

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

To: CABINET - 23 March 2015

Subject:

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

Classification: **Unrestricted**

---

## **1. SUMMARY**

- 1.1 This report provides the budget monitoring position for December 2014-15 for both revenue and capital budgets, including an update on key activity data.
- 1.2 The format of this report is:
  - An executive summary which provides a high level financial summary and highlights only the most significant issues
  - Appendix 1 provides an update on our Financial Health indicators
  - Appendix 2 provides an update on our Prudential indicators
  - Appendix 3 provides a summary of the proposed capital programme cash limit changes
  - There are seven annexes to this executive summary report, as detailed below:
    - **Annex 1**      **Education & Young People's Services**
    - **Annex 2**      **Social Care, Health & Wellbeing** - Specialist Children's Services
    - **Annex 3**      **Social Care, Health & Wellbeing** - Adults
    - **Annex 4**      **Social Care, Health & Wellbeing** - Public Health
    - **Annex 5**      **Growth, Environment & Transport**

- **Annex 6 Strategic & Corporate Services**
- **Annex 7 Financing Items**

1.3 Other items likely to be of particular interest to Members are the impact of the current financial and activity monitoring position on our revenue reserves, as detailed in section 6, and the directorate staffing levels as at the end of December 2014 compared to 1 April 2014, 30 June 2014 and 30 September 2014, which are provided in section 7.

## 2. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

## 3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined directorate revenue budgets is an underspend of £5.482m, before management action, but management action is expected to reduce this to an underspend of £6.071m. 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 £5.730m 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 but these will be subject to Cabinet approval in July, in view of the overall outturn position and the pressures facing the authority over the medium term. If we allow for this, then this changes the position to an **underlying underspend of £3.062m**. 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 an encouraging £1.807m reduction in the forecast position (excluding schools and before rollover requests), as shown in table 1. This is mainly due to:

**E&YP** - further underspending on Early Years, children's centres, early intervention & prevention and school improvement; further re-phasing against the Tackling Troubled Families programme, an improvement in the position on home to school transport, and additional recoupment income from other local authorities with pupils in Kent schools. This is partially offset by a reduction in the re-phasing of the Kent Youth Employment programme and increased property related costs within Community Learning & Skills.

**SCH&W (SCS)** - the position has improved this month, mainly on Children's Social Care staffing and Fostering staffing as a result of maximising the use of grant income and other funding streams.

**SCH&W (Asylum)** - an increase in the pressure reflecting the latest meeting with Home Office officials, where they strongly suggested that we cannot use the surplus grant in excess of actual costs incurred on Under 18s to offset the shortfall in grant on the 18 and Overs. We will continue discussions in an attempt to get the best possible outcome for this Authority.

**SCH&W (Adults)** - once again, although the overall position after management action has barely changed, there are some significant offsetting movements with the pressure on domiciliary care budgets increasing significantly to reflect current spending trends and a review of the expected timing of transformation savings, but this is offset by the release of funds held within other adult services relating to other older people and physical disability services. As previously reported, due to the uncertainty surrounding the domiciliary forecast, all other areas of older people and physical disability expenditure were being considered for efficiencies and re-phasing should they be required to mitigate the risk of this increase in the forecast, and as a result the increase in the domiciliary forecast has not resulted in an overall increase in the position for Adult Social Care. Investigations are continuing as to the full reasons for the pressures being experienced on domiciliary care. There has also been an increase in the saving on nursing and residential care this month, likely to be as a result of the effects of enablement and other preventative services implemented as part of the transformation agenda.

**GE&T** - a further increase in waste tonnage than profiled in the budget, but this has been offset by other waste related savings; an increase in the costs of highways management and an overspend is now forecast on the Freedom Pass/Young Person's Travel Pass (YPTP) budget largely due to journey numbers under both the old Freedom Pass scheme and the new YPTP scheme and lower levels of income for the new YPTP due to a different mix of full price, half price and free passes than assumed in the budget calculations. These increased costs are partially offset by further underspending within Libraries, Registration & Archives largely due to staff vacancy savings and because an anticipated contribution to reserves is no longer required. In addition there is some further underspending within Coroners, Country Parks and Environment Management which will be requested to roll forward (see section 3.7 below).

**S&CS** - a further improvement in the position mainly due to fewer than anticipated business cases requiring funding in Local Healthwatch & Complaints Advocacy and a general improvement position of Finance & Procurement, Business Strategy & Legal Services.

**FI** - increase in Government funding levels from £942.25m to £944m following the Autumn Budget Statement and more certainty around the number and timing of schools converting to academy status in year.

In addition, the requirement to roll forward has reduced this month by £2.036m (+£0.131m-£2.167m per the headlines table below), which is mainly due to the removal of the KSAS roll forward now that base funding has been provided in the 2015-16 budget (see section 3.8 below for further details). The position overall has therefore improved by £3.843m this month.

### 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
<b>Directorate Totals</b>	+953,886	-5,482	-589	-6,071	-4,264	-1,807
Adjustments: - Legally committed roll fwd (see section 3.6 for detail)		+341	-	+341	+210	+131
<b>Underlying position (including legally committed roll fwd requirements only)</b>	<b>+953,886</b>	<b>-5,141</b>	<b>-589</b>	<b>-5,730</b>	-4,054	-1,676
- Roll forward/ re-phasing required to continue/ complete existing initiatives (see section 3.7 for detail)		+2,668	-	+2,668	+4,835	-2,167
<b>Underlying position (including ALL roll fwd requirements)</b>	<b>+953,886</b>	<b>-2,473</b>	<b>-589</b>	<b>-3,062</b>	+781	-3,843

### 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	84,226.5	-5,950	-	-5,950	-3,956	-1,994
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,517.0	+2,847	-420	+2,427	+3,040	-613
	Social Care, Health & Wellbeing - Asylum	280.0	+3,099	-	+3,099	+1,666	+1,433
	Social Care, Health & Wellbeing - Special Operations	-	+812	-	+812	+809	+3
	<i>Sub Total SCH&amp;W - Specialist Children's Services</i>	<i>127,797.0</i>	<i>+6,758</i>	<i>-420</i>	<i>+6,338</i>	<i>+5,515</i>	<i>+823</i>
3	Social Care, Health & Wellbeing - Adults	345,049.2	-2,520	-169	-2,689	-2,610	-79
4	Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	-
5	Growth, Environment & Transport	180,058.6	-415	-	-415	-2,050	+1,635
6	Strategic & Corporate Services	82,638.2	-1,097	-	-1,097	-675	-422
7	Financing Items	134,116.7	-2,258	-	-2,258	-488	-1,770
	<b>TOTAL (excl Schools)</b>	<b>953,886.2</b>	<b>-5,482</b>	<b>-589</b>	<b>-6,071</b>	<b>-4,264</b>	<b>-1,807</b>
1	<i>Schools (E&amp;YP Directorate)</i>	-	+10,598	-	+10,598	+12,883	-2,285
	<b>TOTAL</b>	<b>953,886.2</b>	<b>+5,116</b>	<b>-589</b>	<b>+4,527</b>	<b>+8,619</b>	<b>-4,092</b>

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

- a) The net position for Specialist Children's Services (exc. Asylum and Special Operations) has improved from the previous reported position by -£0.613m. However, the service continues to report a significant financial pressure for 2014-15 with a net overspend of £2.847m, which is partially offset by £0.420m of proposed management action, with the remaining pressure of £2.427m attributable to unachievable savings.
- b) The position included in this report for Asylum is a pressure of £3.099m, and this reflects the impact of the May offer from the Home Office now that we no longer receive a Gateway Grant and the latest meeting with Home Office officials, where they strongly suggested that we cannot use the surplus grant in excess of actual costs incurred on Under 18s to offset the shortfall in grant on the 18 and Overs. It should also be noted that referrals are increasing and are at their highest level since 2009-10 and the number of children we are supporting is at its highest level since August 2011. We will continue discussions with the Home Office in an attempt to get the best possible outcome for this Authority.
- 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 £0.812m and these costs will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
- d) The underspend of -£2.520m before management action within Social Care, Health & Wellbeing - Adults is made up of a pressure on the Social Care budgets of £0.816m, with the main 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 £3.336m. Further management action of £0.169m is expected to be delivered to offset the pressure on the social care budgets (see Annex 3 for further information). This position also reflects a planned 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 £5.191m (£0.816m + £4.375m) more than our base budget on adult social care, but this is expected to reduce to £5.022m after delivery of management action.
- e) Within Adult social care, domiciliary care remains our main area of concern. Extensive investigations are continuing to fully understand the impact of the transformational changes and contract re-let on the domiciliary care expenditure incurred to date, and to establish the full reasons for the pressures being experienced on this service in order to determine whether there is underlying trend that is counteracting the impact of the transformation savings, as both client numbers and number of hours provided are showing an increase in December. The forecast for domiciliary care was increased last month to reflect the expectation that transformation savings will be realised over a longer time period than previously anticipated, however expenditure on this service has still not fallen in line with these revised expectations. Therefore, this month the forecast reflects a more cautious approach, only using current spending trends and not assuming delivery of any further savings until the outcome of these investigations is known. As previously reported, due to the uncertainty surrounding the domiciliary forecast, all other areas of older people and physical disability expenditure were being considered for efficiencies and re-phasing should they be required to mitigate the risk of this increase in the forecast, and as a result, the increase in the domiciliary forecast has not resulted in an overall increase in the position for Adult Social Care.

- f) As a result of the domiciliary care contract re-let, the shift of clients from domiciliary care to direct payments resulting from some clients choosing to remain with their existing service providers, has slowed down but still continues. These direct payments are being paid at the new lower domiciliary care re-let rate.
- g) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, albeit reduced this month, with a forecast overspend of +£2.150m. This is offset by recoupment income received from other local authorities whose pupils attend our special schools (-£0.480m); underspending on Home to College transport and the Kent 16+ Travel Card mainly due to increased income due to increased take up for the autumn & spring terms and reduction in demand for transport for SEN students (-£0.714m); and also a continuation from last year of the reduced demand for mainstream home to school transport as the secondary aged population is at its lowest for some years (-£1.476m). An underspend on Children's Centres of -£2.608m is largely linked to the service restructure and a savings target of £1.922m for Early Help & Prevention Services division held centrally within EY&P Directorate Management & Support is being offset by a number of smaller variances throughout the directorate. In addition, the Directorate is showing re-phasing of both the Kent Youth Employment programme and the Troubled Families programme, with the directorate as a whole forecasting a net underspend after management action and excluding schools of -£5.060m, of which £2.840m will be requested to roll forward (see sections 3.6 and 3.7 below).
- h) The Early Years Education for 2 year olds budget is forecasting a significant underspend of £7.5m. This is a result of lower parental demand for two year old places than affordable levels. As this budget is entirely funded from DSG, any surplus at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset overspending elsewhere within the directorate budget, therefore this underspend will be transferred to the schools unallocated DSG reserve at year end.
- i) The Growth, Environment and Transport Directorate is forecasting to underspend by £0.415m. The most significant services contributing to this position are Subsidised Bus Routes (-£0.681m); Highways budgets (-£0.587m) predominately from savings on streetlight energy and speed awareness courses; Community Services budgets (-£1.640m) mainly due to increased income within the Registration Service and staff vacancy savings; Regulatory Services budgets (-£0.346m) mainly due to lower than expected costs of long inquests; Concessionary Fares (-£0.226m) offset by a net pressure on the Young Person's Travel Pass/Freedom Pass budget (+£2.523m) and the waste budgets (+£0.697m) - see below for further details.
- j) Forecast waste tonnage has increased again since the last report, with a forecast overspend of £2.979m currently reported. This is largely offset by savings predominately from contract changes, giving an overall net pressure on the waste budget of £0.697m. The tonnage for April to December was 33,800 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.979m assumes 44,300 tonnes above the budgeted level of 675,000 tonnes for the full year. Waste tonnages for the last couple of months are below the affordable levels, which is encouraging and may suggest that the recent trend of increased waste volumes is starting to reverse and fall more in line with expectations, however waste volumes remain volatile. An additional £1m has been provided in the recently approved 2015-16 budget for increased waste volumes.

- k) As indicated last month, a pressure of £2.5m is now reported on the Young Person's Travel Pass (YPTP)/Freedom Pass budget following completion of the reconciliations for the first three quarters of the year by our concessionary travel consultant, MCL Transport Services. Journey numbers are significantly above budgeted levels for both the new YPTP and the old Freedom Pass scheme, which ended in August. This is partly due to assumptions around the reduction in journeys resulting from the weekend and evening restrictions not being fully achieved, together with the budgeted reductions in additional capacity payments to bus operators have not been fully realised. Also, the bus operators have increased their fares between 2 and 5%, which has resulted in an increased cost of these passes. In addition, a shortfall in income is forecast as the number of passes is below expected levels and there is a different mix of full price, half price and free passes than assumed in the budget model, (students in receipt of free school meals pay half price and students in care, care leavers or young carers pay nothing).
- l) The forecast for Public Health includes a drawdown from the KDAAT reserve of £1.2m to fund changes in contract values. The forecast against the Public Health grant is now breakeven, meaning there will be a zero balance in the Public Health reserve at the end of the financial year.
- m) As has been reflected in previous reports, the revised dividend target set for Commercial Services by the Shareholder Board is £1.391m less than the originally budgeted dividend. This is currently being offset elsewhere within the Financing Items budget by underspending on Carbon Reduction, External Audit Fee and higher than expected Government funding levels including Business Rate compensation grant for the impact of measures introduced by the Government in the 2012 and 2013 Autumn Statements.
- n) We have received £0.983m of funding through the Bellwin scheme in respect of the emergency costs incurred during the autumn and winter 2013-14 floods and storms, which has been transferred to the Emergency Conditions reserve.
- o) School reserves are forecast to reduce by £6.1m in 2014-15, according to the schools 9 month monitoring returns. The impact on schools reserves of schools converting to academy status in year, together with the anticipated use of schools unallocated reserves to fund schools related pressures, is fully offset by the net effect of a transfer to reserves of the underspend on early years education and a drawdown from reserves to fund pressures on high needs education (see section 6.4 below).
- p) We received a further dividend from Landsbanki in December of £5.28m. The total recovery to date from Icelandic banks including interest is now £47.45m. Details as follows:
- Heritable – dividends received are equal to 94p in the pound, £17.3m. Interest received £0.25m. The recovery is now predicted to be close to 100%.
  - Landsbanki - 5 dividends received totalling £14m including Icelandic Krona in Escrow Account. Interest received £0.7m. The forecast recovery is 100%.
  - Glitnir - paid in full in March 2012. Received £14.7m including Icelandic Krona in Escrow Account. Interest received £0.5m.

### 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 £0.341m 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)	+341 k
	<hr/> +341 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. The Authority as a whole would need to achieve an underspending position at year end of at least -£3.009m in order to fund all of these (£2.668m as detailed below + £0.341m per section 3.6 above). We are currently forecasting a greater underspend than this, with an underspend of -£6.071m after management action currently being reported, -£3.062m in excess of this requirement. However, roll forward for these initiatives will be subject to Cabinet approval in July, in view of the overall outturn position and the pressures facing the authority over the medium term. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+345 k
▪ re-phasing of Vulnerable Learners Assisted Apprenticeship placements in to 2015-16 (see annex 1)	+64 k
▪ Tackling Troubled Families (see annex 1)	+2,090 k
▪ Country Parks - funding required for additional marketing in order to deliver 2015-16 savings (annex 5)	+25 k
▪ Environment Management - re-phasing of highway drainage asset surveys due to issues with the third party undertaking the work (see annex 5)	+60 k
▪ Coroners - re-phasing of restructuring costs (see annex 5)	+70 k
▪ re-phasing of Health Reform (see annex 6)	+14 k
	<hr/> +2,668 k

3.8 The announcement of the local government finance final settlement for 2015-16 on 3 February included an increase in RSG of £1.481m for Local Welfare Provision. Prior to this announcement, government funding for Local Welfare Provision (Social Fund) was expected to cease in 2015-16, and hence the monitoring reports throughout the year have highlighted the need to roll forward the current year underspend on the Kent Support & Assistance Service (KSAS) in order to continue with the service for another year. Following the announcement of the final settlement for 2015-16, the proposed budget for 2015-16 was amended to include this £1.481m for KSAS, and this was approved by County Council on 12 February. As a result, continuation of the service in 2015-16 is no longer dependent upon the 2014-15 underspend for KSAS and this has therefore been removed from the roll forward requirements listed above.



### 3.9 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.

The cash limit has also been amended this month to reflect additional Government funding levels following the Autumn Budget Statement and more certainty around the number and timing of schools converting to academy status in year.

## 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2014-15 Capital Programme is £356.033m (£318.255m excluding PFI). The forecast outturn against this budget is £259.694m (£240.987m excluding PFI) giving a variance of -£96.339m (-£77.268m excluding PFI). 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	143,987	-53,497	585	-54,082	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-1,029	-	-1,029	2
Social Care, Health & Wellbeing - Adults	82,918	51,754	-26,557	884	-27,441	3
Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	4
Growth, Environment & Transport	259,191	128,500	-10,403	1,872	-12,275	5
Strategic & Corporate Services	28,806	29,764	-4,853	360	-5,213	6
Financing Items	-	-	-	-	-	7
<b>TOTAL</b>	<b>598,425</b>	<b>356,033</b>	<b>-96,339</b>	3,701	-100,040	

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

- a) The majority of schemes are within budget and on time.
- b) +£3.701m of the -£96.339m variance is due to **real** variances. These are categorised as follows:

i) **Real variances as a result of additional or revised funding are as follows:**

Information Technology Projects (SC,H&WB - Adults) +£0.865m. 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) +£0.948m. This reflects additional grant awarded by the DfT to deliver local sustainable transport schemes (+£0.903m) plus additional external funding of +£0.045m towards Coxheath traffic calming scheme.

No Use Empty - Rented Affordable Homes (GET) +0.795m. This relates to additional HCA funding which is expected to be received by March 2015 following full project spend.

Disposal Costs (S&CS) +£0.300m. This reflects the capitalisation of security costs to protect the value of KCC assets, to be funded from the capital proceeds of property disposals.

Priority Schools Build (EYP) +£0.890m. Reflects additional costs on the Priority School Build Programme at Meopham School to be funded from grant.

The remaining -£0.987m 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.

ii) **Real variances funded from within the capital programme which have a nil impact on the programme as a whole are as follows:**

St John's/Kingsmead Primary School, Canterbury (EYP) +£0.750m due to additional window and roof works. This is to be funded from the Annual Planned Enhancement Programme.

Astor of Hever (St Augustine's Academy) Maidstone (EYP) +£0.452m due to an asbestos claim. This is to be funded from a corresponding underspend on BSF Unit Costs.

Goat Lees Primary School (EYP) -£0.375m. The forecast underspend against this project will be used to part fund the pressure on the Basic Need programme in future years (please see section 4.3.d) below).

Annual Planned Enhancement Programme (EYP) +£0.250m due to additional works at Minster Primary. This is to be funded from a corresponding underspend on the Modernisation Programme - Future Years.

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.

TS/HWRC - Swale (GET) -£0.250m to reflect revised scheme cost. This underspend will be used to fund +£0.150m on the Street light Timing - Invest to Save project due to higher than expected costs including a greater number of columns needing to be rewired to enable conversion and higher staff costs and +£0.100m on Weather Damage - Major Patching where additional works have had to be carried out.

Member Highway Fund (GET) -£0.196m. Of this real variance -£0.063m will be used to contribute towards the delivery of a member nominated resurfacing scheme and -£0.133m uncommitted member grant which will be used to settle increased final resurfacing accounts within the Highway Major Enhancement programme.

c) -£100.040m of the -£97.229m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Basic Need Programme 2013-15 (EYP) -£15.419m rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been forecast in 2015/16.

Special School Review Phase 2 (EYP) -£24.326m. Rephasing due to delays at the planning stage on a number of complicated projects. Redesign and reconfigurations have also been necessary due to budget pressures.

Sevenoaks Grammar School (EYP) -£3.740m and Trinity Free School, Sevenoaks (EYP) -£2.500m. Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.

Dover Christ Church (EYP) -£1.500m. Rephasing due to construction delays which have pushed back the completion of two main phases of work.

Modernisation Programme - Future Years (EYP) -£1.498m of the programme is being rephased. The programme will be finalised once funding allocations have been confirmed.

Devolved Formula Capital Grants for Pupil Referral Units (PRUs) (EYP) -£1.409m. Following the completion of a recent PRU review, works will now progress next financial year.

Annual Planned Enhancement Programme (EYP) -£1.000m of works are being rephased as a result of difficulties in accessing schools, tendering works and finalising briefs.

BSF Wave 3 Build Costs (EYP) -£0.723m. Rephasing as a result of outstanding ICT issues at schools which have yet to be resolved.

Nursery Provision for Two Year Olds (EYP) -£0.612m. Following delays in obtaining planning permission, several projects will now complete in 2015/16.

Integrated Youth Service -Youth Hub Reprovision (EYP) -£0.553m. Rephasing following resubmission of plans for approval as a result of changes to design and layout. Completion is now anticipated in June 2015.

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

PFI - Excellent Homes for All (SCH&W Adults) -£19.071m. Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.

OP Strategy - Transformation/Modernisation (SCH&W Adults) -£5.444m. Rephasing to 2015-16 to allow for formal procurement options to be explored as part of the business case development for the Older Persons Strategy.

Information Technology Projects (SCH&W Adults) -£1.958m rephased whilst reviewing the IT strategy as part of the budget process.

Lowfield Street (SCH&W Adults) -£0.968m rephasing due to delay in the development of the site, undergoing negotiations with the developer on how to proceed.

ContROCC -£0.378m and Early Help Module (SCH&W Children's) -£0.581m. Rephasing following outcome of initial functional testing impacting on go live dates.

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

Regional Growth Fund - Expansion East Kent (GET) +£5.133m. This fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

Broadband (GET) -£4.950m. The infrastructure build is now moving into more complex areas and therefore some rephasing to 2015-16 is required.

Sittingbourne Northern Relief Road -£2.007m, East Kent Access Phase 2 -£1.669m and Rushenden Link Road -£0.584m - rephasing due to the retendering of the LCA Part 1 works.

LIVE Margate (GET) -£3.376m rephasing due to KCC endeavouring to acquire some key strategic sites, and it is taking longer than anticipated to finalise these acquisitions.

Thanet Parkway (GET) -£1.500m - rephasing due to delays in the procurement process and acquiring the necessary land. Negotiations are underway but are unlikely to be completed in this financial year.

North Farm Longfield Road, Tunbridge Wells (GET) -£1.283m. The predicted completion has slipped by a month to end of June 2015 as a result of unchartered utility services that require diversion or protection.

Kent Thameside Strategic Transport Programme (GET) -£1.179m. Rephasing whilst the overall programme is under review. In addition, Rathmore Road has a revised project profile as a result of a later than anticipated voluntary property acquisition.

Lorry Park (GET) -£1.055m - further options are being explored hence anticipated start date has been delayed.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) -£1.033m - The scheme is now expected to complete in June 2015 following unchartered and shallow utility services requiring extra mitigation works. These costs have been absorbed within the overall budget.

Swale Transfer Station (GET) -£1.030m rephasing as only the bridge works will be carried out this year.

Library Modernisation Programme (GET) -£0.782m rephased following review through the programme through the budget process.

A28 Chart Road, Ashford (GET) +£0.660m. The scheme has now received planning consent. Spend has been brought forward to cover initial development works and engagement with utilities.

Empty Property Initiative (GET) -£0.482m rephasing following diversion of potential loans from this project to the new No Use Empty programme so that the product can be developed and tested.

Dartford Library Plus (GET) -£0.434m. Suggested changes from a public consultation have impacted on delivery times.

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

Marsh Million (GET) -£0.300m. The take up of funding this scheme has been slow but marketing activity has been ongoing to raise the profile of the fund.

Member Highway Fund (GET) -£0.165m. Rephasing consists of -£0.068m for schemes which have been ordered but where delivery has been delayed following scheme redesign as a result of public consultation and £0.097m for committed schemes yet to be designed.

Southborough Hub (GET) -£0.125m. A new enhanced scheme is currently being considered and the project has been reprofiled accordingly.

