and funding aligned to reflect confirmed developer contributions presented in the recent final business case.	Amber		Increase cash limit by £128k: +£293k dev cont, -£170k other external and +£5k cap rec
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green		
Winter Gardens Rendezvous site	100	100	0				Green		
S&CS Directorate Total	28,806	29,636	128	128					

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
JULY 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+132,761	-447	-	-447

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
Audit Fees	314.0	0.0	314.0	-100	-100	Forecast based on anticipated fees as notified by our external auditors	
Carbon Reduction Commitment Levy	1,000.0	0.0	1,000.0	-200	-200	Anticipated underspend based on current purchase of allowances for estimated carbon emissions	
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	10,020.2	0.0	10,020.2	+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			

ANNEX 7

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Net Debt Charges (incl Investment Income)	128,042.5	-8,514.0	119,528.5	+400	+400	Impact of continued low interest rates on our cash balances and investments	
Other	939.0	-36.0	903.0	0			
Unallocated	2,155.3	0.0	2,155.3	-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	149,002.0	-16,241.0	132,761.0	-447			
Assumed Management Action							
Total Fin Items Forecast <u>after</u> mgmt action	149,002.0	-16,241.0	132,761.0	-447			

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	103.59
Aug	94.13	106.57	96.54
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.