Modernisation of Assets (S&CS) -£3.500m. Rephasing due to awaiting outcome of environmental recommendations on two large building works.

Customer Journey Programme (S&CS) -£0.709m. The Customer Relationship Management System has been rephased until there is greater clarity around the shape and requirements of the Council following Facing The Challenge.

Swanley Gateway (S&CS) -£0.428m. The contractor has identified additional works to the roof which will extend the project by two months.

Replacement and Enhancement of Core Website (S&CS) -£0.320m rephasing as the first phase of the redevelopment has been extended, pushing the second phase in to next year. However, the overall completion date remains unaffected.

The remaining -£1.927m rephasing comprises minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

d) **Future years unfunded variances:**

Basic Need Programme 2013-15 (EYP) There is an overall pressure against the Basic Need Programme of £12.351m which includes a £2.360m pressure relating to construction inflation which was previously reported as a separate line. £0.381m of this pressure can be funded from underspends elsewhere in the programme and the remainder has been reviewed as part of the budget setting process.

Special Schools Review Phase 2 (EYP) Across the three year programme the total forecast pressure is £7.060m of which £6.940m is unfunded. This includes a £1.000m pressure relating to construction inflation which was previously reported as a separate line.

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 3.

5. **FINANCIAL HEALTH**

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

5.2 The latest monitoring of Prudential Indicators is detailed in **Appendix 2**

6. **REVENUE RESERVES**

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

Account	Balance at 31/3/14 £m	Projected Balance at 31/3/15 £m	Movement £m
General Fund balance	31.7	34.7	3.0
Earmarked Reserves	160.8	138.7	-22.1
Schools Reserves *	45.7	39.6	-6.1

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

6.2 The £3m increase in general reserves reflects the transfer from the Economic Downturn reserve as detailed in section 5 of Appendix F of the recently approved 2015-18 MTFP.

6.3	The reduction of £22.1m in earmarked reserves includes:	£m
	▪ Release of previously earmarked reserves (as approved in the 2014-17 MTFP)	-3.0
	▪ Budgeted contribution (incl. continuation of collaborative work with DCs to increase council tax yield)	+4.9
	▪ Budgeted drawdown of earmarked reserve to support 2014-15 budget	-4.0
	▪ Budgeted drawdown from Kingshill Smoothing reserve	-1.0
	▪ Use of rolling budget reserve (2013-14 underspend)	-9.9
	▪ Budgeted use of reserves to support essential expenditure following reduction in Adoption Reform grant	-1.2
	▪ Budgeted reinstatement of Emergency Conditions reserve	+1.0
	▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12	+1.3
	▪ Budgeted transfer to rolling budget reserve to reflect anticipated revised phasing of Freedom Pass	+1.5
	▪ Planned drawdown of Dedicated Schools Grant reserve	-3.0
	▪ Planned drawdown of Corporate Restructure reserve, including costs of Facing the Challenge	-6.3
	▪ Transfer to Economic Downturn reserve of uncommitted 2013-14 rolled forward underspend	+4.8
	▪ Transfer from Economic Downturn reserve to General Reserve per Appendix F of 2015-18 MTFP	-3.0
	▪ Drawdown of 2013-14 underspend from Public Health reserve	-2.9
	▪ Forecast transfer to Public Health reserve of 2014-15 underspend	-
	▪ Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)	+1.2
	▪ Forecast use of NHS Support for Social Care reserve	-4.4
	▪ Forecast transfer to Insurance reserve	+0.5
	▪ Forecast use of Flood Repairs reserve (severe weather funding)	-2.8
	▪ Forecast movement in Kent Drug & Alcohol Service reserve	-1.3
	▪ Planned movement in IT Asset Maintenance reserve	-1.3
	▪ Planned movement in Dilapidations reserve	-0.5
	▪ Transfer of Bellwin funds to the Emergency Conditions reserve (see annex 7)	+1.0
	▪ Transfer of MRP saving to MRP smoothing reserve within Prudential Equalisation reserve (see annex 7)	+1.5
	▪ Impact on rolling budget reserve of current forecast underspend	+6.1
	▪ Other forecast movements in earmarked reserves	-1.3
		<b>-22.1</b>
6.4	The reduction of £6.1m in the schools reserves is due to:	£m
	▪ An assumed 34 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 1 school closure (see annex 1)	-2.4
	▪ Remaining Kent Schools (based on schools 9 month monitoring returns) (see annex 1)	-6.1
	▪ Transfer to the schools unallocated DSG reserve of £7.920m underspending on Early Years Education as a result of lower than affordable parental demand, offset by £3.488m pressures on high needs education (see annex 1)	+4.4
	▪ The anticipated use of schools unallocated reserves to fund in year schools related pressures (annex 1)	-2.0
		<b>-6.1</b>

## 7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 31 December compared to the numbers as at 1 April, 30 June and 30 September for the new directorate structure, based on active assignments. However, due to the large number of movements of staff between directorates as a result of the council restructure, direct comparisons between old and new directorates are not possible, so staffing levels as at 31 March 2014 are only provided in total, together with a split of schools and non schools staff. The difference in the right hand columns of the table represent the movement in staffing numbers from 1 April to 31 December 2014, however there was also a movement between 31 March 2014 and 1 April 2014 of +57.3 FTEs, of which +99.75 were within schools and -42.45 in non school settings. Between 1 April and 31 December 2014 there has been a reduction of 678.69 FTEs, of which 509.85 FTE were in schools and 168.84 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies.

		31 Mar 14	1 Apr 14	30 Jun 14	30 Sep 14	31 Dec 14	31 Mar 15	Difference	
								Number	%
KCC	Assignment count	39,194	39,278	38,690	38,160	37,765		-1,513	-3.85%
	Headcount (inc. CRSS)	33,095	33,195	32,604	32,267	31,882		-1,313	-3.96%
	Headcount (excl. CRSS)	29,456	29,522	28,942	28,597	28,267		-1,255	-4.25%
	<b>FTE</b>	<b>21,769.82</b>	<b>21,827.12</b>	<b>21,416.29</b>	<b>21,277.98</b>	<b>21,148.43</b>		<b>-678.69</b>	<b>-3.11%</b>
KCC - Non Schools	Assignment count	11,995	11,904	11,920	11,789	11,663		-241	-2.02%
	Headcount (inc. CRSS)	11,061	10,994	10,969	10,881	10,776		-218	-1.98%
	Headcount (excl. CRSS)	9,574	9,512	9,498	9,363	9,285		-227	-2.39%
	<b>FTE</b>	<b>8,161.92</b>	<b>8,119.47</b>	<b>8,089.05</b>	<b>7,994.99</b>	<b>7,950.63</b>		<b>-168.84</b>	<b>-2.08%</b>
E&YP	Assignment count		2,971	2,974	2,924	2,890		-81	-2.73%
	Headcount (inc. CRSS)		2,738	2,707	2,678	2,662		-76	-2.78%
	Headcount (excl. CRSS)		1,927	1,921	1,884	1,877		-50	-2.59%
	<b>FTE</b>		<b>1,582.27</b>	<b>1,567.23</b>	<b>1,534.82</b>	<b>1,542.79</b>		<b>-39.48</b>	<b>-2.50%</b>
SCH&W	Assignment count		4,738	4,744	4,644	4,621		-117	-2.47%
	Headcount (inc. CRSS)		4,335	4,340	4,259	4,234		-101	-2.33%
	Headcount (excl. CRSS)		4,109	4,132	4,039	4,024		-85	-2.07%
	<b>FTE</b>		<b>3,509.59</b>	<b>3,527.59</b>	<b>3,459.22</b>	<b>3,448.15</b>		<b>-61.44</b>	<b>-1.75%</b>
GET	Assignment count		2,366	2,394	2,381	2,358		-8	-0.34%
	Headcount (inc. CRSS)		2,175	2,189	2,179	2,155		-20	-0.92%
	Headcount (excl. CRSS)		1,698	1,686	1,652	1,631		-67	-3.95%
	<b>FTE</b>		<b>1,369.11</b>	<b>1,356.50</b>	<b>1,339.74</b>	<b>1,324.90</b>		<b>-44.21</b>	<b>-3.23%</b>
S&CS	Assignment count		1,829	1,808	1,840	1,794		-35	-1.91%
	Headcount (inc. CRSS)		1,817	1,799	1,831	1,786		-31	-1.71%
	Headcount (excl. CRSS)		1,794	1,777	1,803	1,762		-32	-1.78%
	<b>FTE</b>		<b>1,658.50</b>	<b>1,637.73</b>	<b>1,661.21</b>	<b>1,634.79</b>		<b>-23.71</b>	<b>-1.43%</b>
Schools	Assignment count	27,199	27,374	26,770	26,371	26,102		-1,272	-4.65%
	Headcount (inc. CRSS)	22,135	22,301	21,727	21,462	21,177		-1,124	-5.04%
	Headcount (excl. CRSS)	19,928	20,056	19,488	19,270	19,015		-1,041	-5.19%
	<b>FTE</b>	<b>13,607.90</b>	<b>13,707.65</b>	<b>13,327.24</b>	<b>13,282.99</b>	<b>13,197.80</b>		<b>-509.85</b>	<b>-3.72%</b>

CRSS = Staff on Casual Relief, Sessional or Supply contracts

See note over page



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

## 8. CONCLUSIONS

The overall forecast position, after taking into account the requirements to roll forward, has reduced by £6.559m from +£4.086m to -£2.473m this month. However, management action of £0.589m (a reduction of £2.716m since last month) is proposed, which is expected to reduce this position to an underspend of £3.062m, an improvement of £3.843m since the last report. This improved position is very encouraging, especially taking into account that this forecast now reflects further estimated pressures relating to two of the previously reported main risk areas of Young Person's Travel Pass and delivery of the adult social care transformation savings. With regard to the third risk area of waste tonnage, waste volumes for November and December are below the affordable levels for the first time this financial year, which is an encouraging sign and may suggest that the trend is starting to fall more in line with expectations. However, waste volumes remain volatile and the delivery of the remaining proposed management action is by no means certain, therefore despite this further encouraging movement in the right direction this month, we must not be complacent. Considering the further substantial budget savings included in the recently approved 2015-16 budget and significant future funding cuts expected, it is essential that we enter 2015-16 with as big an underspend as is possible. We must therefore still ensure that pressure continues to be applied to resist spending wherever possible without compromising our customers or the services that they receive.

## 9. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

## 10. BACKGROUND DOCUMENTS

None

## 11. CONTACT DETAILS

Report Authors:

Chris Headey  
Central Co-ordination Manager  
Revenue Finance  
03000 416228  
[chris.headey@kent.gov.uk](mailto:chris.headey@kent.gov.uk)

Julie Samson/Sara Brise  
Capital Finance Manager  
03000 416950 / 03000 416922  
[julie.samson@kent.gov.uk](mailto:julie.samson@kent.gov.uk)  
[sara.brise@kent.gov.uk](mailto:sara.brise@kent.gov.uk)

Director:

Andy Wood,  
Corporate Director of Finance and Procurement  
03000 416854  
[andy.wood@kent.gov.uk](mailto:andy.wood@kent.gov.uk)

## FINANCIAL HEALTH INDICATORS

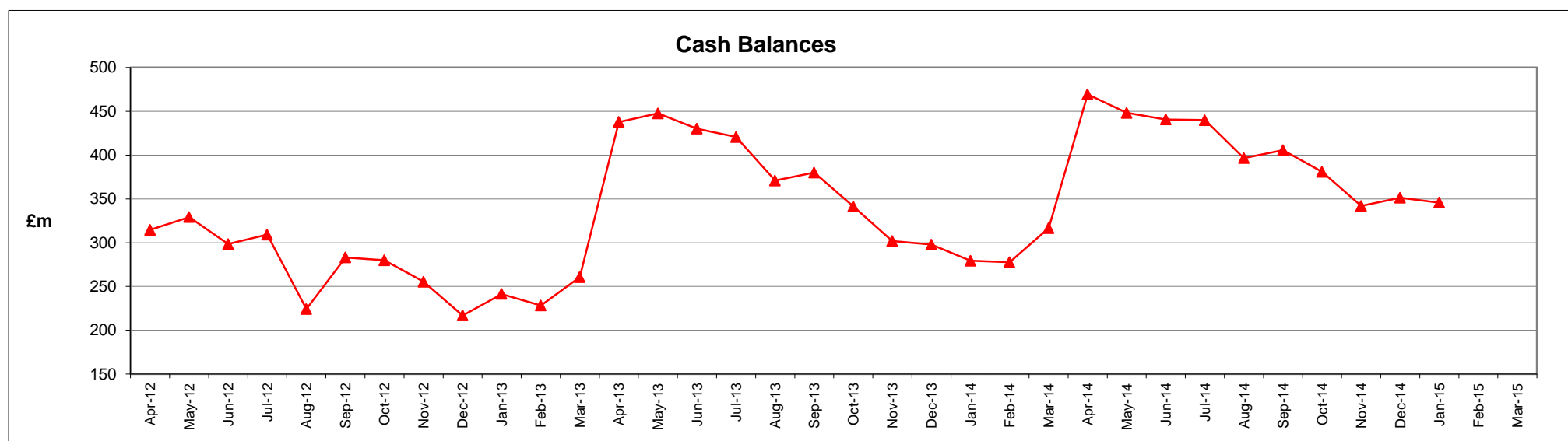
### 1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£7.353m), balances of schools in the corporate scheme (£55.15m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

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

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

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>2012-13</b>	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5	228.3	260.7
<b>2013-14</b>	437.8	447.6	430.1	420.7	371.0	380.1	341.3	301.9	297.9	279.3	277.7	316.7
<b>2014-15</b>	469.3	448.2	440.7	439.9	396.6	405.7	380.9	341.9	351.2	345.7		

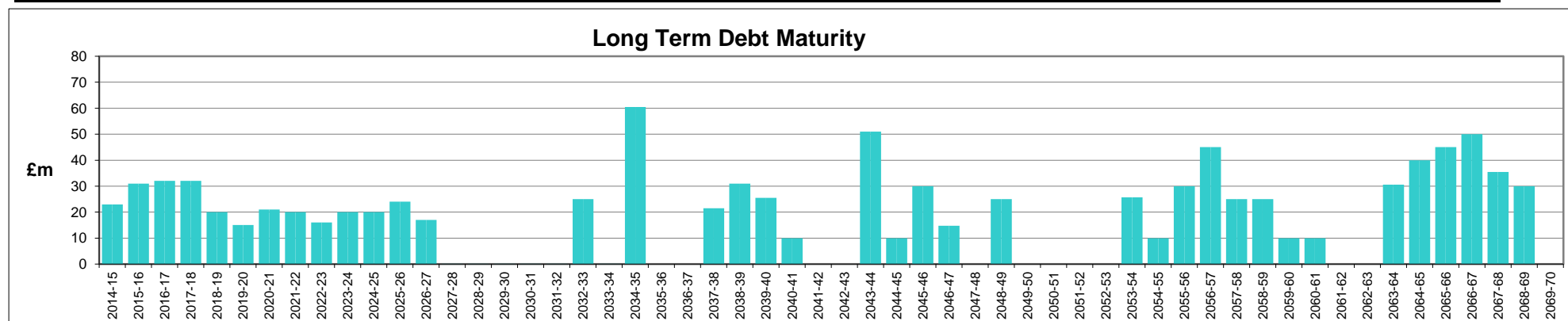


2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.405m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.556m). These bodies make regular payments of principal and interest to KCC to service this debt.

The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options. The total debt principal to be repaid in 2014-15 is £26.193m, relating to £24.187m of maturity loans, (£2.187m was repaid in August and £22m is to be repaid in February), and £2.006m of equal instalment of principal loans (£0.006m was repaid in August, £1m was repaid in September and £1m is to be repaid in March). Following the repayment of debt in August and September, the remaining outstanding debt still to be repaid this financial year is £23m.

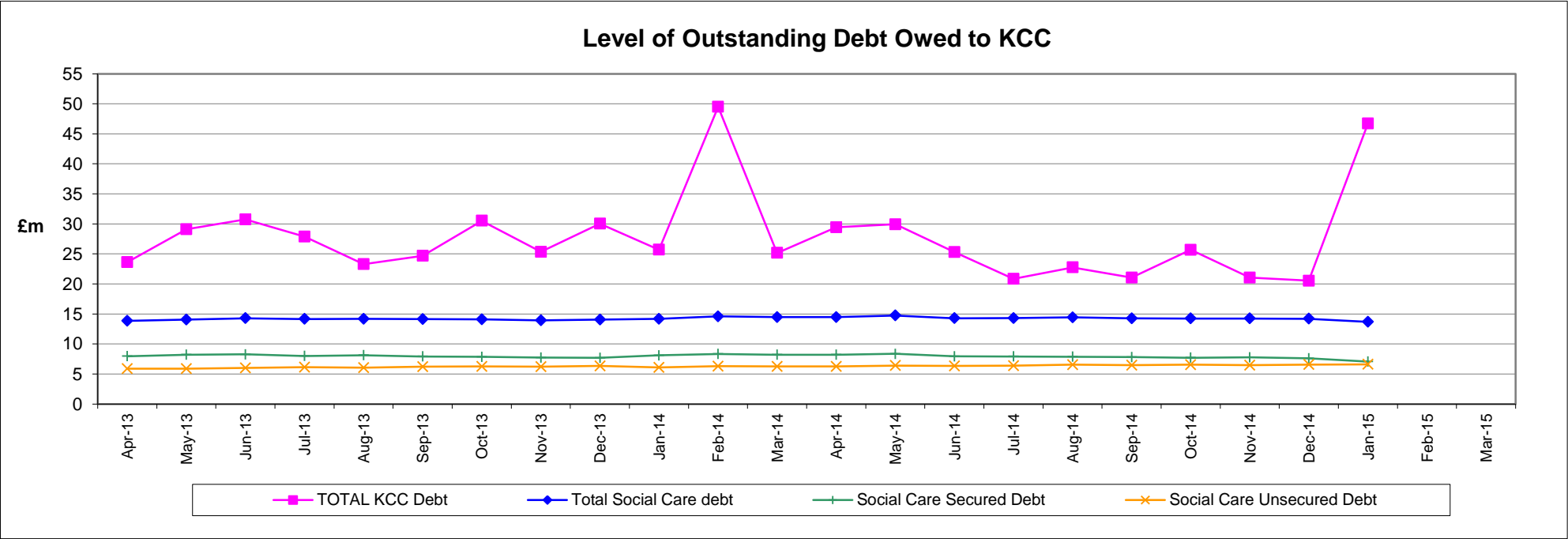
	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2014-15	23.000	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-38	21.500	2047-48	0.000	2057-58	25.000	2067-68	35.500
2018-19	20.001	2028-29	0.001	2038-39	31.000	2048-49	25.000	2058-59	25.000	2068-69	30.000
2019-20	15.001	2029-30	0.001	2039-40	25.500	2049-50	0.000	2059-60	10.000	2069-70	0.000
2020-21	21.001	2030-31	0.001	2040-41	10.000	2050-51	0.000	2060-61	10.000		
2021-22	20.001	2031-32	0.000	2041-42	0.000	2051-52	0.000	2061-62	0.000		
2022-23	16.001	2032-33	25.000	2042-43	0.000	2052-53	0.000	2062-63	0.000		
2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600	<b>TOTAL</b>	<b>1,007.080</b>



### 3. OUTSTANDING DEBT OWED TO KCC

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

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	SCH&W Sundry Debt £m	TOTAL SCH&W Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 13	7.969	5.895	13.864	4.995	<b>18.859</b>	4.771	<b>23.630</b>
May 13	8.197	5.879	14.076	5.713	<b>19.789</b>	9.331	<b>29.120</b>
Jun 13	8.277	6.017	14.294	7.662	<b>21.956</b>	8.787	<b>30.743</b>
Jul 13	8.015	6.153	14.168	6.978	<b>21.146</b>	6.746	<b>27.892</b>
Aug 13	8.141	6.063	14.204	5.116	<b>19.320</b>	3.960	<b>23.280</b>
Sep 13	7.931	6.205	14.136	5.814	<b>19.950</b>	4.746	<b>24.696</b>
Oct 13	7.867	6.246	14.113	7.533	<b>21.646</b>	8.870	<b>30.516</b>
Nov 13	7.728	6.219	13.947	7.524	<b>21.471</b>	3.865	<b>25.336</b>
Dec 13	7.694	6.350	14.044	10.436	<b>24.480</b>	5.553	<b>30.033</b>
Jan 14	8.103	6.091	14.194	6.685	<b>20.879</b>	4.820	<b>25.699</b>
Feb 14	8.321	6.289	14.610	31.278	<b>45.888</b>	3.633	<b>49.521</b>
Mar 14	8.213	6.272	14.485	7.753	<b>22.238</b>	2.927	<b>25.165</b>
Apr 14	8.220	6.270	14.490	8.884	<b>23.374</b>	6.060	<b>29.434</b>
May 14	8.353	6.402	14.755	8.899	<b>23.654</b>	6.276	<b>29.930</b>
Jun 14	7.944	6.346	14.290	7.289	<b>21.579</b>	3.733	<b>25.312</b>
Jul 14	7.927	6.389	14.316	2.187	<b>16.503</b>	4.337	<b>20.840</b>
Aug 14	7.882	6.549	14.431	3.707	<b>18.138</b>	4.616	<b>22.754</b>
Sep 14	7.805	6.465	14.270	2.849	<b>17.119</b>	3.919	<b>21.038</b>
Oct 14	7.709	6.543	14.252	3.808	<b>18.060</b>	7.614	<b>25.674</b>
Nov 14	7.777	6.472	14.249	2.658	<b>16.907</b>	4.132	<b>21.039</b>
Dec 14	7.624	6.582	14.206	2.406	<b>16.612</b>	3.927	<b>20.539</b>
Jan 15	7.079	6.604	13.683	30.632	<b>44.315</b>	2.395	<b>46.710</b>
Feb 15			0.000		<b>0.000</b>		<b>0.000</b>
Mar 15			0.000		<b>0.000</b>		<b>0.000</b>



The large increase in sundry debt in January 2015 is entirely due to one large invoice to Health for £28.25m, which had only just become overdue at the end of January. This has now been paid and therefore will not appear as overdue in future reports.

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

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

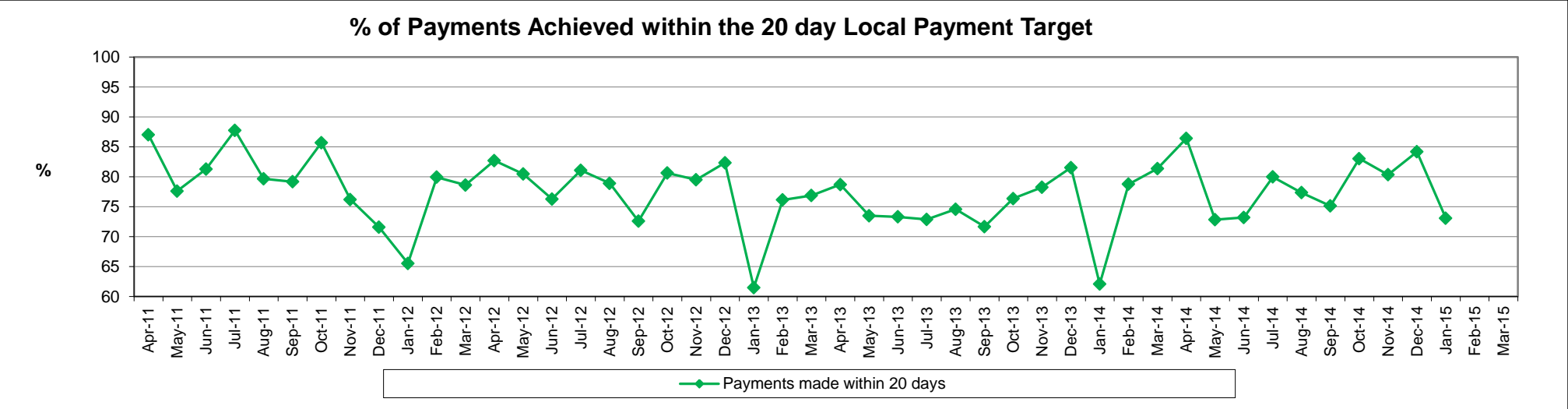
	2011-12	2012-13	2013-14	2014-15
	%	%	%	%
Apr	87.0	82.7	78.7	86.4
May	77.6	80.5	73.5	72.9
Jun	81.3	76.3	73.3	73.2
Jul	87.7	81.1	72.9	80.0
Aug	79.7	78.9	74.6	77.3
Sep	79.2	72.6	71.7	75.1
Oct	85.7	80.6	76.4	83.0
Nov	76.2	79.5	78.2	80.3
Dec	71.6	82.3	81.5	84.2
Jan	65.5	61.5	62.1	73.1
Feb	79.9	76.1	78.8	
Mar	78.6	76.9	81.4	

The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow.

The 2014-15 year to date figure for invoices paid within 20 days is 78.7%. This compares to overall performance in previous years as follows:

	20 days %
2011-12	79.2
2012-13	77.3
2013-14	75.3
2014-15 to date	78.7

\* The lower percentages in May/June 2014 were due to a higher than usual number of invoices arriving late into the payments team, impacting on their ability to pay to terms.

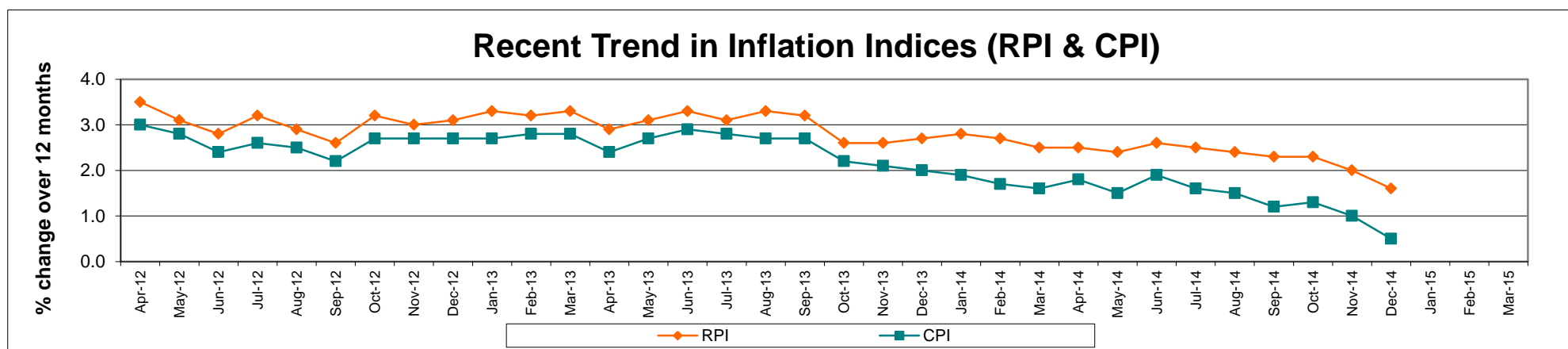


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there has been two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments, but is now not deemed to be a formal measure. The CPI measures a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

Percentage Change over 12 months

	2012-13		2013-14		2014-15	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	3.5	3.0	2.9	2.4	2.5	1.8
May	3.1	2.8	3.1	2.7	2.4	1.5
Jun	2.8	2.4	3.3	2.9	2.6	1.9
Jul	3.2	2.6	3.1	2.8	2.5	1.6
Aug	2.9	2.5	3.3	2.7	2.4	1.5
Sep	2.6	2.2	3.2	2.7	2.3	1.2
Oct	3.2	2.7	2.6	2.2	2.3	1.3
Nov	3.0	2.7	2.6	2.1	2.0	1.0
Dec	3.1	2.7	2.7	2.0	1.6	0.5
Jan	3.3	2.7	2.8	1.9		
Feb	3.2	2.8	2.7	1.7		
Mar	3.3	2.8	2.5	1.6		



## 2014-15 QUARTER 3 MONITORING OF PRUDENTIAL INDICATORS

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

Actuals 2013-14	£219.458m
Original estimate 2014-15	£270.967m
Revised estimate 2014-15	£247.777m

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

	2013-14	2014-15	2014-15	2015-16	2016-17
	Actual	Original Estimate	Forecast as at 31-12-14	Forecast as at 31-12-14	Forecast as at 31-12-14
	£m	£m	£m	£m	£m
Capital Financing requirement	1,435.263	1,437.960	1,389.327	1,377.926	1,319.859
Annual increase/reduction in underlying need to borrow	-29.697	-27.001	-45.936	-11.401	-58.067

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

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

Actuals 2013-14	13.62%
Original estimate 2014-15	14.04%
Revised estimate 2014-15	13.48%



#### 4. Operational Boundary for External Debt

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

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

	Prudential Indicator	Position as at 31.12.14
	£m	£m
Borrowing	993	966
Other Long Term Liabilities	261	254
	<u>1,254</u>	<u>1,220</u>

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

	Prudential Indicator	Position as at 31.12.14
	£m	£m
Borrowing	1,038	1,007
Other Long Term Liabilities	261	254
	<u>1,299</u>	<u>1,261</u>

#### 5. Authorised Limit for External Debt

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

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.12.14	Authorised limit for total debt managed by KCC	Position as at 31.12.14
	£m	£m	£m	£m
Borrowing	1,033	966	1,078	1,007
Other long term liabilities	261	254	261	254
	<u>1,294</u>	<u>1,220</u>	<u>1,339</u>	<u>1,261</u>

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

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

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

The Council has determined the following upper limits for 2014-15

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2014-15

**8. Upper limits for maturity structure of borrowings**

	Upper limit	Lower limit	As at 31.12.14
	%	%	%
Upper 12 months	10	0	2.28
12 months and within 24 months	10	0	6.25
24 months and within 5 years	15	0	6.65
5 years and within 10 years	15	0	9.63
10 years and within 20 years	20	5	12.56
20 years and within 30 years	20	5	14.80
30 years and within 40 years	25	10	10.48
40 years and within 50 years	25	10	21.41
50 years and within 60 years	30	10	15.94

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

Indicator	£175.0m
Actual	£74.4m

## 2014-15 DECEMBER SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
<b>Cash limit change due to revised external/grant funding availability/previous decisions:</b>						
GET	Public Rights of Way	92			Other External Funding	Funding received towards additional schemes on the PROW network.
GET	Public Rights of Way	30			Developer Contributions	Funding received towards additional schemes on the PROW network.
GET	Street Light Timing - Invest to Save	100			Grant	Additional funding towards increased costs.
<b>Cash limit change to cover overspends elsewhere in the capital programme:</b>						
GET	Member Highway Fund	-63			Grant	Contribution to Highway Major Enhancement Programme towards a resurfacing scheme.
GET	Highway Major Enhancement Programme	63			Grant	Contribution from Member Highway Fund towards a resurfacing scheme.
GET	Carriage Collapse - Emergency works	-50			Grant	To fund urgent culvert works in the Highway Major Enhancement programme
GET	Highway Major Enhancement Programme	50			Grant	To be funded from Carriageway Collapse Emergency Works.
GET	TS/HWRC - Swale	-250			Prudential	To fund additional works in the Weather Damage - Major Patching programme and increased costs on the Street Light Timing - Invest to Save project.
GET	Weather Damage - Major Patching	100			Prudential	To be funded from underspend on TS/HWRC - Swale
GET	Street Light Timing - Invest to Save	150			Prudential	To be funded from underspend on TS/HWRC - Swale

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
<b>Cash limit change to cover overspends elsewhere in the capital programme:</b>						
EYP	Academy Unit Costs	-73			Prudential	To fund non-contract spend incurred on the John Walls C of E Academy and Knowle Academy projects.
EYP	The John Wallis C of E Academy	32			Prudential	To be funded from Academy unit costs.
EYP	Knowle Academy, Sevenoaks	41			Prudential	To be funded from Academy unit costs.

**Proposed change of directorate:**

It is also proposed to move LIVE Margate from Growth, Environment and Transport to Strategic & Corporate Services.

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

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (excl Schools) (£k)</b>	+84,227	-5,950	-	-5,950
	<b>Schools (£k)</b>	-	+10,598	-	+10,598
	<b>Directorate Total (£k)</b>	<b>+84,227</b>	<b>+4,648</b>	<b>-</b>	<b>+4,648</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Education &amp; Young People's Services</b>						
<b>Delegated Budget:</b>						
Schools & Pupil Referral Units Delegated Budgets	693,524.3	-693,524.3	0.0	+10,598	+2,414 +6,147 +2,037	Drawdown from school reserves for 34 expected academy converters Expected drawdown of reserves for remaining Kent schools based on schools nine month monitoring Expected drawdown of reserves from the schools unallocated reserve to fund in year pressures
<b>TOTAL DELEGATED</b>	<b>693,524.3</b>	<b>-693,524.3</b>	<b>0.0</b>	<b>+10,598</b>		
<b>Non Delegated Budget:</b>						
E&YP Strategic Management & directorate support budgets	6,124.1	-8,158.0	-2,033.9	+1,185	+1,922 +129	Savings target relating to Early Help & Preventative Services Division was held here pending agreement on how this would be delivered; offsetting savings are now reflected in the Early Intervention & Prevention and Children's Centres A-Z lines below. Additional Area Education staffing costs due to school closures <i>(includes a DSG variance of +£94k)</i>

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -421 Underspend on legal fees  -185 <i>DSG variance - EYP directorate wide supplies &amp; services</i> -182 <i>DSG variance - lower than budgeted costs of feasibility studies for abortive capital projects</i> -122 <i>DSG variance - non staffing underspend in relation to the Kent Test (mainly printing, software costs and specialist fees)</i> +44 Other minor variances	A saving has been reflected in the recently approved 2015-18 MTFP
<b>Children's Services - Children in Need</b>						
- Children's Centres	14,550.0	-1,576.5	12,973.5	-2,608	-1,416 Savings from vacancies linked to the service restructure -1,141 Underspend on non staffing budgets across the 17 children's centre hubs -51 Other minor variances	A saving has been reflected in the recently approved 2015-18 MTFP
- Preventative Services	5,442.9	-1,331.0	4,111.9	+326	+333 Commissioned services contracts which were due to cease part way through the year to achieve savings targets but have been extended for a further six months -7 Other minor variances	
	19,992.9	-2,907.5	17,085.4	-2,282		
<b>Children's Services - Education &amp; Personal</b>						
- 14 - 19 year olds	3,937.1	-1,032.3	2,904.8	-755	-686 Kent Youth Employment programme placements: £341k of this underspend will need to roll forward to fund our legal obligation to continue with the current placements. If required, the remaining £345k 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.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -121 Underspend on reducing unemployment projects to partially offset the overspend on Kent Science Resource centre (see below) +175 Kent Science Resource centre - due mainly to increased property costs as the centre moves buildings -64 Assisted Apprenticeships - a roll forward will be requested for this to cover placements in 2015-16 for the most vulnerable of young people -59 Other minor variances	
- Attendance & Behaviour	3,398.2	-2,620.9	777.3	-129	-240 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£129k)</i>  -207 <i>DSG variance - underspend on Individual Tuition</i> +224 Kent Integrated Adolescent Support Service (KIASS) Education Welfare staffing pressure <i>(includes a DSG variance of +£165k)</i> +94 Other minor variances	This saving reflects the DfE changes to regulations, removing discretion from Headteachers to allow 10 days absence and has been reflected in the recently approved 2015-18 MTFP
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-520	-500 Planned underspend to contribute towards the savings target held in Strategic Management & Directorate support above +40 ICT costs of single view technology to provide a platform to capture integrated children and families information from existing EYP systems and the new Early Help Module -60 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
- Early Years & Childcare	£'000 6,725.2	£'000 -4,673.2	£'000 2,052.0	£'000 -53	£'000 +85 Staff vacancies and associated non staffing 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 +£129k)</i>  +250 Under recovery of Early Years training income  -166 Underspend on Every Child a Talker project  -102 <i>DSG variance - Reduction in applications for training schemes</i>  -101 Underspend on collaboration work  -19 Other minor variances	
- Early Years Education	61,760.4	-61,760.4	0.0	-7,920	-7,500 <i>Schools Unallocated DSG variance - parental demand for two year old places less than affordable levels</i>  -420 <i>Schools Unallocated DSG variance - forecast parental demand for 3 &amp; 4 year old places lower than affordable level</i>	
- Education Psychology Service	2,920.3	-600.0	2,320.3	-344	-235 Traded income from schools for non statutory psychology services  -96 Underspend due to staff vacancies  -13 Other minor variances	This additional income has been reflected in the recently approved 2015-18 MTFP
- Individual Learner Support	8,202.9	-7,335.1	867.8	-296	-186 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 -£124k)</i>  -85 Portage service non staffing underspend <i>(includes a DSG variance of -£59k)</i>  -25 Other minor variances	



Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Stated Pupils	5,370.3	-5,370.3	0.0	-15	+427 -483 +41	<i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> <i>DSG variance - reduced demand for stated support for pupils</i> Other minor variances
- Youth Service	7,988.4	-2,455.8	5,532.6	+137	+137	Other minor variances all individually less than £100k in value
- Youth Offending Service	5,463.3	-2,441.9	3,021.4	-383	-299 -84	Underspend on KIASS district budgets due mainly to staff vacancies Other minor variances
	108,237.9	-88,289.9	19,948.0	-10,278		
<u>Children's Services - Other Children's Services</u>						
- Safeguarding	507.5	-150.0	357.5	-34		
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,190.6	-14,319.3	-1,128.7	+213	+343 -130	Property related costs Other minor variances each less than £100k in value
- Supporting Employment	1,056.2	-335.0	721.2	-58		
- Troubled Families Programme	5,058.3	-4,700.4	357.9	-2,090	-2,090	Underspend due to projects supporting families spanning financial years. In addition, due to the payment by results element of the programme, the grant has increased in year and the projects associated with this increase do not begin until the income is received. A roll forward request will be submitted to continue supporting families as part of the Tackling Troubled Families government initiative.
	19,305.1	-19,354.7	-49.6	-1,935		
<u>Housing Related Support for Vulnerable People (Supporting People)</u>						
- Young People	3,968.9	0.0	3,968.9	-241	-241	Contract variations and efficiencies

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>School &amp; High Needs Education Budgets</b>						
- Exclusion Services	2,082.4	-2,082.4	0.0	-46		
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	+438	+438	<i>Schools Unallocated DSG variance - increased costs of high needs placements for post 16 students in colleges</i>
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	+1,437	+1,437	<i>Schools Unallocated DSG variance - increase in costs of independent sector places for post 16 students</i> <i>This pressure has been reflected in the recently approved 2015-18 MTFP</i>
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	+1,721	+1,721	<i>Schools Unallocated DSG variance - increase in costs of independent special school places</i> <i>This pressure has been reflected in the recently approved 2015-18 MTFP</i>
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0		
	48,684.4	-48,684.4	0.0	+3,550		
<b>Schools Services:</b>						
- High Needs Pupils - Recoupmnt	905.9	-905.9	0.0	-108	+595	<i>Schools Unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools</i>
					-703	<i>Schools Unallocated DSG variance - Additional income from other local authorities with pupils in Kent schools</i>
- Other Schools Services	6,794.5	-6,900.7	-106.2	+391	+222	Work in excess of capital maintenance funding including asbestos +463k (due to changes in the methods of dealing with asbestos), planned maintenance +£32k (due to the phasing of work within the 3 year programme) and legionella, tree and condition surveys -£273k
					+211	<i>DSG variance - Pressure on mobile classrooms budget to fulfil basic need</i>
					-42	Other minor variances
- Redundancy Costs	1,188.7	-1,188.7	0.0	-35		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- School Improvement	10,566.7	-7,429.4	3,137.3	-207	+587 Shortfall against budgeted surplus for training & development +143 Shortfall against budgeted surplus for governor training services -492 Underspend on the Intervention Fund <i>-222 DSG variance - Underspend on DSG school improvement collaboration programme which will continue into the summer term</i> -147 Increased surplus for other traded services (Clerking and Improving Together Network) -76 Other minor variances, each less than £100k in value	
- Schools Staff Services	2,644.0	-2,541.0	103.0	-89		
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-436	-436 Reduced annual capitalisation costs of pensions	
	30,427.8	-21,649.7	8,778.1	-484		
<u>Transport Services</u>						
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-714	-179 Reduction in demand for home to college transport for SEN students -53 Reduced costs for the 16+ card due to reduced journey usage during the summer term offset by forecast increase cost of journeys for the autumn and spring terms -494 Forecast increased income for the autumn and spring terms due to an increase in pass take up +12 Other minor variances	
- Mainstream HTST	10,542.3	-20.0	10,522.3	-1,476	-1,476 Fewer than budgeted numbers of pupils travelling and cost per head reducing as more transport is arranged using public transport rather than hired vehicles	This saving has been 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		
- SEN HTST	18,972.5	-425.0	18,547.5	+1,670	+1,900	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel	This pressure has been reflected in the 2015-18 MTFP
					+94	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	These pressures are ongoing and a realignment of SEN HTST budget between transport costs, personal transport & independent travel trainers service has been reflected in the 2015-18 MTFP
					+156	Increased pressure on Personal Transport budgets awarded to pupils where the cost of this scheme is lower than providing transport	
					-480	Recoupment income for transport provided for other local authority pupils with special needs attending Kent schools	This saving has been reflected in the 2015-18 MTFP
	33,428.5	-2,433.0	30,995.5	-520			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,834.0	-7,475.2	2,358.8	-97			
- Children's Social Care Staffing	6,094.4	-3,276.6	2,817.8	-466	-350	Early Intervention team staff vacancies <i>(includes a DSG variance of -£140k)</i>	
					-116	Other minor variances each less than £100k in value	
	15,928.4	-10,751.8	5,176.6	-563			
<u>Support to Frontline Services</u>							
- Human Resources	0.0	0.0	0.0	0			
<b>TOTAL NON DELEGATED</b>	<b>286,605.5</b>	<b>-202,379.0</b>	<b>84,226.5</b>	<b>-11,602</b>			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- <i>Transfer to(+)/from(-) DSG reserves</i>				+5,652	<p><b>Net transfer to the Schools</b></p> <p><b>Unallocated DSG reserve to offset:</b></p> <p>+7,920 <i>DSG underspend of -£7,920k on Early Years Education</i></p> <p>-3,488 <i>DSG variances of +£3,488k on High Needs Education &amp; Recoupment</i></p> <p><b>Net transfer to the Central DSG reserve to offset:</b></p> <p>+929 <i>DSG variances of -£929k explained above</i></p> <p>+291 <i>A number of other smaller DSG variances totalling -£291k</i></p>	
TOTAL NON DELEGATED after transfer to / from DSG reserve	286,605.5	-202,379.0	84,226.5	-5,950	Roll forward of £341k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and requests will be made to roll forward the remaining £2,499k underspend against this programme, the Assisted Apprentices programme and the Troubled Families programme in order for these schemes to continue into 2015-16. The adjusted position for EYP after allowing for this roll forward is an underspend of -£3,110k.	
<b>Total E&amp;YPS</b>	<b>980,129.8</b>	<b>-895,903.3</b>	<b>84,226.5</b>	<b>+4,648</b>		

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

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

	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	412
Total value of school reserves	£59,088k	£48,124k	£45,730k	£39,564k
Number of deficit schools	7	8	18	12
Total value of deficits	£833k	£364k	£2,017k	£3,081k

#### Comments:

- The information on deficit schools for 2014-15 has been obtained from the schools nine month monitoring and show 12 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 12 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 34 schools (including 2 secondary schools and 32 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 value of schools reserves is forecast to reduce by £6,166k this financial year. This movement includes a net increase in the schools unallocated DSG reserve of £2,395k due to an underspend on the Early Years Education budget of £7,920k, a pressure on high needs education of £3,488k and a net drawdown from the schools unallocated reserve of £2,037k for schools related items. In addition, a drawdown of £8,561k is forecast against individual schools reserves. This assumes that 34 schools convert to academy status by 31 March with a consequential drawdown of £2,414k and that the remaining Kent schools drawdown £6,147k from their reserves based on the nine month monitoring returns.

## 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	3,725	12,493	8,969
Oct	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123
Nov	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237
Dec	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220
Jan	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258
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:

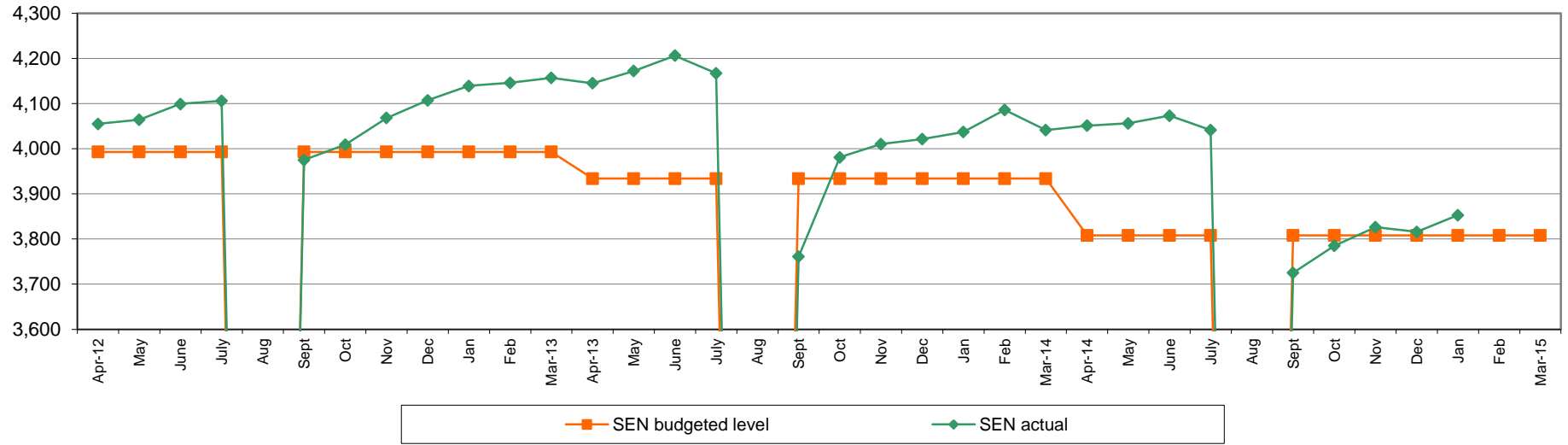
**SEN HTST**

- The number of children travelling was higher than the budgeted level for the summer term and although numbers have reduced at the start of the autumn term they have increased as the term develops. There are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel.
- Recent changes in the commissioning of SEN transport, where some special schools & PRUs are given an allocation to provide their own transport, mean that these journeys are not included within the numbers travelling from September 2014.
- A pressure of +£1,900k is therefore reported in table 1 relating to this activity, which is offset by £480k recoupment income from other Local Authorities for transport of their pupils to Kent schools.

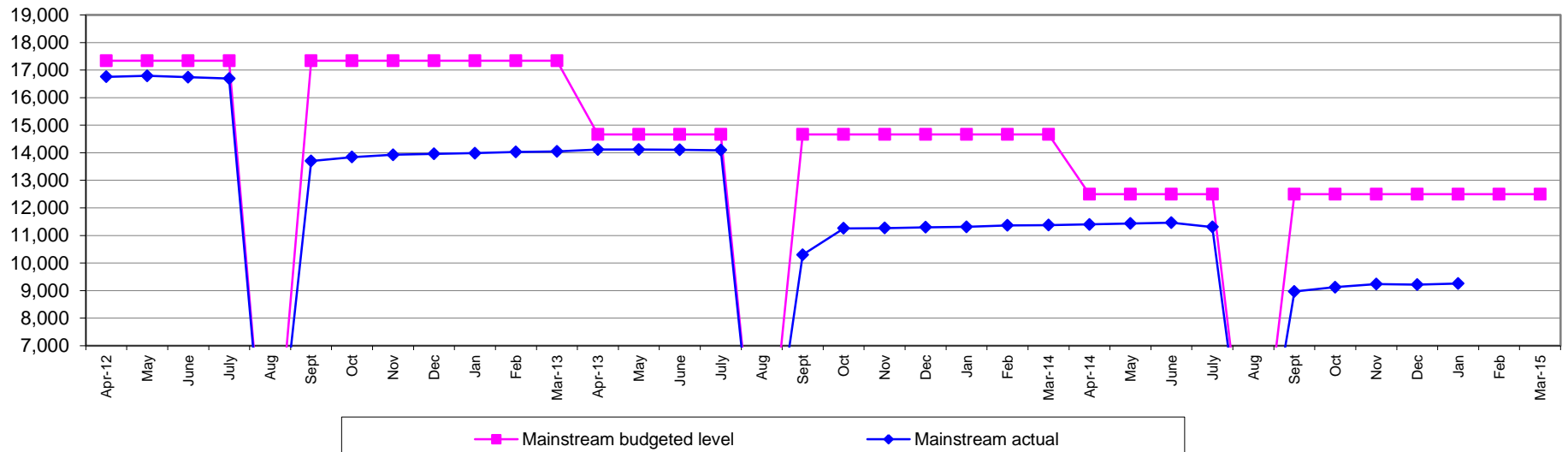
**Mainstream HTST**

- The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£1,476k is reported in table 1. During the 2014-15 academic year the secondary aged population is at its lowest and will begin to increase as the rise in the birth rate moves through the primary sector into the secondary sector in future years.

Number of children receiving assisted SEN transport to school



Number of children receiving assisted Mainstream transport to school

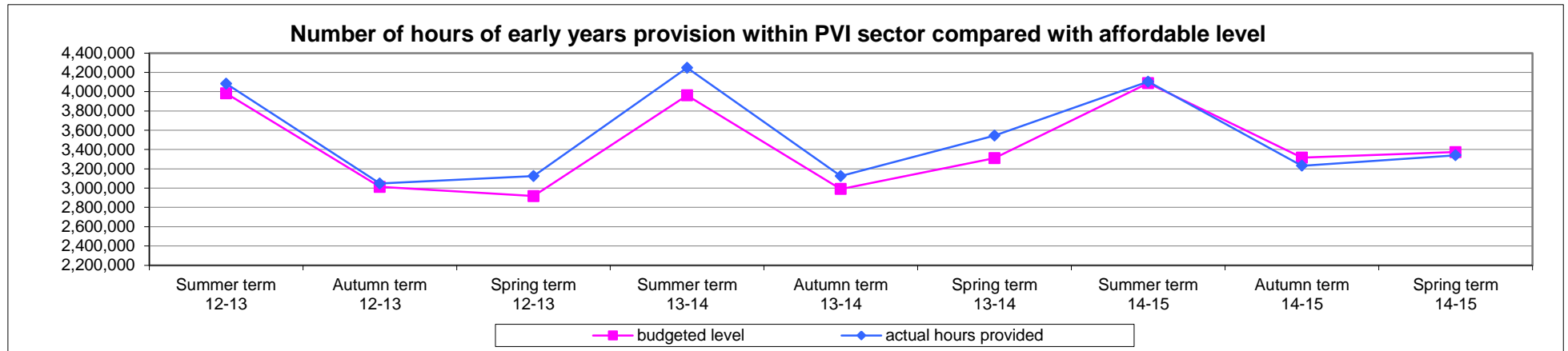




**2.3 Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:**

	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	4,087,898	4,104,172
Autumn term	3,012,602	3,048,035	2,990,107	3,126,084	3,315,075	3,232,085
Spring term	2,917,560	3,125,343	3,310,417	3,543,567	3,373,424	3,340,550
<b>TOTAL</b>	<b>9,912,767</b>	<b>10,256,248</b>	<b>10,261,679</b>	<b>10,917,112</b>	<b>10,776,397</b>	<b>10,676,807</b>

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



**Comments:**

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks. The forecast number of hours of early years provision for 3 & 4 year olds is 10,676,807 which is over 99,000 hours less than budgeted.
- The Dedicated School Grant was adjusted in the quarter 2 report to reflect January 2014 pupil numbers and the affordable number of hours was uplifted accordingly. Actual hours are less than budgeted, hence an underspend of -£420k is 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 £143,987k. The forecast outturn against the 2014-15 budget is £90,490 giving a variance of -£53,497k.

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 <sup>1</sup>	Explanation of Project Status	Actions	
<b>Rolling Programmes</b>										
Annual Planned Enhancement Programme	24,000	12,073	-1,710	-960	Real underspend - grant	Underspend to be used to fund £750k additional costs at St Johns /Kingsmead and £210k on UIFSM.	Green			
				250	Real overspend - grant					Overspend relates to additional works at Minster Primary.
				-1,000	Rephasing - grant					Difficulties in accessing schools, tendering works and finalising briefs has caused some delays.
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,759	-1,409	-201	Rephasing - prudential	A recent review has been carried out of the PRUs.	Amber			
				-1,208	Rephasing - capital receipt					Works are to progress in the following financial year.
Youth - Modernisation of Assets		34	13	47	Real - revenue contribution		Green			
				-34	Rephasing - prudential					

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
<b>Basic Need Schemes</b> - to provide additional pupil places:									
Basic Need Programme 2013-15	70,037	51,077	-15,419	-15,419	Rephasing	Rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been re-forecast in 2015/16. No delays to project completion dates.	Amber	There is an overall overspend of £12,351k which has been reviewed in detail during the budget setting process. £375k of this will be funded from the underspend on Goat Lees, £6k from the underspend on Unit Review. The overspend includes £2,360k pressure from construction inflation, which was previously reported separately.	
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, this has been reviewed during the budget setting process.	

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 <sup>1</sup>	Explanation of Project Status	Actions
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	0	139	0				Green		
<b>Modernisation Programme</b> - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	4,000	1,969	-1,750	-252	Real - grant	£250k underspend to be used to fund additional costs on the Annual Planned Enhancement Programme. £2k to be used for Primary Improvement Programme.	Amber	Amber until programme finalised.	
				-1,498	Rephasing	£1,498k of rephasing includes £124k to be held for Basic Need.  Programme to be finalised once funding allocations confirmed.			
St Johns / Kingsmead Primary School, Canterbury	1,112	1,349	750	750	Real - grant	Overspend due to additional window and roof works, to be funded from the Annual Planned Enhancement Programme.	Amber	£650k contribution due from Canterbury Diocese towards this project, not yet received.	
<b>Special Schools Review</b> - major projects supporting the special schools review:									
Special Schools Review phase 1	0	670	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 <sup>1</sup>	Explanation of Project Status	Actions
Special Schools Review phase 2	56,220	33,706	-24,326	-16,444	Rephasing - prudential	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.	Amber	Across the three year programme, there is a total £7,060k forecast overspend, £120k (supported borrowing) to be funded from underspend on BSF Unit Costs in future years and £6,940k of which is unfunded and has been reviewed during the budget setting process. The overspend includes £1,000k relating to construction inflation, previously reported as a separate line.	
				-2,630	Rephasing - supported borrowing				
				-5,252	Rephasing - capital receipt				
The Wyvern School, Ashford (Buxford Site)	0	6	0				Green		
<b>Academy Projects:</b>									
Astor of Hever (St Augustine's Academy), Maidstone	1,286	1,691	452	452	Real - grant £336k & supported borrowing £116k	Asbestos claim to be funded from underspend on BSF Unit Costs.	Amber		
Dover Christ Church	9,619	7,425	-1,500	-1,500	Rephasing - grant	Construction delays on the project have pushed back the completion of two main phases of work. Negotiations are ongoing to bring project completion back on track.	Amber	There is no anticipated impact on the completion date.	
The Duke of York's Royal Military School	4,922	4,778	0				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 <sup>1</sup>	Explanation of Project Status	Actions
Isle of Sheppey Academy	200	0	0				Green		
The John Wallis C of E Academy	2,146	2,869	32	32	Real - prudential	Non contract spend to be funded from Academy Unit Costs.	Green		+£32k cash limit change in 2014-15
Knowle Academy Sevenoaks	2,767	3,860	41	41	Real - prudential	Non contract spend to be funded from Academy Unit Costs.	Green		+£41k cash limit change in 2014-15
Wilmington Enterprise College	376	430	0				Green		
Skinners Academy		0	265	265	Real - grant	Additional works in exchange for a piece of land from the school.	Amber		
Academy Unit Costs		511	-73	-73	Real - prudential	Funding of non contract spend on The John Wallis Academy and Knowle Academy.	Green		-£73k cash limit change in 2014-15
BSF Wave 3 Build Costs		834	-723	-723	Rephasing - capital receipt	Outstanding ICT issues at schools yet to be resolved.	Green		
BSF Unit Costs		623	-603	-452 -151	Real - grant -£336k & supported borrowing - £116k Rephasing	£452k underspend to be used to fund asbestos claim at Astor of Hever. £120k (supported borrowing) underspend to be used to fund costs within SSR in future years. £31k to be rephased.	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Other Projects:</b>									
Primary Improvement Programme		0	51	51	Real - £2k grant, £49k prudential	Overspend to be funded from Unit Review £49k and Modernisation £2k.	Amber		
Specialist Schools	185	325	0				Green		
Canterbury Family Centre	0	37	0				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		
Free School Meals Capital Money	2,777	2,777	210	210	Real - grant	Original planned kitchen works to be part funded from Annual Planned Enhancement.	Green		
Integrated Youth Service - Youth Hub Reprovision	948	1,081	-553	-553	Rephasing	Amendments to design and layout required resubmission of plans for approval. Completion is expected at the end of June which is rephased from earlier estimated timescales.	Amber	Revised completion date to the end of June 2015.	

## 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 <sup>1</sup>	Explanation of Project Status	Actions
Nursery Provision for Two Year Olds	2,368	2,375	-612	-612	Rephasing	Delays in obtaining planning permission have led to some projects completing in the following year.	Amber	Remaining projects to complete early in 2015/16.	
One-off Schools Revenue to Capital		421	0				Green		
Platt CEPS		85	-85	-85	Rephasing		Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre		11	0				Green		
Sevenoaks Grammar Schools	13,769	5,540	-3,740	-3,740	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	Green		
Tenterden Infant School		25	-25	-25	Real - developer contributions	School managed project funded from developer contributions. Spend to be incurred by the school, therefore excluded from the monitoring.	Green		
Trinity Free School, Sevenoaks		3,794	-2,500	-2,500	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	Amber	Full project cost expected to be £11.3m, to be funded from grant.	



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 <sup>1</sup>	Explanation of Project Status	Actions
Unit Review	1,505	322	-312	-312	Real - prudential	£59k (£49k in 2014/15 and £10k in 2015/16) funding to be used for Primary Improvement Programme and £6k for Basic Need. £247k to be used elsewhere within the ELS programme.	Green		
Vocational Education Centre Programme		148	0				Green		
Website & Portal Development			30	30	Real - revenue	To be funded through an SLA with schools.	Green		
Ashford North Youth Centre			16	16	Real - developer contributions	Garage conversion.	Green		
Priority School Build Programme			890	890	Real - grant	Additional costs on the Priority School Build Programme at Meopham School.	Amber		
<b>Total</b>	<b>227,510</b>	<b>143,987</b>	<b>-53,497</b>	<b>-53,497</b>					

## 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**  
**DECEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
<b>Total excl Asylum (£k)</b>	+127,517	+2,847	-420	+2,427
<b>Asylum (£k)</b>	+280	+3,099	-	+3,099
<b>Special Ops (£k)</b>	-	+812	-	+812
<b>Total (£k)</b>	<b>+127,797</b>	<b>+6,758</b>	<b>-420</b>	<b>+6,338</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Specialist Children's Services</b>						
Strategic Management & Directorate Support budgets	4,976.5	-175.0	4,801.5	-188	-417 Underspend on commissioning staffing budget +153 Staffing pressure +76 Other minor variances, each below £100k	
<b>Children's Services - Children in Care (Looked After)</b>						
- Fostering	33,373.5	-41.0	33,332.5	+678	-781 In House: Forecast -2,133 weeks below affordable level of 55,147 +341 In House: Forecast unit cost £6.19 above affordable level of £360.14 -316 In House: reduction in spend on 'other' costs such as personal expenses, specialist fees and client public transport following planned action to reduce costs -49 In House: other minor variances +1,000 In House: unachievable savings	The overall pressure within Fostering has been 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	
					+1,062 Independent Sector (IFA): Forecast 1,129 weeks above affordable level of 8,788	
					-39 Independent Sector (IFA): Forecast unit cost -£4.46 below affordable level of £945.07	
					-72 Independent Sector (IFA): Other minor variances	
					+124 Financial allowances for permanency arrangements: unachievable saving	
					-268 Reduction in Related Fostering payments and other financial allowances for permanency arrangements	
					-306 Staffing saving on county fostering team	
					-18 Other minor variances	
- Legal Charges	7,411.9	0.0	7,411.9	-612	+300 Unachievable saving	This saving has been reflected in the 2015-18 MTFP
					-912 Reduction in legal fees and court charges	
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-34	-98 Independent Sector residential care: Forecast -31 weeks below affordable level of 2,509 weeks, partially due to young people becoming care leavers (see care leavers below)	A saving within Residential Children's Services has been reflected in the 2015-18 MTFP
					-229 Independent Sector residential care: Forecast unit cost -£91.34 below affordable level of £3,266.04	
					+400 Independent Sector residential care: unachievable saving	
					+20 Independent residential care: reduction in income as a result of activity being 31 weeks below affordable level	
					-353 Reduction in secure accommodation placements	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+138 Additional activity within residential short breaks unit	
					+103 Staffing pressure	
					-119 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.	
					+104 Other minor variances, each below £100k	
- Virtual School Kent	4,348.7	-2,953.3	1,395.4	-91		
	61,020.9	-5,857.0	55,163.9	-59		
<b>Children's Services - Children in Need</b>						
- Preventative Services	10,650.5	-1,327.6	9,322.9	-217	+243 Increase in direct payments	
					+26 Direct payments: unachievable saving	
					-217 Additional contributions from health for direct payments	
					+127 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	
					-137 Efficiencies on the recommissioning of a specialist service	
					-141 Additional income from health previously received by external provider	
					-78 Saving on section 17 payments due to reduced activity	
					-40 Other minor variances	
	10,650.5	-1,327.6	9,322.9	-217		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Children's Services - Other Social Services</b>						
- Adoption	10,788.5	-1,319.1	9,469.4	+627	-302	The overall pressure within Adoption has been addressed in the 2015-18 MTFP
					+257	
					+692	
					+600	
					-600	
					-20	
- Asylum Seekers	11,883.3	-11,603.3	280.0	+3,099	-1,420	
					+1,420	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+313 Pressure relating to under 18 UASC due to ineligibility	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.
					+864 Pressure relating to over 18's due to ineligibility, of which £462k relates to All Rights Exhausted (ARE) clients	
					+1,922 Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6 below), including infrastructure costs	
- Leaving Care (formerly 16+)	5,296.9	0.0	5,296.9	+170	+461 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education.	
					-265 Rebadging of existing eligible expenditure to 'Staying put' grant income from DfE	
					-26 Other minor variances	
- Safeguarding	4,979.4	-460.4	4,519.0	-213	-112 Underspend on Kent Safeguarding Children Board (KSCB) base budget	
					-152 Staffing saving	
					+51 Other minor variances	
	32,948.1	-13,382.8	19,565.3	+3,683		
<b>Assessment Services</b>						
- Children's social care staffing	40,573.7	-1,630.3	38,943.4	+2,727	+870 Pressure on staffing budgets due to appointment of agency staff	The overall pressure on Children's Social Care Staffing has been addressed in the recently approved 2015-18 -----
					+1,500 Unachievable saving	
					+357 Recruitment & retention payments for children's social workers	
<b>Total SCH&amp;W (SCS)</b>	<b>150,169.7</b>	<b>-22,372.7</b>	<b>127,797.0</b>	<b>+5,946</b>		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Assumed Mgmt Action</b>				-420		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 £420k 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.
<b>Total SCH&amp;W (SCS) Forecast after mgmt action</b>	<b>150,169.7</b>	<b>-22,372.7</b>	<b>127,797.0</b>	<b>+5,526</b>		
<b><u>Memorandum</u></b> <i>These costs are in addition to the position reported above</i>						The costs of this special operation will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
Special Operations				<b>+812</b>	+140 In house fostering: 395 weeks @ £354.68 per week +130 Staffing +40 IFA fostering: 39 weeks @ £1,024.19 per week +230 Residential: 66 weeks @ £3,490.91 per week +55 Interpreter costs +217 Legal costs	

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

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

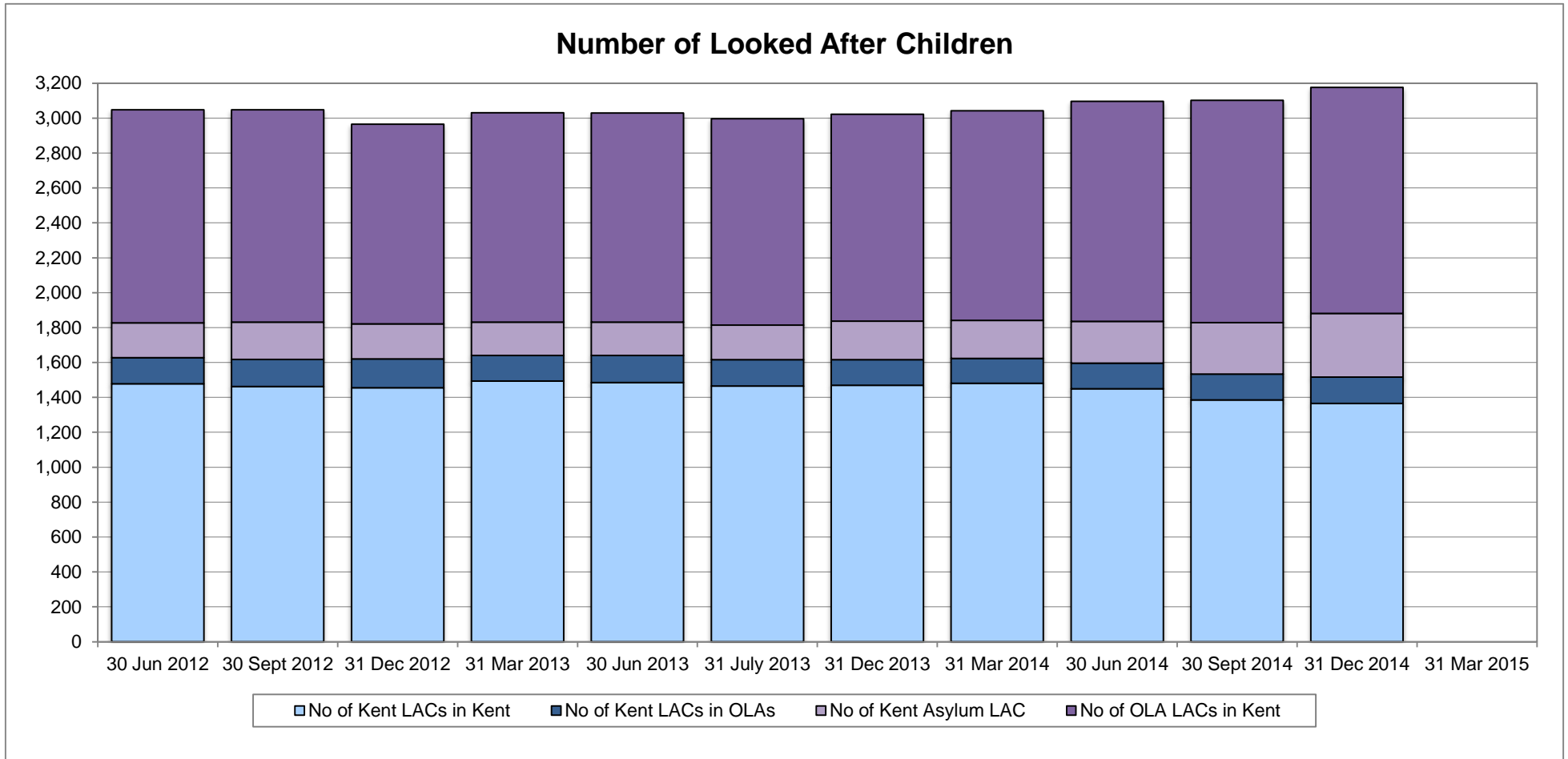
		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2012-13	30-Jun	1,478	149	<b>1,627</b>	200	<b>1,827</b>	1,221	<b>3,048</b>
	30-Sep	1,463	155	<b>1,618</b>	214	<b>1,832</b>	1,216	<b>3,048</b>
	31-Dec	1,455	165	<b>1,620</b>	202	<b>1,822</b>	1,144	<b>2,966</b>
	31-Mar	1,494	147	<b>1,641</b>	190	<b>1,831</b>	1,200	<b>3,031</b>
2013-14	30-Jun	1,485	155	<b>1,640</b>	192	<b>1,832</b>	1,197	<b>3,029</b>
	30-Sep	1,465	152	<b>1,617</b>	198	<b>1,815</b>	1,182	<b>2,997</b>
	31-Dec	1,470	146	<b>1,616</b>	221	<b>1,837</b>	1,185	<b>3,022</b>
	31-Mar	1,481	143	<b>1,624</b>	218	<b>1,842</b>	1,200	<b>3,042</b>
2014-15	30-Jun	1,450	147	<b>1,597</b>	238	<b>1,835</b>	1,261	<b>3,096</b>
	30-Sep	1,385	148	<b>1,533</b>	296	<b>1,829</b>	1,273	<b>3,102</b>
	31-Dec	1,365	152	<b>1,517</b>	364	<b>1,881</b>	1,296	<b>3,177</b>
	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 (excluding Asylum) has reduced by 16 since quarter 2, and by 107 this financial year, there could have been more (or less) during the period.
- Although there is a reduction in the number of LAC, there is still an overall pressure on the SCS budget. After taking into account management action and unachievable savings, this pressure primarily relates to non LAC headings such as staffing, leaving care and adoption.

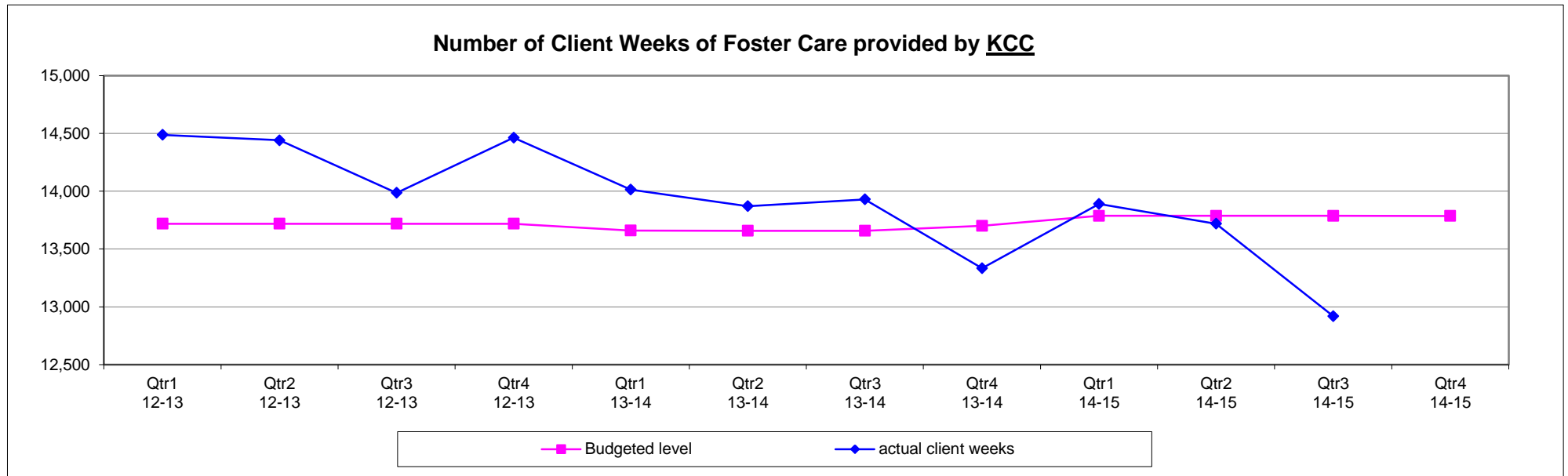


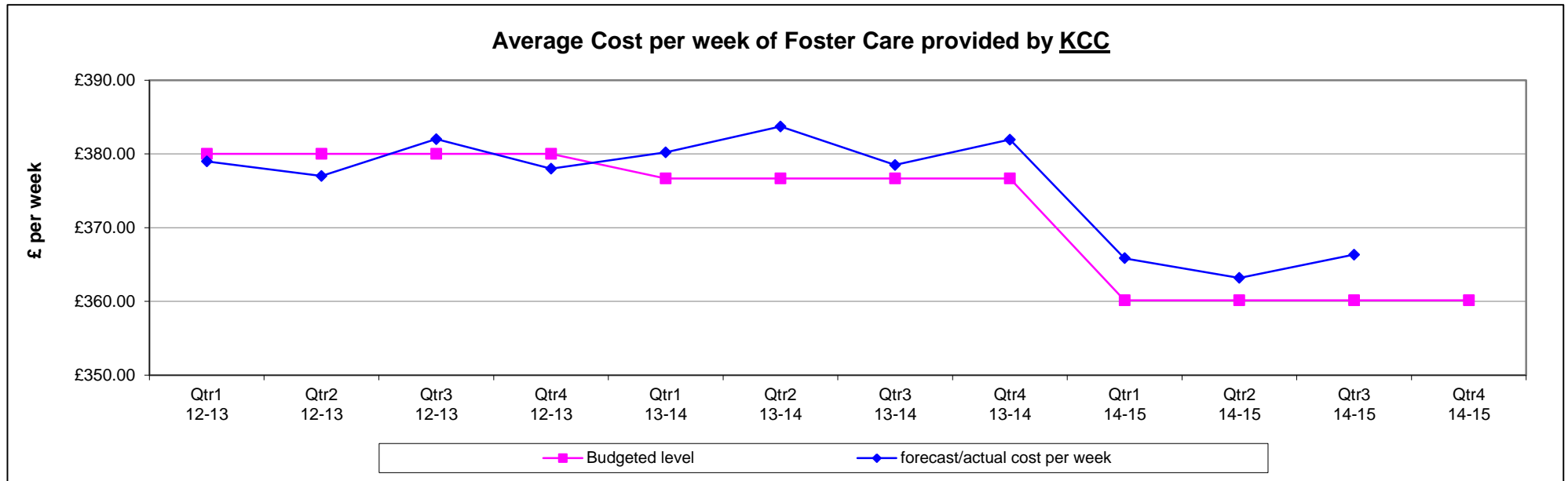
- The OLA LAC information has a confidence rating of 52% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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	13,719	£360.14	£363.19
Oct to Dec	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	13,787	12,919	£360.14	£366.33
Jan to Mar	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	13,786		£360.14	
	<b>54,872</b>	<b>57,375</b>	<b>£380</b>	<b>£378</b>	<b>54,675</b>	<b>55,148</b>	<b>£376.67</b>	<b>£381.94</b>	<b>55,147</b>	<b>40,527</b>	<b>£360.14</b>	<b>£366.33</b>



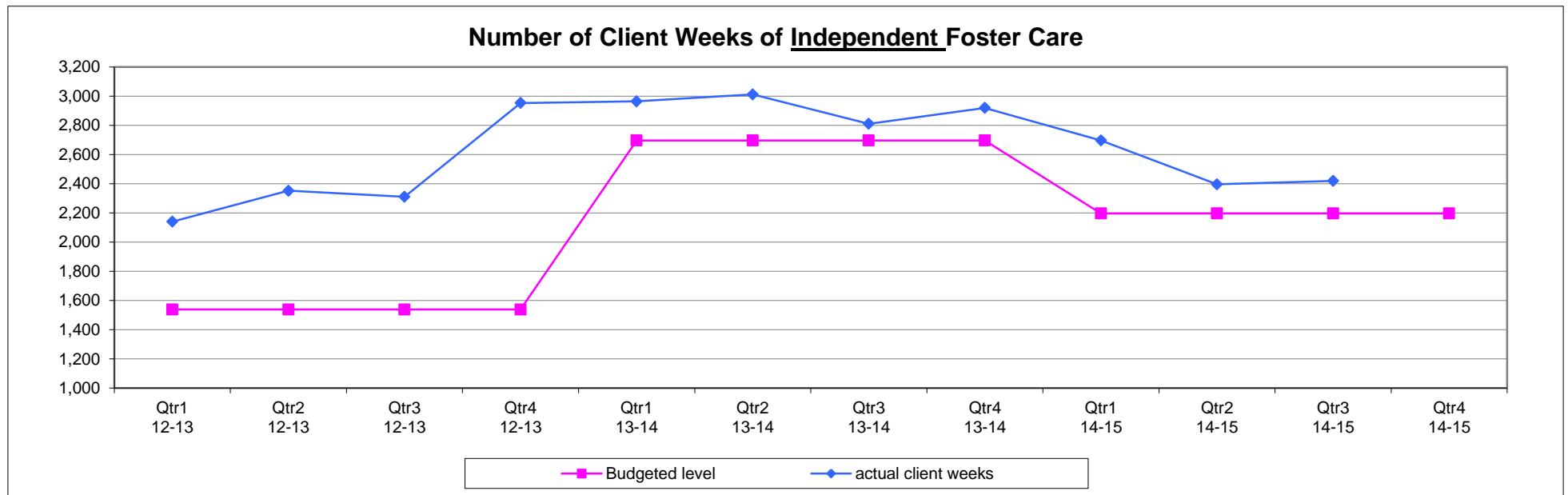


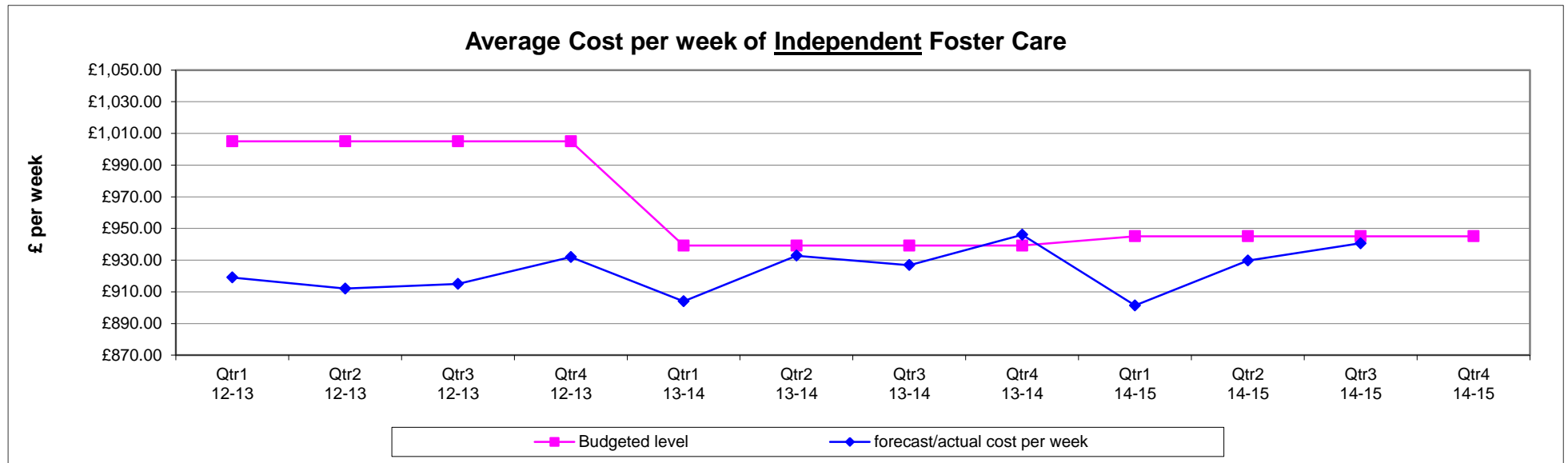
#### Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the 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 53,014 (excluding asylum), which is 2,133 weeks below the affordable level. At the forecast unit cost of £366.33 per week, this increase in activity gives an underspend of -£781k, 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 either end or transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £366.33 is +£6.19 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£341k, as shown in table 1.
- Overall therefore, the combined gross underspend on this service is -£440k (-£781k + £341k).
- **Special Operations forecast activity of 395 weeks at £354.68 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	2,396	£945.07	£929.73
Oct to Dec	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,197	2,419	£945.07	£940.61
Jan to Mar	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,197		£945.07	
	<b>6,152</b>	<b>9,756</b>	<b>£1,005</b>	<b>£932</b>	<b>10,786</b>	<b>11,705</b>	<b>£939.19</b>	<b>£946.08</b>	<b>8,788</b>	<b>7,512</b>	<b>£945.07</b>	<b>£940.61</b>





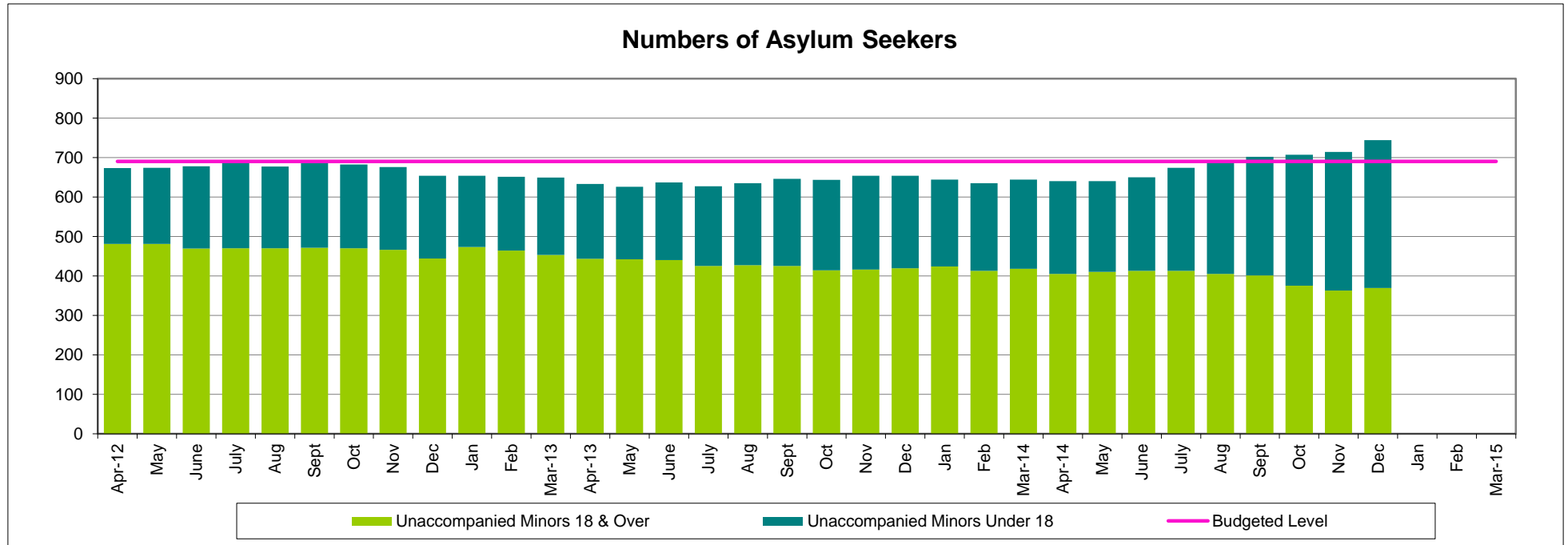
**Comments:**

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the 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 9,917 (excluding asylum), which is 1,129 weeks above the affordable level. At the forecast unit cost of £940.61 per week, this increase in activity gives a pressure of £1,062k as shown in table 1.
- The forecast unit cost of £940.61 is £4.46 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of £39k as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £1,023k (£1,062k - £39k).
- The forecast average unit cost of £940.61 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	<b>673</b>	190	443	<b>633</b>	235	405	<b>640</b>
May	193	481	<b>674</b>	184	442	<b>626</b>	230	410	<b>640</b>
Jun	209	469	<b>678</b>	197	440	<b>637</b>	237	413	<b>650</b>
Jul	217	470	<b>687</b>	202	425	<b>627</b>	261	413	<b>674</b>
Aug	207	470	<b>677</b>	208	427	<b>635</b>	282	405	<b>687</b>
Sep	215	471	<b>686</b>	221	425	<b>646</b>	301	401	<b>702</b>
Oct	212	470	<b>682</b>	229	414	<b>643</b>	332	375	<b>707</b>
Nov	210	466	<b>676</b>	238	416	<b>654</b>	351	363	<b>714</b>
Dec	210	444	<b>654</b>	235	419	<b>654</b>	375	369	<b>744</b>
Jan	181	473	<b>654</b>	220	424	<b>644</b>			
Feb	187	464	<b>651</b>	222	413	<b>635</b>			
Mar	196	453	<b>649</b>	226	418	<b>644</b>			

Please also note: The 2014-15 figures have been revised from those shown in previous reports following a change in the methodology used. UASC are now only included when their Looked After Child (LAC) status has formally commenced.



## Comments:

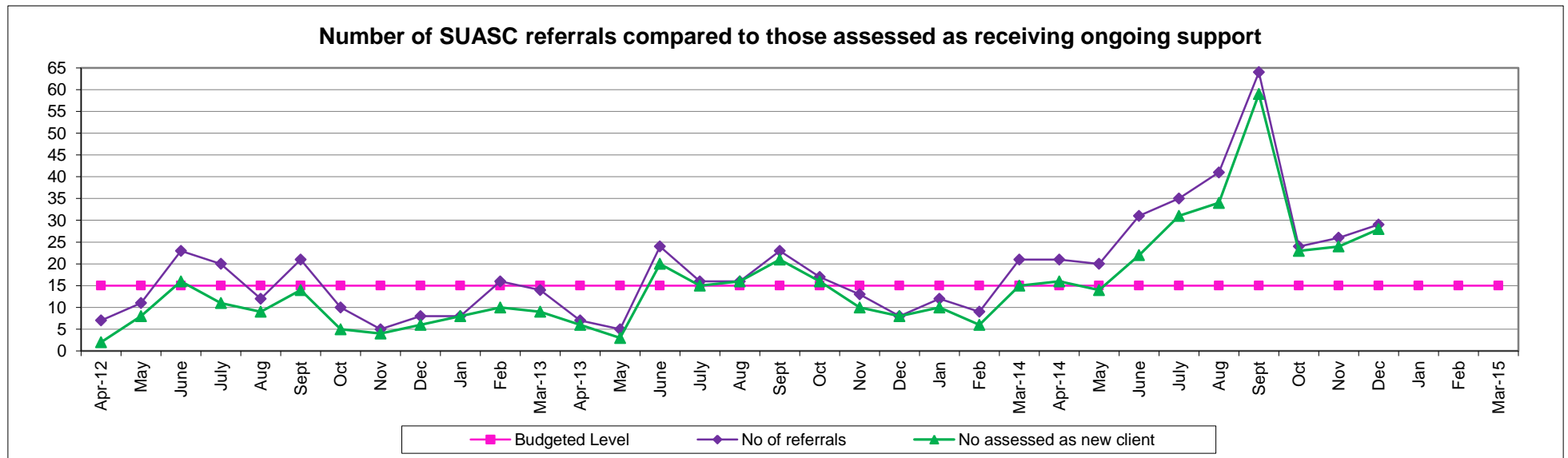
- The overall number of children is increasing, with numbers at the highest level they have been since August 2011. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2014-15 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite 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%	21	16	76%
May	11	8	73%	5	3	60%	20	14	70%
Jun	23	16	70%	24	20	83%	31	22	71%
Jul	20	11	55%	16	15	94%	35	31	89%
Aug	12	9	75%	16	16	100%	41	34	83%
Sep	21	14	67%	23	21	91%	64	59	92%
Oct	10	5	50%	17	16	94%	24	23	96%
Nov	5	4	80%	13	10	77%	26	24	92%
Dec	8	6	75%	8	8	100%	29	28	97%
Jan	8	8	100%	12	10	83%			
Feb	16	10	63%	9	6	67%			
Mar	14	9	64%	21	15	71%			
	<b>155</b>	<b>102</b>	<b>66%</b>	<b>171</b>	<b>146</b>	<b>85%</b>	<b>291</b>	<b>251</b>	<b>86%</b>

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.

Please also note: The 2014-15 figures have been revised from those shown in previous reports following a change in the methodology used. UASC are now only included when their Looked After Child (LAC) status has formally commenced.





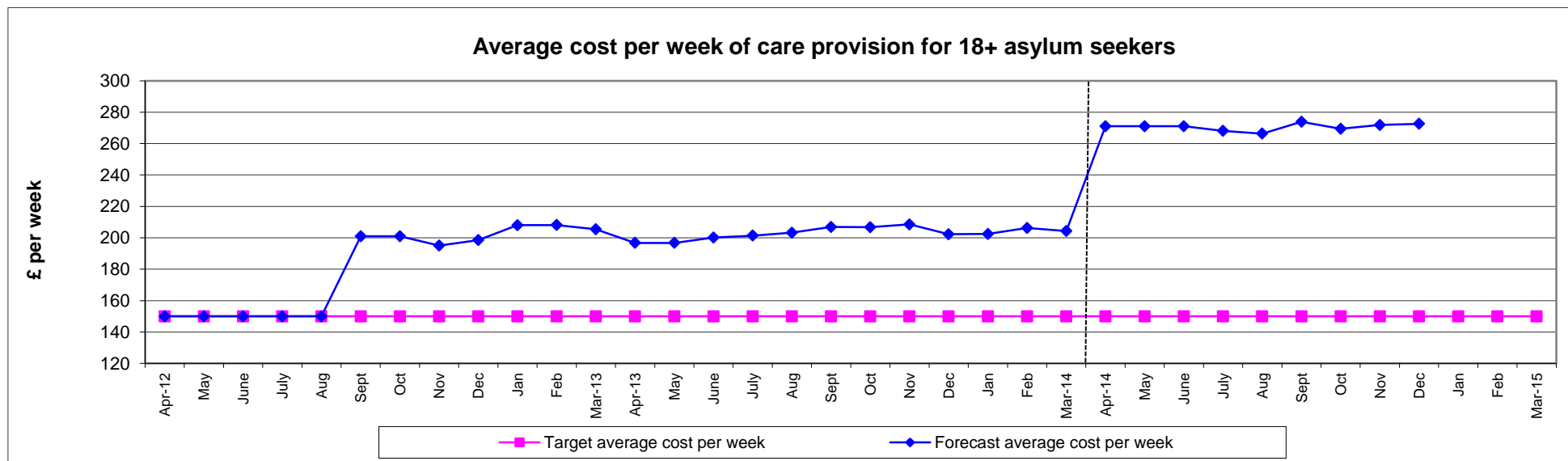
## Comments:

- The average number of referrals per month is 32, 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 proportion assessed as new clients in 2014-15 is currently 86%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 28 i.e. a 211% 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.
- Please note that due to the time taken to validate referrals on the database the number of new clients and number of referrals for any given month may change, therefore the activity data is refreshed in each report to provide the most up to date information.

	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	273.87
Oct	150	200.97	150	206.74	150	269.47
Nov	150	195.11	150	208.51	150	271.85
Dec	150	198.61	150	202.25	150	272.56
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 £272.56, £122.56 above the £150 claimable under the grant rules. This adds £2,202k to the forecast outturn position for which we have a cash limit of £280k, giving a variance of £1,922k. 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 £999k giving a variance of -£1,029k.

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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Transforming Short Breaks	0	431	-70	-70	Rephasing: grant		Green		
ConTROCC	0	759	-378	-378	Rephasing: capital receipt	Extended go live dates following outcome of initial functional testing. A staged project delivery plan has been produced based on software testing. The anticipated go live date is now June 2015.	Amber	Extended go live date for phase 1 is now June 2015.	
Early Help Module (EHM)	0	838	-581	-581	Rephasing: capital receipt	Extended go live dates following outcome of initial functional testing. A staged project delivery plan has been produced based on software testing. The anticipated go live date is now October 2015.	Amber	Extended go live date is now October 2015.	
<b>Total</b>	<b>0</b>	<b>2,028</b>	<b>-1,029</b>	<b>-1,029</b>					

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**  
**DECEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+345,049</b>	<b>-2,520</b>	<b>-169</b>	<b>-2,689</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Social Care, Health &amp; Wellbeing - Adult Social Care</b>						
Strategic Management & Directorate Support budgets	6,950.5	-373.5	6,577.0	-59	+215 Legal Charges for two exceptional cases and a greater frequency of Adult Safeguarding and Court of Protection cases  +71 Costs of support staff for Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held.  -138 Operational Support vacancy management and ongoing reviews of staffing structure  -158 Reduced demand for a number of support services (Occupational Health, No Recourse to Public Funds, Health & Safety)	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets have been realigned in the recently approved 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-107	Reduced demand for a number of office support services (including postage, printing and stationery)
					+58	Other minor variances
<u>Support to Frontline Services:</u>						
- Adults Social Care Commissioning & Performance Monitoring	4,050.1	-526.3	3,523.8	+42	+2,484	Newton Europe have been appointed to undertake Adults Social Care Transformation Phase 2 Design works in line with Cabinet Member decision 14/00120
					-2,484	Drawdown from reserves to fund Transformation partner payments for Phase 2 design work above
					+42	Other minor variances
<u>Adults &amp; Older People:</u>						
- Direct Payments						
- Learning Disability	16,927.6	-30.0	16,897.6	-99	+800	Forecast +2,922 weeks above affordable level of 61,245 weeks
					-165	Forecast average unit cost -£2.69 below affordable level of £276.39
					+833	One-off direct payments
					-1,586	Recovery of unspent funds from clients
					+19	Other minor variances
- Mental Health	1,208.3	0.0	1,208.3	-223	-460	Forecast -5,197 weeks below affordable level of 15,479 weeks
					+162	Forecast average unit cost +£10.46 above affordable level of £78.06
					+164	One-off direct payments
					-89	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	6,767.3	0.0	6,767.3	+5,540	+5,665 Forecast +31,318 weeks above affordable level of 37,421 weeks. The majority of this variance is due to clients who previously received Domiciliary care transferring to Direct Payments during the Domiciliary contract re-let as described in Section 2.1 below. +10 Forecast average unit cost +£0.27 above affordable level of £180.62 +379 One-off direct payments -585 Recovery of unspent funds from clients +71 Other minor variances	Budgets have been realigned as part of the recently approved 2015-18 MTFP to reflect the transfer of clients previously receiving Domiciliary care transferring to Direct Payments due to the Domiciliary contract re-let.
- Physical Disability	10,238.4	0.0	10,238.4	+2,212	+2,084 Forecast +10,668 weeks above affordable level of 53,511 weeks  +233 Forecast average unit cost +£4.36 above affordable level of £190.96  +626 One-off direct payments -813 Recovery of unspent funds from clients +82 Other minor variances	Budgets have been realigned as part of the recently approved 2015-18 MTFP to reflect the transfer of clients previously receiving Domiciliary Care transferring to Direct Payments due to the Domiciliary contract re-let.
Total Direct Payments	35,141.6	-30.0	35,111.6	+7,430		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-584	-315 Forecast -23,369 hours below affordable level of 72,190 hours  -9 Forecast average unit cost -£0.12 below affordable level of £13.61  -260 Release of unrealised creditors	Savings are expected to be ongoing & have been transferred, as part of the recently approved 2015-18 MTFP, to other Learning Disability services experiencing ongoing pressures.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	30,483.2	-2,252.3	28,230.9	+4,540	+3,621	Forecast +254,262 hours above affordable level of 1,582,330 hours	Investigations are ongoing as to the full reasons for the pressures being experienced on this service and additional funding has been provided in the recently approved 2015-18 MTFP
					+396	Forecast average unit cost +£0.25 above affordable level of £13.99	
					+483	Commissioning of block contract domiciliary services (predominately retainers for night-sitting services)	
					+155	Additional previous year costs relating to domiciliary care for which no creditor provision was raised in 2013-14	
					-114	Changes in year end accounting practices for staffing costs have resulted in a one-off underspend in the Kent Enablement at Home Service (KEAH)	
					-1	Other minor variances	
- Physical Disability	4,158.1	0.0	4,158.1	+2,050	+1,992	Forecast +152,178 hours above affordable level of 263,527 hours	The pressures currently being experienced are expected to be ongoing & additional funding has been provided through the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
					-129	Forecast average unit cost -£0.49 below affordable level of £13.58	
					+244	Higher usage of KEAH than anticipated for Physical Disability clients	
					-57	Other minor variances	
Total Domiciliary Care	35,728.3	-2,252.3	33,476.0	+6,006			



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	-2,900.2	-2,900.2	-117	-117	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.	This increased income has been reflected in the recently approved 2015-18 MTFP by realigning the community based services budgets.
- Older People	0.0	-8,999.4	-8,999.4	-253	-253	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.	This increased income has been reflected in the recently approved 2015-18 MTFP by realigning the community based services budgets.
- Physical Disability / Mental Health	0.0	-1,314.9	-1,314.9	-357	-357	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other physical disability/mental health community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report.	
Total Non Residential Charging Income	0.0	-13,214.5	-13,214.5	-727			
- Nursing & Residential Care							
- Learning Disability	77,267.8	-6,294.2	70,973.6	-939	-2,501	Forecast -2,135 weeks below affordable level of 67,697 weeks	
					+196	Leading to a shortfall in client contributions	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+1,917 Forecast average unit cost +£28.31 above affordable level of £1,143.16	
					-232 Independent Sector: forecast average unit client contribution -£3.42 above affordable level of -£88.12	
					-458 Release of unrealised creditors	
					+123 Reduction in income expected from Medway due to fewer Medway clients	
					+16 Other minor variances	
- Mental Health	7,726.7	-993.0	6,733.7	+813	+748 Forecast +1,234 weeks above affordable level of 12,860 weeks	The demographic pressure is expected to continue and additional funding has been provided in the recently approved 2015-18 MTFP
					-46 Leading to an increase in client contributions	
					+71 Forecast average unit cost +£5.48 above affordable level of £600.27	
					+83 Independent Sector: forecast average unit client contribution +£6.46 below affordable level of -£43.52	
					-43 Other minor variances	
- Older People - Nursing	47,851.4	-24,784.6	23,066.8	-2,465	-2,610 Forecast -5,322 weeks below affordable level of 78,686 weeks	The savings currently being experienced are expected to continue & have been transferred to other budget lines experiencing pressures as part of the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
					+1,057 Leading to a shortfall in client contributions	
					-102 Forecast average unit cost -£1.30 below affordable level of £491.75	
					-351 Independent Sector: forecast average unit client contribution -£4.46 above affordable level of -£194.20	
					-412 Release of unrealised creditors	
					-47 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	80,206.7	-33,009.1	47,197.6	-2,092	-2,348 Forecast -5,660 weeks below affordable level of 147,739 weeks +1,099 Leading to a shortfall in client contributions +848 Forecast average unit cost +£5.74 above affordable level of £409.12 -1,763 Independent Sector: forecast average unit client contribution -£11.93 above affordable level of -£182.29 +104 Costs of running the dementia ward at Kiln Court in-house unit. However, this is offset by underspends in other in-house units (see below). -132 Lower than anticipated utility, security and equipment costs for in-house units -138 Other minor variances across other in-house units +313 Increase in the unitary charge for Gravesham Place -75 Other minor variances	The savings currently being experienced are expected to continue & have been transferred to other budget lines experiencing pressures as part of the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
- Physical Disability	11,344.4	-1,558.1	9,786.3	+1,570	+2,141 Forecast +2,560 weeks above affordable level of 13,003 weeks -284 Leading to an increase in client contributions -470 Forecast average unit cost -£36.12 below affordable level of £872.44 +84 Independent Sector: forecast average unit client contribution +£6.43 below affordable level of -£117.23 +99 Other minor variances	The pressures currently being experienced are expected to continue & additional funding has been provided by the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
Total Nursing & Residential Care	224,397.0	-66,639.0	157,758.0	-3,113		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Supported Accommodation						
- Learning Disability	36,397.3	-1,849.6	34,547.7	+745	+1,144 Forecast +138,102 hours above affordable level of 3,996,038 hours +1,119 Forecast average unit cost +£0.28 above affordable level of £8.00 -1,109 Net unrealised creditors and recovery of costs from other Local Authorities for Ordinary Residence clients relating to 2013-14 -327 In-house services and staffing levels have been reconfigured to reflect reductions in demand -82 Other minor variances	These demographic pressures are expected to be ongoing & additional funding has been provided in the recently approved 2015-18 MTFP
- Older People	4,575.4	-4,350.0	225.4	+161	+236 Forecast +27,653 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 -89 Forecast average unit cost -£5.52 below affordable level of £14.04 +14 Other minor variances	The pressures currently being experienced are expected to continue & additional funding has been provided by the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+947	+401 Mental Health Forecast +35,887 hours above affordable level of 170,188 hours +95 Mental Health Forecast average unit cost +£0.56 above affordable level of £10.62	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+786 Physical Disability Forecast +134,619 hours above affordable level of 232,101 hours	The pressures currently being experienced are expected to continue & additional funding has been provided by the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
					-346 Physical Disability Forecast average unit cost -£1.49 below affordable level of £7.33	
					+11 Other minor variances	
Total Supported Accommodation	44,700.6	-6,469.0	38,231.6	+1,853		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-233	-147 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.	These demographic pressures are expected to be ongoing & additional funding has been provided in the recently approved 2015-18 MTFP
					-86 Other minor variances	
- Day Care						
- Learning Disability	13,214.5	-127.7	13,086.8	+825	+264 Greater demand for in-house services due to increasing complexity of clients needs. In addition, there are increased costs relating to travel time and expenses of covering staff absence, emergency situations and unplanned changes now that staff resources are allocated over wider geographical areas.	
					+561 Current demand for services provided by the independent sector including transport related costs	
- Mental Health	1,566.8	-30.2	1,536.6	-64		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	2,242.4	-45.0	2,197.4	-513	-495 Current demand for services provided by the independent sector	The savings currently being experienced are expected to continue & have been transferred to other budget lines experiencing pressures as part of the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
					-18 Other minor variances	
- Physical Disability	937.5	0.0	937.5	+10		
Total Day Care	17,961.2	-202.9	17,758.3	+258		
- Other Adult Services	11,607.1	-20,357.6	-8,750.5	-9,094	-2,031 The budget assumes large increases in usage of Telecare as part of the Transformation Programme, although to date demand for Telecare and the forecast average unit cost have been lower than anticipated.	The savings are expected to continue & have been addressed in the recently approved 2015-18 MTFP by the realignment of savings assumptions with other community based services budgets
					-659 Capitalisation of Telecare programme of installations (where elements meet the criteria for capital spend). This is partly offset by the variance on drawdown from reserves below	
					-399 Lower than anticipated demand for occupational therapy equipment	
					-161 Capitalisation of Occupational Therapy equipment programme of installations (where elements meet the criteria for capital spend).	
					+453 Drawdown from reserves for 2014-15 lower than initially anticipated. This is offset by a higher than previously anticipated capitalisation of Telecare programme of installations.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+437 Greater demand for Integrated Community Equipment Store (ICES) than anticipated	
					-382 Forecast reduction in the level of bad debt provision required for social care debts	
					+370 Costs of staff who install Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held.	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets have been realigned in the recently approved 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology
					+149 Higher than budgeted unit cost for hot meals provided to older people	
					-27 Other minor variances each under £100k	
					-6,844 This budget line holds some of the NHS support for social care monies. Plans continue to be developed and implemented with the NHS to ensure that health outcomes are being met from these investments. Pressures are being shown against their respective service lines above and the compensating funding stream is reflected here.	In the recently approved 2015-18 MTFP, where spending plans for these funds are already in place, the funds have been moved to the relevant budget lines, so that spend and income are in alignment
- Safeguarding	1,160.5	-282.1	878.4	+111	+249 Safeguarding spend on Deprivation of Liberty Safeguards (DOLS) is greater than anticipated due to higher costs from an interim structure, including agency costs for assessments and admin support.	This pressure is expected to be ongoing & additional funding has been provided in the recently approved 2015-18 MTFP
					-138 Other minor variances each below £100k	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-571	-506 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +351 Leading to lower than anticipated client income -441 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme  +25 Other minor variances	The spend and income budgets require realignment and this has been reflected in the recently approved 2015-18 MTFP  The resulting savings have been transferred to other budget lines experiencing pressures as part of the realignment of budgets within Older People & Physical Disability services in the recently approved 2015-18 MTFP.
- Information & Early Intervention	4,780.6	-726.8	4,053.8	+413	+338 Expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community  +75 Other minor variances	These demographic pressures are expected to be ongoing & have been addressed additional funding has been provided in the recently approved 2015-18 MTFP
- Social Isolation	4,477.4	-2,076.3	2,401.1	+203	+133 Payments to voluntary organisations as a result of higher demand for this service  +70 Other minor variances	
Total Social Support	22,431.9	-7,121.3	15,310.6	+45		



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	-2,743	-2,743	<p>The budgeted level includes the roll-forward of funds from 2013-14 of £1,722k.</p> <p>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 Local Welfare Provision (Social Fund) was expected to cease in 2015-16 and hence previous monitoring reports highlighted the need to roll forward the current year underspend on this service in order to continue with the service for another year. However, the final local government finance settlement for 2015-16 included an increase in RSG of £1.481m for Local Welfare Provision and therefore a 2015-16 budget for KSAS of £1.481m was approved by County Council on 12 February. As a result, the continuation of this service in 2015-16 is no longer dependent upon the roll forward of the 2014-15 underspend for KSAS.</p>	Additional funding has been provided in the recently approved 2015-18 MTFP to secure the continuation of the service in future years.
Total Other Services for Adults & Older People	62,217.0	-32,232.9	29,984.1	-11,656			
<b>Housing Related Support for Vulnerable People (Supporting People)</b>							
- Administration	440.0	0.0	440.0	-54			
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	-34			
- Adults - Physical Difficulties	138.5	0.0	138.5	0			
- Adults - Mental Health	2,904.3	0.0	2,904.3	+12			
- Older People	4,199.3	0.0	4,199.3	-307	-307	Contract variations and efficiencies leading to lower overall cost without a reduction in service	Savings are expected to be ongoing & have been reflected in the recently approved 2015-18 MTFP

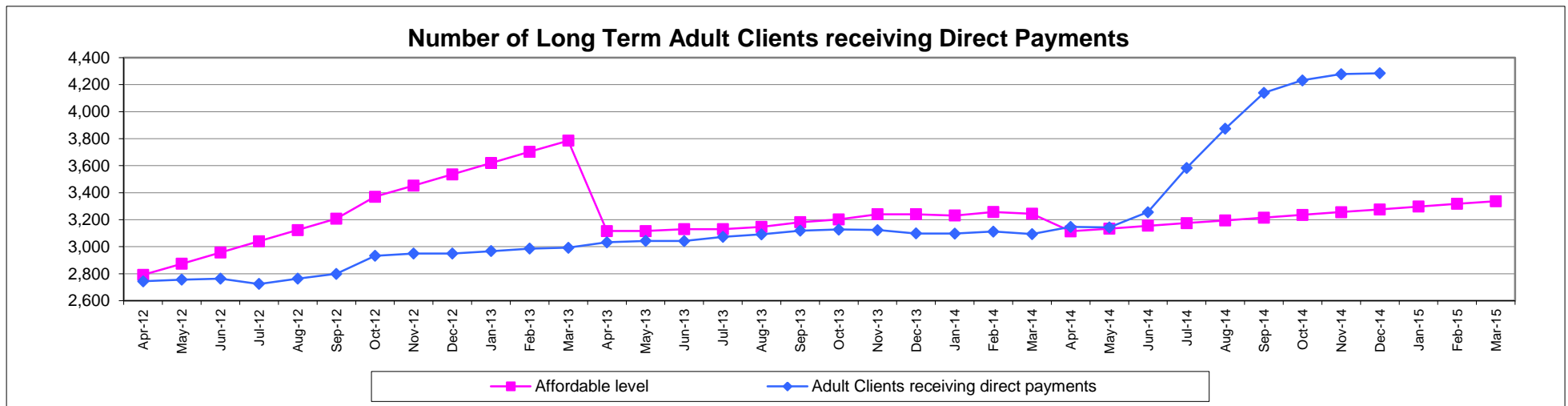
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Other Adults	7,508.6	0.0	7,508.6	-87		
Total Housing Related Support for Vulnerable People	18,577.1	0.0	18,577.1	-470		
<u>Public Health</u>						
- Drug & Alcohol Services	544.2	0.0	544.2	-123	-122 Local Area Single Assessment & Referral (LASAR) variance, primarily due to staffing vacancies and lower associated costs, with cover provided within the team. -1 Other minor variances	Savings are expected to be ongoing & have been reflected in the recently approved 2015-18 MTFP
<u>Assessment Services</u>						
- Adult Social Care Staffing	38,724.0	-4,243.7	34,480.3	-1,703	-370 Costs of staff who install Assistive and Adaptive Technology (A&AT) are reflected in Other Adult Services (above). Only the costs of assessment staff should be reported here. -71 Costs of support staff for A&AT are reflected within Directorate Management and Support (above). Only the costs of assessment staff should be reported here. -1,104 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. -177 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. +19 Other minor variances	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets has been realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology Savings resulting from the restructure have been identified as part of the recently approved 2015-18 MTFP.
<b>Total SCH&amp;W (Adults)</b>	<b>471,030.4</b>	<b>-125,981.2</b>	<b>345,049.2</b>	<b>-2,520</b>		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Assumed Mgmt Action</b>				-169		In relation to LDMH services, management action of up to £169k 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.
<b>Total SCH&amp;W (Adults) Forecast <u>after</u> mgmt action</b>	<b>471,030.4</b>	<b>-125,981.2</b>	<b>345,049.2</b>	<b>-2,689</b>		

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	3,147	215
May	2,874	2,756	147	3,116	3,043	169	3,134	3,143	159
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,256	184
Jul	3,040	2,724	156	3,130	3,072	173	3,175	3,583	211
Aug	3,123	2,763	167	3,147	3,092	158	3,195	3,874	197
Sep	3,207	2,799	147	3,181	3,118	134	3,215	4,140	200
Oct	3,370	2,933	185	3,201	3,127	179	3,235	4,232	194
Nov	3,453	2,949	119	3,240	3,123	144	3,256	4,278	147
Dec	3,536	2,950	109	3,240	3,098	159	3,276	4,284	74
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		
			<b>1,681</b>			<b>1,832</b>			<b>1,581</b>

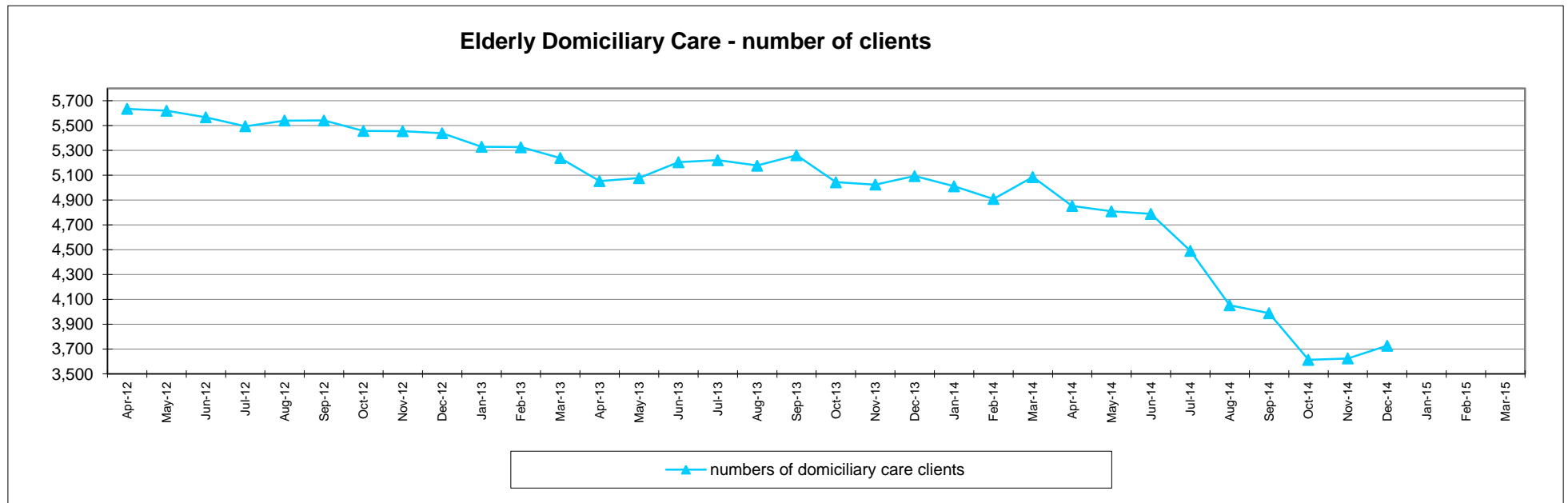


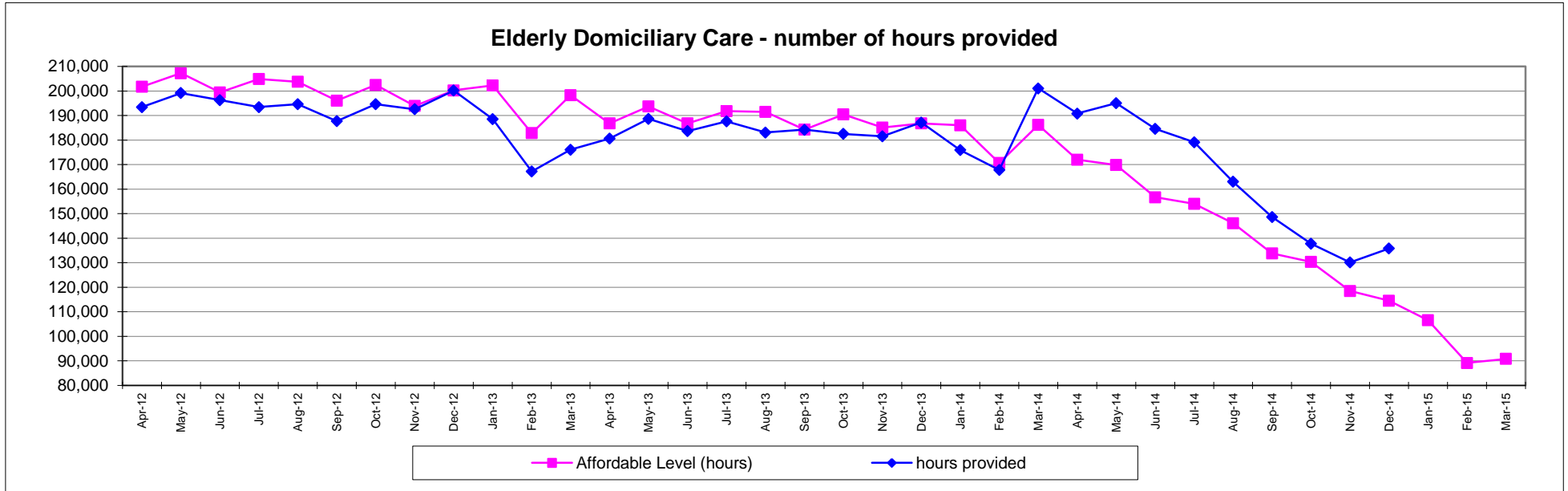
## Comments:

- The presentation of activity being reported for direct payments changed in the 2012-13 Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change, therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- The increase in client numbers between June and December is predominately due to clients who previously received domiciliary care transferring to direct payments during the domiciliary contract re-let because they wanted to remain with their existing service provider (these direct payments are made at the new lower domiciliary care re-let rate). This process is ongoing, so it is expected that 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 £7,430k 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	163,006	4,054
Sep	196,050	187,749	5,541	184,242	184,208	5,262	133,761	148,649	3,989
Oct	202,490	194,640	5,456	190,446	182,503	5,044	130,322	137,790	3,614
Nov	193,910	192,555	5,455	185,082	181,521	5,025	118,474	130,108	3,625
Dec	200,249	200,178	5,439	186,796	187,143	5,094	114,525	135,832	3,727
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		
	<b>2,393,092</b>	<b>2,283,814</b>		<b>2,240,067</b>	<b>2,203,694</b>		<b>1,582,330</b>	<b>1,464,916</b>	





Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Client numbers have reduced significantly between May and December. 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. This process is ongoing, so it is expected that further clients will transfer from domiciliary care to direct payments. The increase in client numbers in January is unexpected and is suggestive of other ongoing pressures this service may be facing. Extensive investigations are being undertaken to establish the full reasons for the pressures being experienced on this service.
- The current forecast is 1,836,592 hours of care against an affordable level of 1,582,330, a difference of +254,262 hours. Using the forecast unit cost of £14.24, this additional activity increases the forecast by +£3,621k, as shown in Table 1.

- To the end of December 1,464,916 hours of care have been delivered against an affordable level of 1,295,700, a difference of +169,216 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 lower on this service when compared to the budgeted profile, however activity between April and December shows that the number of hours provided is falling at a lower rate than originally budgeted and the forecast assumes activity will continue to fall at this lower rate for the remainder of the financial year. The budgeted level was based on the outcomes of the various savings streams within the Transformation Programme, however any fluctuations from the assumptions made within the profile of the affordable level are reflected in the profile of the actual numbers of hours provided. An example of this is that the transfer of domiciliary clients to a new contract is taking longer than initially planned, leading to a delay in delivery of budgeted savings on this service.
- 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 8.8 compared to 9.0 as at quarter 2, so as expected, we have now started to see the average hours per client per week slowly decline as certain transformation savings are reducing the package per client per week. For example, greater use of enablement services and installation of telecare should both reduce requirements for hours per client.
- The transformational changes which are affecting the domiciliary expenditure have created some uncertainty with the forecast. In the November Monitoring Report, reported to Cabinet in January, the forecast for domiciliary care had been increased to reflect the expectation that transformation savings would take longer to realise than previously forecast. However, expenditure on this service has still not fallen in line even with these revised expectations and extensive work is ongoing to understand the reasons for this, including explorative work to ascertain whether there are other possible pressure areas within this service which are counteracting the delivery of transformation savings, and which might explain the increase in client numbers in November & December. The forecast is now based on a more conservative approach, only using the spend to date as a guide to calculating the forecast and not assuming delivery of any further savings, until this investigative work is completed. Over recent months, due to the uncertainty with this forecast all other areas of expenditure within Older People and Physical Disability have been considered for efficiencies and re-phasing, to help mitigate against the possible risk of this increase in the forecast, and as a result of this, the increases in the older people domiciliary forecast over the last few months have not resulted in an overall increase in the pressure being reported for Adult Social Services.

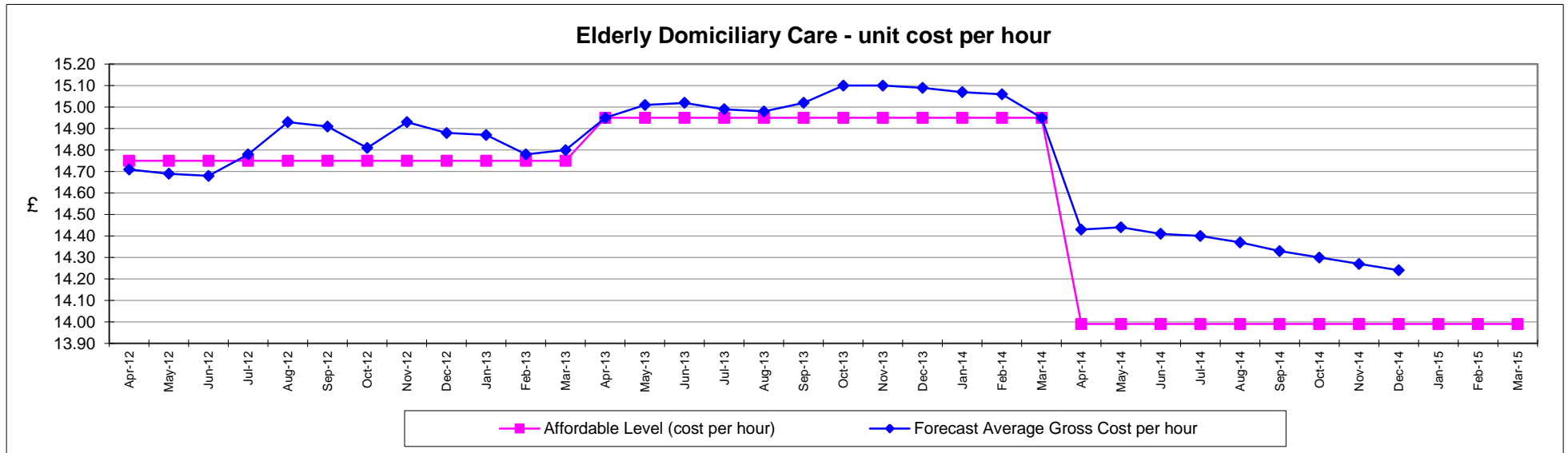


2.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

	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	14.37
Sep	14.75	14.91	14.95	15.02	13.99	14.33
Oct	14.75	14.81	14.95	15.10	13.99	14.30
Nov	14.75	14.93	14.95	15.10	13.99	14.27
Dec	14.75	14.88	14.95	15.09	13.99	14.24
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:

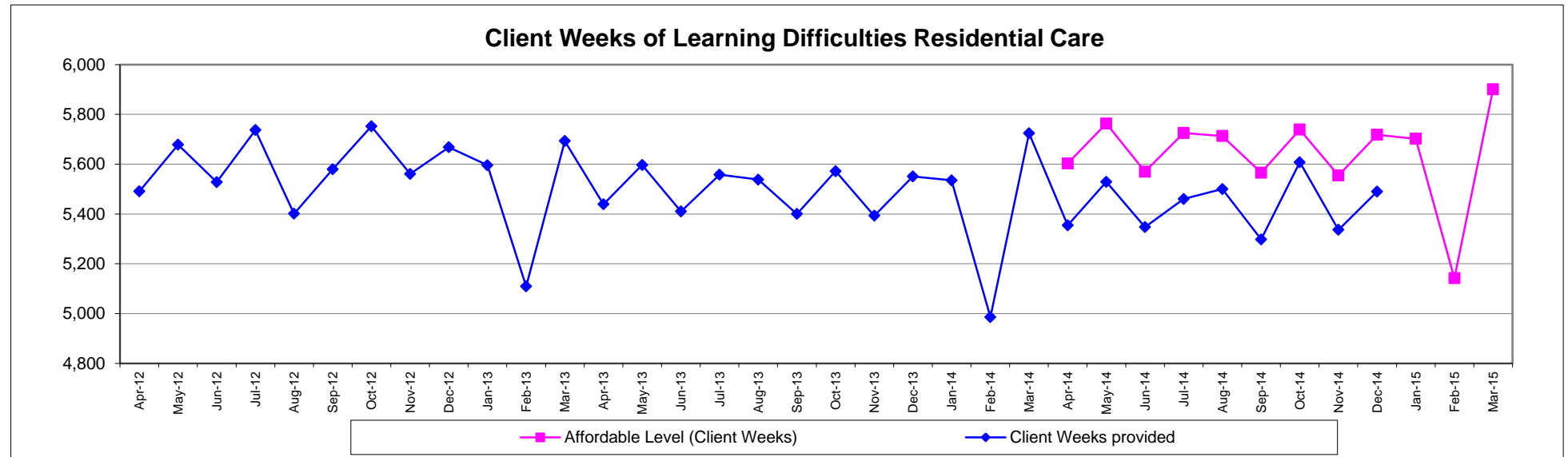
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.24 is higher than the affordable cost of +£13.99 and this difference of +£0.25 adds +£396k to the position when multiplied by the affordable hours, as shown in Table 1.
- The drop in affordable unit cost between March and April 2014 represents anticipated cost reductions from the domiciliary contract re-let as part of the Transformation Programme. This transfer of clients commenced in June 2014 and will continue in the coming months, so further reduction in the unit cost is anticipated as this progresses.



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	5,500
Sep	5,580	5,400	5,566	5,298
Oct	5,752	5,572	5,739	5,608
Nov	5,561	5,393	5,555	5,336
Dec	5,668	5,551	5,718	5,490
Jan	5,596	5,535	5,702	
Feb	5,109	4,986	5,142	
Mar	5,693	5,724	5,901	
	<b>66,794</b>	<b>65,703</b>	<b>67,697</b>	<b>48,922</b>

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.



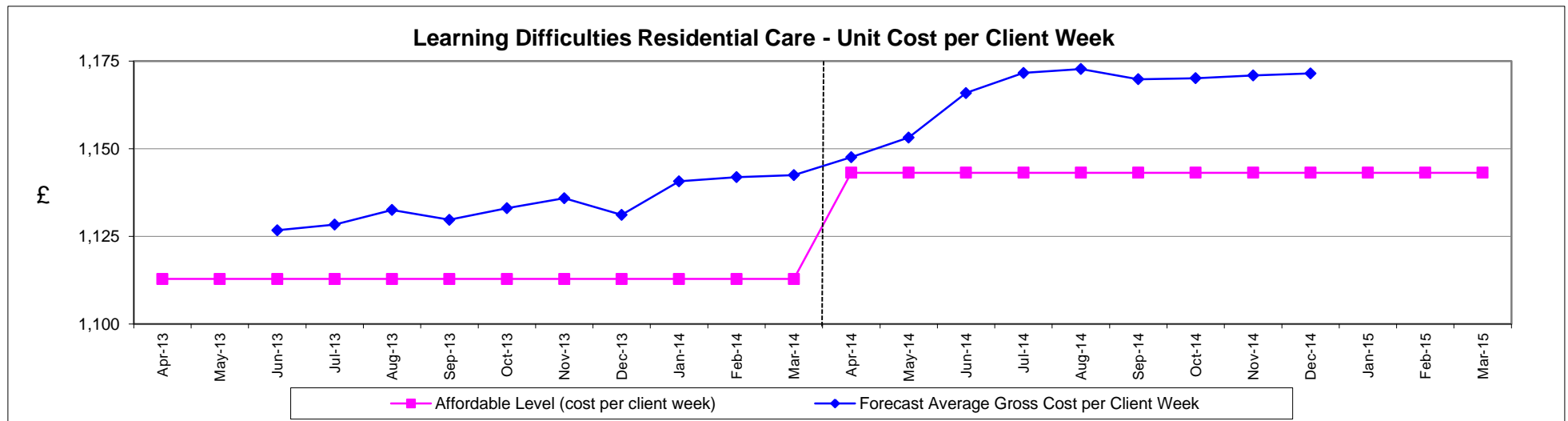
## Comments:

- 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 December 2014 it was 1,237. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 65,562 weeks of care against an affordable level of 67,697, a difference of -2,135 weeks. Using the forecast unit cost of £1,171.47, this reduced activity decreases the forecast by -£2,501k, 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 December 48,922 weeks of care have been delivered against an affordable level of 50,952, a difference of -2,030 weeks. The year to date activity suggests a lower level of activity than currently forecast, however, 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		1,143.16	1,147.62
May		1,112.86		1,143.16	1,153.21
Jun		1,112.86	1,126.76	1,143.16	1,165.91
Jul		1,112.86	1,128.39	1,143.16	1,171.61
Aug		1,112.86	1,132.54	1,143.16	1,172.74
Sep		1,112.86	1,129.75	1,143.16	1,169.82
Oct		1,112.86	1,133.04	1,143.16	1,170.10
Nov		1,112.86	1,135.86	1,143.16	1,170.90
Dec		1,112.86	1,131.13	1,143.16	1,171.47
Jan		1,112.86	1,140.70	1,143.16	
Feb		1,112.86	1,141.90	1,143.16	
Mar		1,112.86	1,142.45	1,143.16	

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.



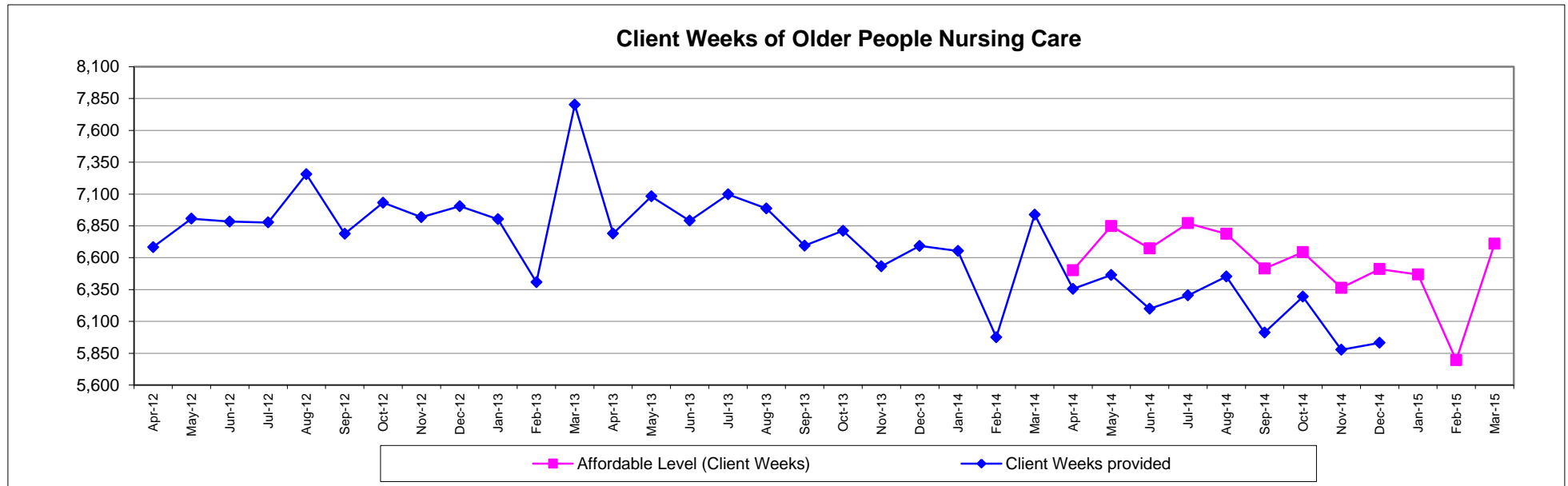
## Comments:

- 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 +£1,171.47 is higher than the affordable cost of +£1,143.16 and this difference of +£28.31 adds +£1,917k to the position when multiplied by the affordable weeks, as shown in Table 1.
- The 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.

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	6,452
Sep	6,788	6,695	6,515	6,011
Oct	7,032	6,812	6,643	6,294
Nov	6,918	6,532	6,363	5,878
Dec	7,004	6,693	6,510	5,932
Jan	6,903	6,653	6,468	
Feb	6,408	5,975	5,795	
Mar	7,801	6,937	6,710	
	<b>83,460</b>	<b>81,141</b>	<b>78,686</b>	<b>55,889</b>

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.



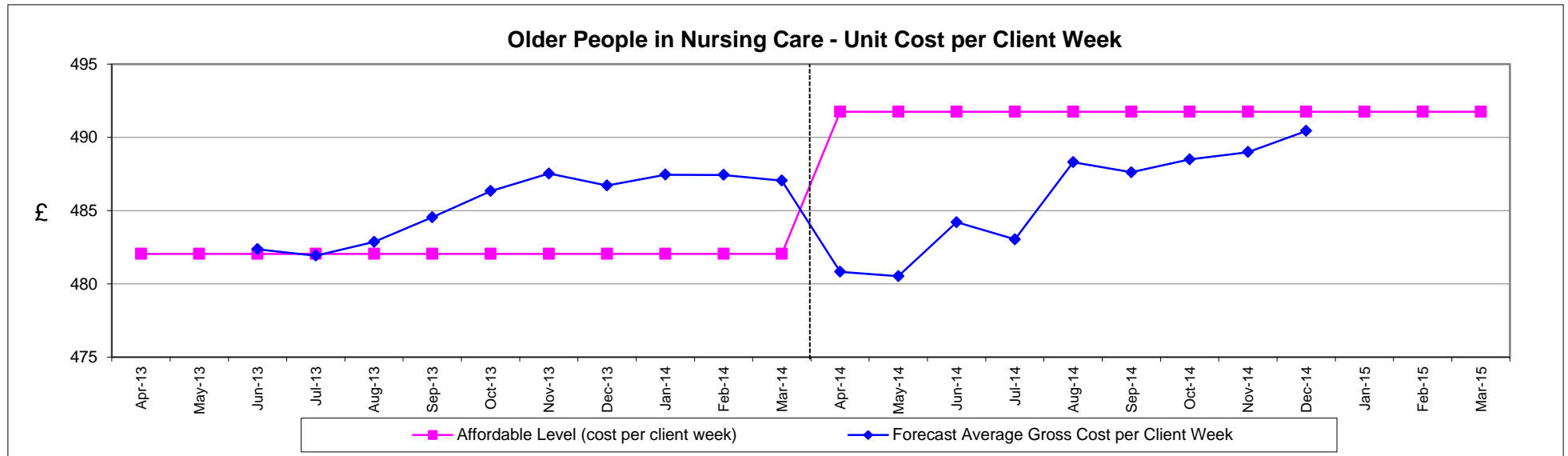
## Comments:

- 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 December 2014 it was 1,250.
- The current forecast is 73,364 weeks of care against an affordable level of 78,686, a difference of -5,322 weeks. Using the forecast unit cost of £490.45, this reduced activity decreases the forecast by -£2,610k, as shown in Table 1.
- To the end of December 55,889 weeks of care have been delivered against an affordable level of 59,713, a difference of -3,824 weeks. The year to date activity suggests a slightly higher level of activity than currently forecast, this apparent under forecast is the net effect of an underforecast of clients placed in permanent nursing care partially offset by a lower overforecast of short term nursing care placements. Since October 2014, the service has seen a slow down in the placement of clients requiring permanent nursing care, which is believed to be in part as a result of the effects of enablement and other preventative services implemented as part of the transformation agenda, and has resulted in a lower level of older people nursing care activity than had been budgeted. This is partially offset by lower levels of short term placements recorded to date, which is likely to be due to the late recording of non-permanent nursing 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		491.75	480.83
May		482.05		491.75	480.53
Jun		482.05	482.37	491.75	484.21
Jul		482.05	481.93	491.75	483.04
Aug		482.05	482.87	491.75	488.31
Sep		482.05	484.55	491.75	487.62
Oct		482.05	486.34	491.75	488.50
Nov		482.05	487.54	491.75	489.00
Dec		482.05	486.72	491.75	490.45
Jan		482.05	487.46	491.75	
Feb		482.05	487.44	491.75	
Mar		482.05	487.05	491.75	

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.





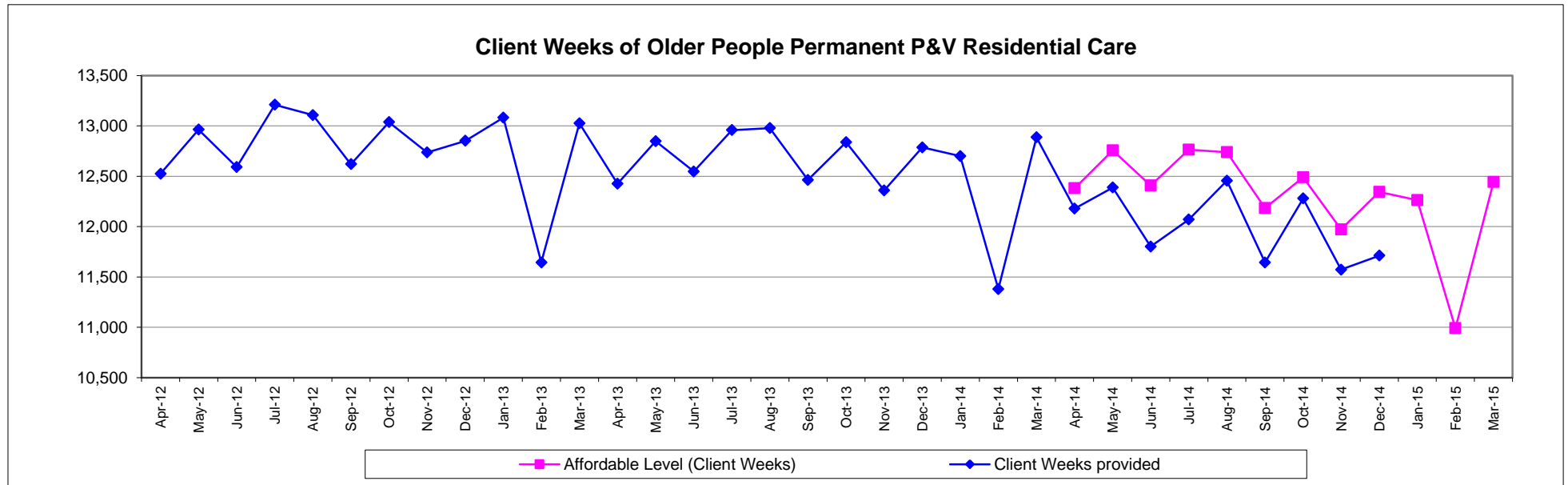
## Comments:

- 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 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.
- The forecast unit cost of +£490.45 is lower than the affordable cost of +£491.75 and this difference of -£1.30 reduces the position by -£102k 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 adjustments, 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	12,456
Sep	12,620	12,463	12,184	11,644
Oct	13,037	12,839	12,490	12,279
Nov	12,737	12,360	11,972	11,573
Dec	12,852	12,787	12,345	11,712
Jan	13,082	12,701	12,264	
Feb	11,644	11,380	10,991	
Mar	13,026	12,887	12,443	
	<b>153,395</b>	<b>151,177</b>	<b>147,739</b>	<b>108,104</b>

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.



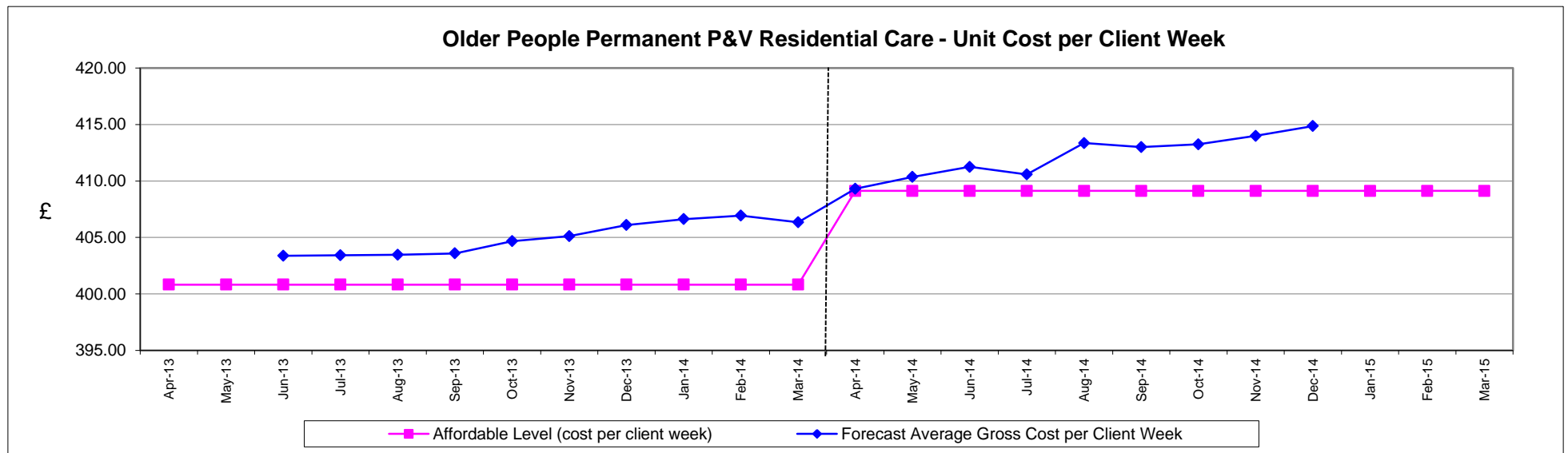
## Comments:

- 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 December 2014 it was 2,507. 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 142,079 weeks of care against an affordable level of 147,739, a difference of -5,660 weeks. Using the forecast unit cost of £414.86, this reduced activity decreases the forecast by -£2,348k, as shown in Table 1.
- To the end of December 108,104 weeks of care have been delivered against an affordable level of 112,041 a difference of -3,937 weeks. The year to date activity suggests a higher level of activity than currently forecast, this apparent under forecast is the net effect of an underforecast of clients placed in permanent residential care partially offset by a lower overforecast of short term residential care placements. Since October 2014, the service has seen a slow down in the placement of clients requiring residential care, which is believed to be in part as a result of the effects of enablement and other preventative services implemented as part of the transformation agenda, and has resulted in a lower level of older people residential care activity than had been budgeted. This is partially offset by lower levels of short term placements recorded to date, which is likely to be due to the 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 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		409.12	409.31
May		400.83		409.12	410.36
Jun		400.83	403.38	409.12	411.25
Jul		400.83	403.43	409.12	410.59
Aug		400.83	403.46	409.12	413.36
Sep		400.83	403.59	409.12	413.00
Oct		400.83	404.67	409.12	413.25
Nov		400.83	405.12	409.12	413.99
Dec		400.83	406.10	409.12	414.86
Jan		400.83	406.62	409.12	
Feb		400.83	406.94	409.12	
Mar		400.83	406.35	409.12	

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.

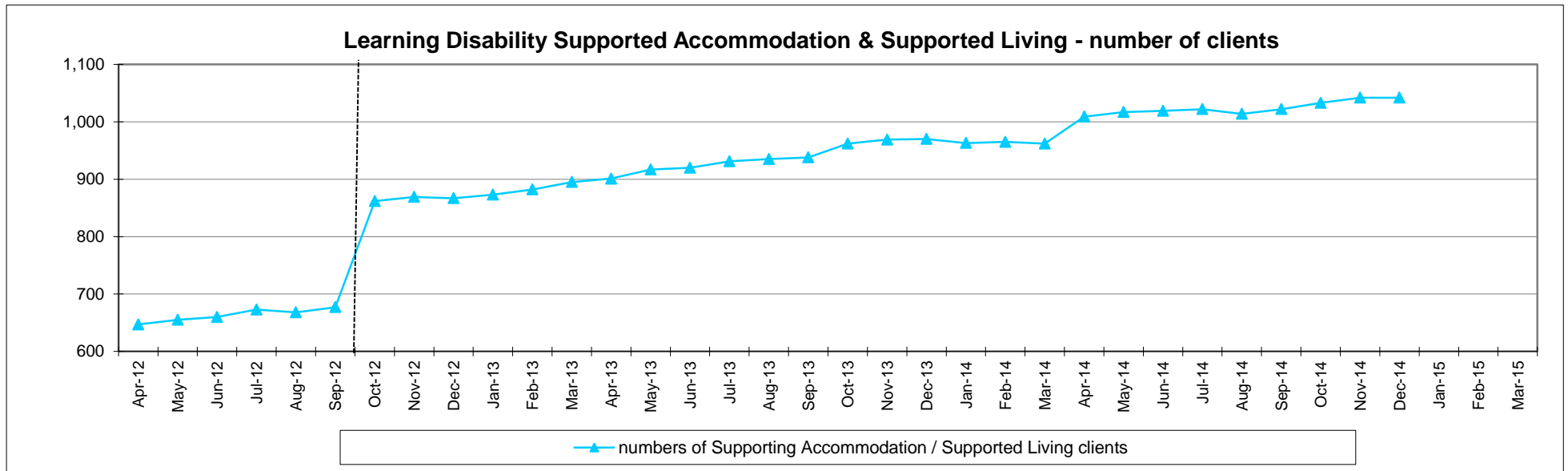


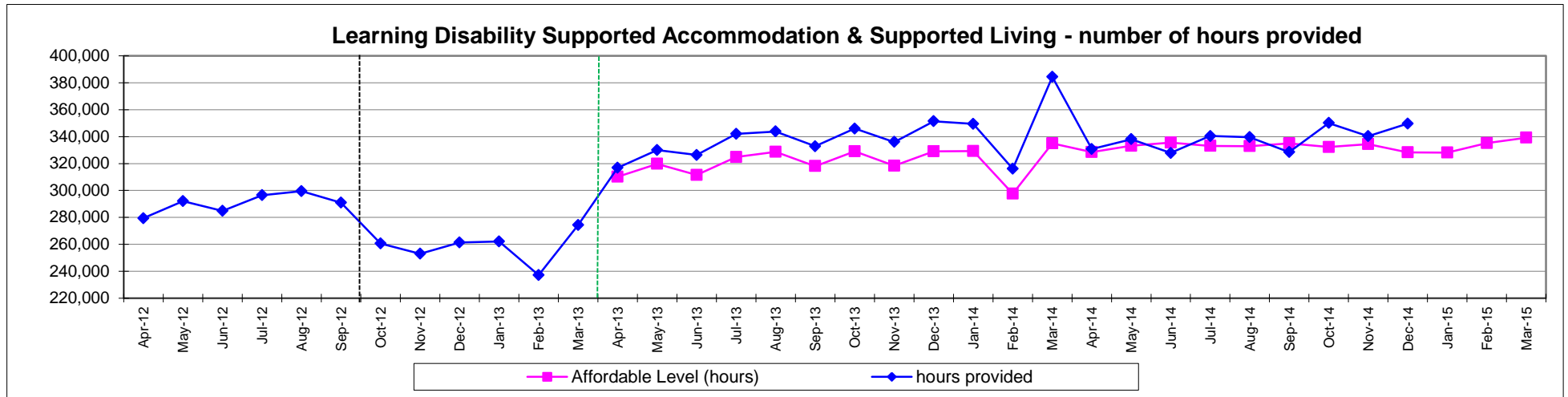
## Comments:

- The forecast unit cost of +£414.86 is higher than the affordable cost of +£409.12 and this difference of +£5.74 adds +£848k to the position when multiplied by the affordable weeks, as shown in Table 1.
- The 2014-15 affordable unit cost was increased in the Quarter 2 report to Cabinet in December, to reflect the allocation of funds to meet agreed price increases for providers.
- 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	330,760	1,009
May		292,122	655	319,790	330,055	917	333,241	338,125	1,017
Jun		284,835	660	311,563	326,381	920	335,519	327,879	1,019
Jul		296,532	673	324,853	342,117	931	333,140	340,451	1,022
Aug		299,521	668	328,693	343,856	935	332,930	339,621	1,014
Sep		290,914	677	318,098	332,862	938	335,006	328,528	1,022
Oct		260,574	862	329,037	346,001	962	332,260	350,146	1,033
Nov		252,932	869	318,371	336,051	969	334,509	340,394	1,042
Dec		261,257	867	329,160	351,431	970	328,357	349,629	1,042
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		
		<b>3,291,574</b>		<b>3,851,654</b>	<b>4,075,596</b>		<b>3,996,038</b>	<b>3,045,533</b>	





**Comments:**

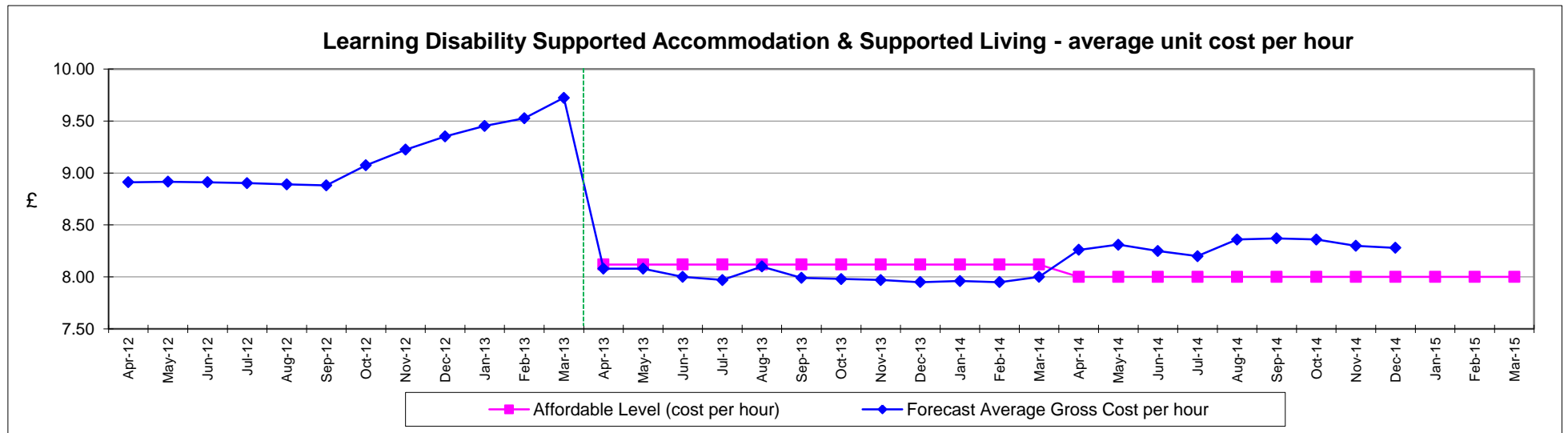
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level 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, in the July monitoring to Cabinet in October was revised upwards to 9 hours, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data were 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.
- Hours provided from April 2014 onwards were revised in the Quarter 2 report, reported to Cabinet in December, to remove hours relating to the Better Homes Active Lives PFI night support block contract, as the spend on this support should not be included in this activity indicator.
- The current forecast is 4,134,140 hours of care against an affordable level of 3,996,038, a difference of +138,102 hours. Using the forecast unit cost of £8.28, this additional activity increases the forecast by +£1,144k, as shown in Table 1.
- To the end of December 3,045,533 hours of care have been delivered against an affordable level of 2,993,454, a difference of +52,079 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 September year to date activity suggests a lower level of activity for the year than currently forecast. This is due to a delay in the recording of transitional and provisional clients on the activity database meaning that the year to date activity is currently understated. 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	8.36
Sep		8.88	8.12	7.99	8.00	8.37
Oct		9.07	8.12	7.98	8.00	8.36
Nov		9.22	8.12	7.97	8.00	8.30
Dec		9.35	8.12	7.95	8.00	8.28
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:

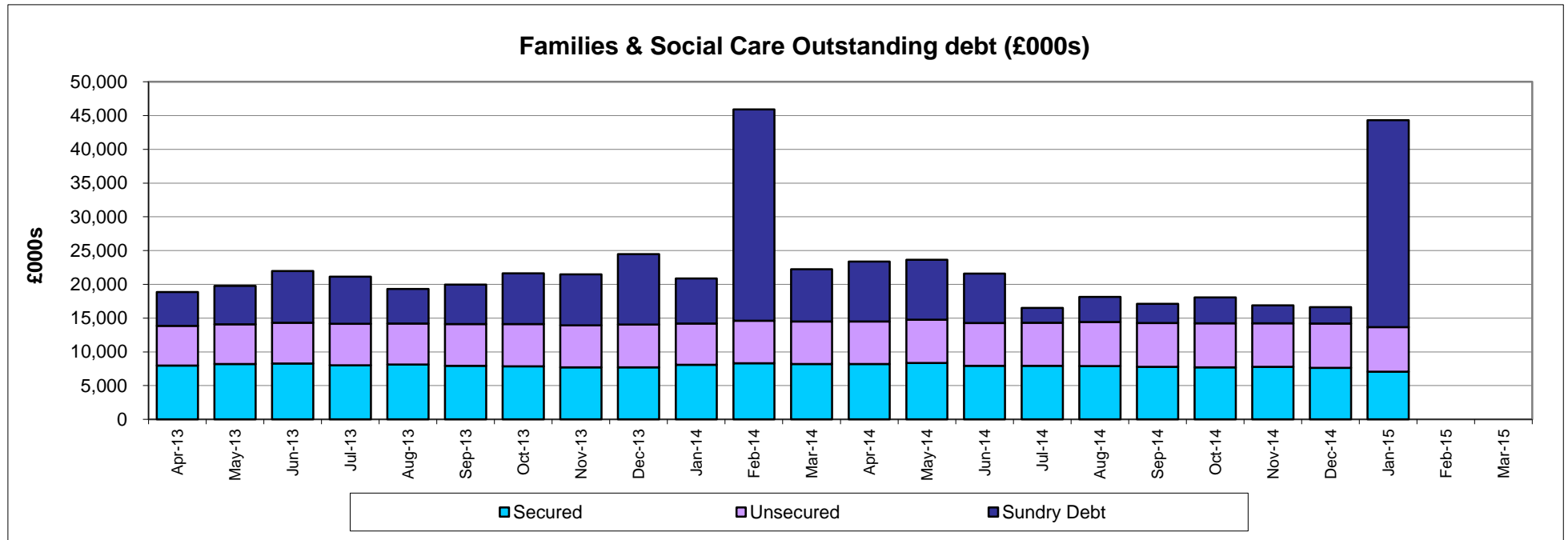
- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of +£8.28 is higher than the affordable cost of +£8.00 and this difference of +£0.28 adds +£1,119k 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 this estimate was revised upwards to 9 hours in the July monitoring report to Cabinet in October, 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.

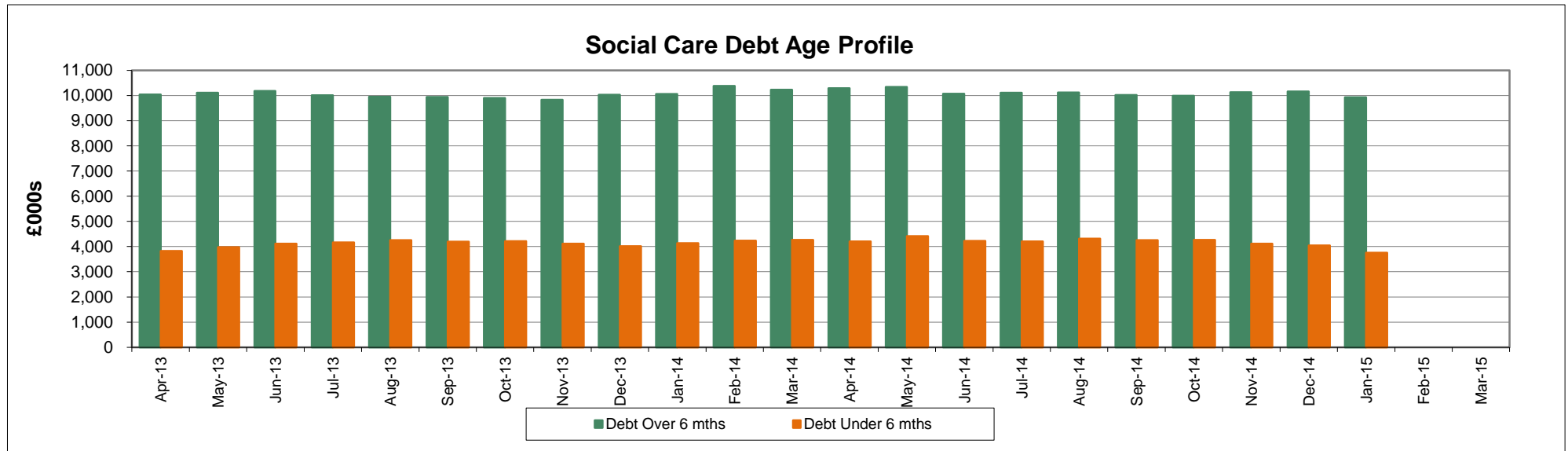
## 2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of January was £44.315m compared with November's figure of £16.907m (reported to Cabinet in January) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £30.632m of sundry debt compared to £2.658m in November. This increase is entirely due to one large invoice to Health which had only just become overdue at the end of January, however this invoice has now been settled so will not show in the February outstanding debt figures. It is not uncommon for the amount of sundry debt to fluctuate for large invoices to Health. Also within the outstanding debt is £13.683m relating to Social Care (client) debt which is a reduction of £0.566m from the last reported position to Cabinet in January. 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) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £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

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
Dec-14	16,612	2,406	14,206	10,160	4,046	7,624	6,582
Jan-15	44,315	30,632	13,683	9,926	3,757	7,079	6,604
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 December of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

<b>Social Care debt by Customer Credit Status</b>	<b>November</b> £000s	<b>January</b> £000s	<b>Movement</b> £000s
Secured	7,777	7,079	-698
Unsecured - Deceased/Terminated Service	1,818	1,947	129
Unsecured - Ongoing	4,606	4,595	-11
Caution/Restriction (Unsecured)	45	59	14
Health (Unsecured)	3	3	0
<b>TOTAL</b>	<b>14,249</b>	<b>13,683</b>	<b>-566</b>

<b>Unsecured debt by Client Group</b>	<b>November</b> £000s	<b>January</b> £000s	<b>Movement</b> £000s
Older People/Physical Disability	6,048	6,152	104
Learning Disability	315	341	26
Mental Health	109	111	2
<b>TOTAL</b>	<b>6,472</b>	<b>6,604</b>	<b>132</b>

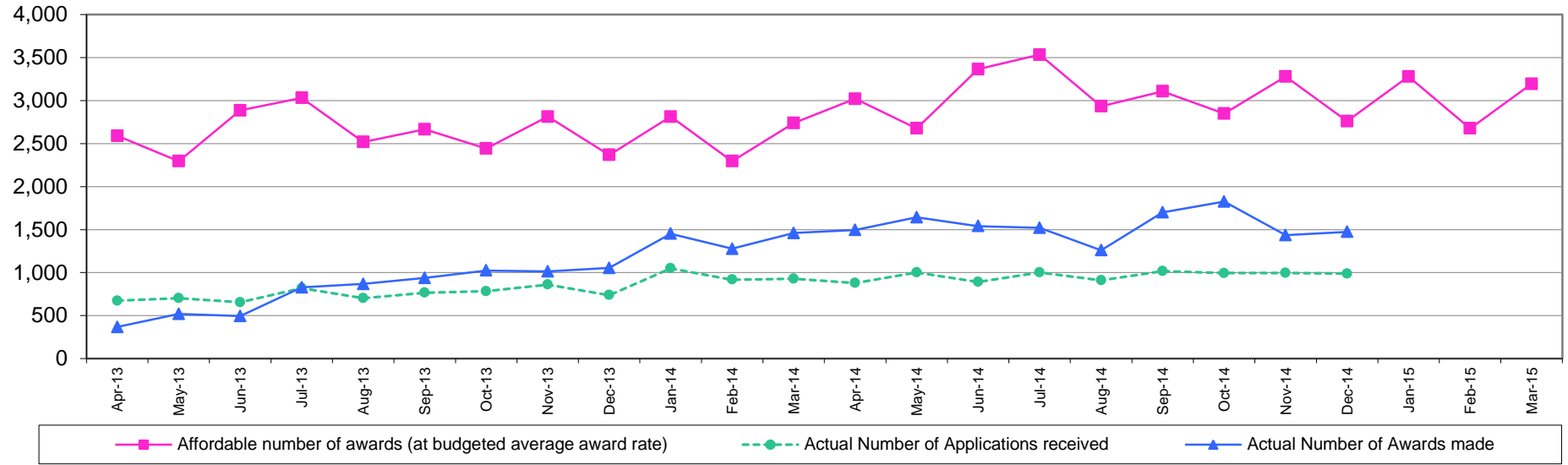
## 2.13 Number and Value of Social Fund awards made

		(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
			<b>31,462</b>	<b>9,600</b>	<b>11,303</b>	<b>2,863,000</b>	<b>1,410,231</b>	<b>91</b>
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	911	1,261	366,900	132,206	125	105
	Sep	3,108	1,018	1,701	388,500	166,819	125	98
	Oct	2,848	994	1,826	356,000	184,200	125	101
	Nov	3,280	996	1,436	410,000	125,165	125	87
	Dec	2,762	988	1,474	345,300	137,907	125	94
	Jan	3,280			410,000		125	
	Feb	2,677			334,600		125	
	Mar	3,194			399,300		125	
			<b>36,682</b>	<b>8,682</b>	<b>13,899</b>	<b>4,585,200</b>	<b>1,348,793</b>	<b>125</b>

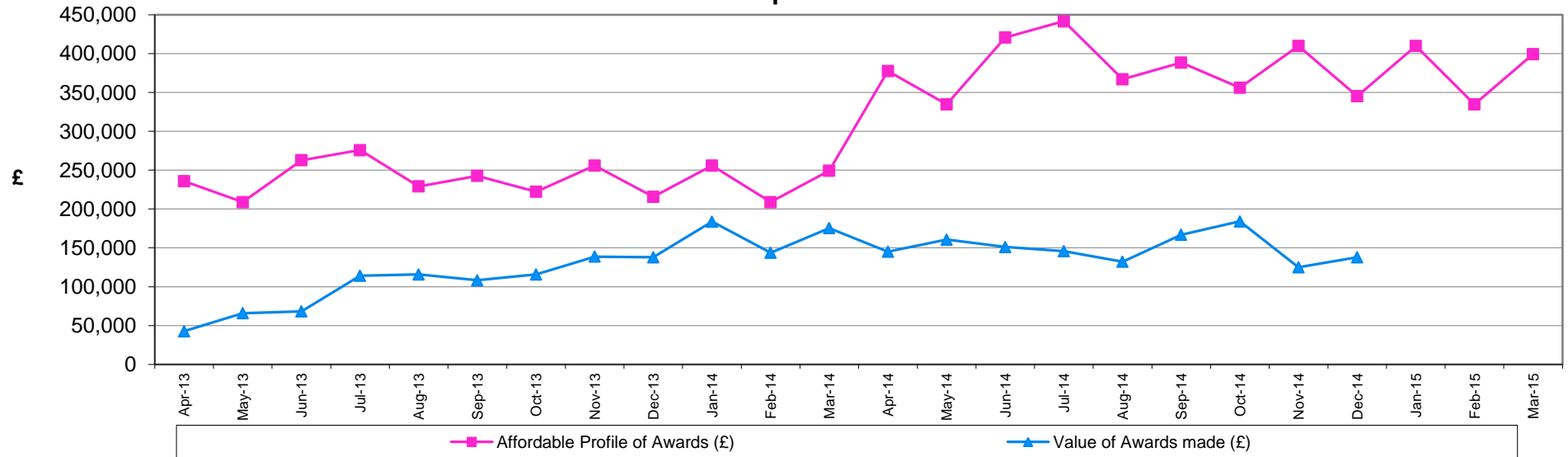
\* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for 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)

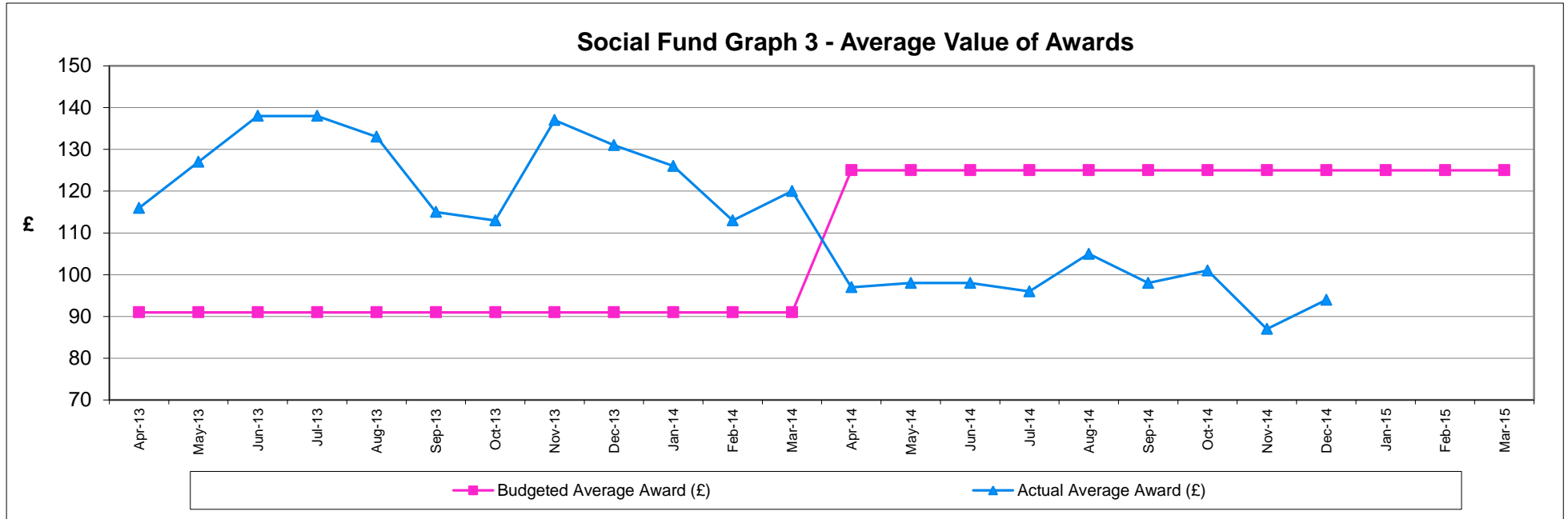
One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).

Social Fund Graph 1 - Number of Awards made



Social Fund Graph 2 - Total Value of Awards made





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 at the time 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 is reflected in the cash limits and the affordable level for this indicator.** *(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 generally showing a steadily increasing trend since the inception of this pilot scheme, reflecting the increasing communication about what the scheme provides. 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 December, on average, award values in 2014-15 have been lower with an average of £97 currently reported. In the first nine 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 37% of the number of awards but 54% of the value of awards (the percentages were 19% and 54% respectively for 2013-14, 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 January 2014, 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 £51,754k (£13,976k excluding PFI). The forecast outturn against the 2014-15 budget is £25,197k (£6,490k excluding PFI) giving a variance of -£26,557k (-£7,486k excluding PFI).

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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Home Support Fund	6,600	2,200	865	865	Real: £760k grant and £105k developer contributions	Predicted expenditure on Telecare equipment to be legitimately capitalised at year end.	Green		
<b>Individual Projects</b>									
<b>Kent Strategy for Services for Older People (OP):</b>									
Community Care Centre - Ebbsfleet	0	0	0				Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0				Green		
Think Autism	0	0	19	19	Real: grant		Green		
OP Strategy - Transformation / Modernisation	6,978	6,089	-5,444	-5,444	Rephasing: -£5,388k capital receipts and £56k developer contributions	Rephasing to 15/16 to allow for formal procurement options to be explored as part of the business case developments for the Older Persons Strategy.	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme-Community Hubs	2,182	1,580	0	0			Green		
Learning Disability Good Day Programme-Community Initiatives	679	622	0	0			Green		
<b>Active Care / Active Lives Strategy:</b>									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	37,778	-19,071	-19,071	Rephasing: PFI	Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.	Green		
<b>Developing Innovative and Modernising Services:</b>									
Information Technology Projects	2,507	2,507	-1,958	-1,958	Rephasing: grant	Rephased following review of the IT Strategy as part of the budget process.	Green		
Lowfield St (formerly Trinity Centre, Dartford)	972	978	-968	-968	Rephasing: -£727k capital receipt and -£241k developer contributions	Development of site not progressed, in further negotiations with developer on how to proceed. Budget rephased to 15/16.	Green		
<b>Total</b>	<b>82,918</b>	<b>51,754</b>	<b>-26,557</b>	<b>-26,557</b>					

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**  
**DECEMBER 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
	<b>Total (£k)</b>	-	-	-	-

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Social Care, Health &amp; Wellbeing - Public Health</b>						
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	+32	+32	<i>Public health grant variance: Other minor variances</i>
<u>Public Health:</u>						
- Children's Public Health Programmes	5,924.5	-5,924.5	0.0	+40	+40	<i>Public health grant variance: Other minor variances</i>
- Drug & Alcohol Services	18,555.7	-18,555.7	0.0	+32	+1,642	Contracts have been varied to increase service delivery in a number of targeted areas (to be funded from the Kent Drug and Alcohol reserve - see below). These contract arrangements will continue into 2015-16 and the service will be looking at ways to manage this within available resources.
					-213	Young persons contract cost is less than originally anticipated
					-342	Saving on staffing costs within the KDAAT team
					+120	Reduction in income as no contribution from probation service this year
					+44	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-1,251	Draw down from KDAAT reserve to fund overall net pressures on the KDAAT service detailed above
					+32	<i>Public health grant variance: Other minor variances</i>
- Obesity & Physical Activity	2,794.8	-2,794.8	0.0	+162	+162	<i>Public health grant variance: due to increased activity levels across several programmes which cover obesity (tier 3 morbidly obese)</i>
- Public Health - Mental Health Adults	912.1	-912.1	0.0	-34	-34	<i>Public health grant variance: Other minor variances</i>
- Public Health Staffing, Advice & Monitoring	4,897.4	-4,897.4	0.0	-1,249	-1,249	<i>Public health grant variance: Staffing underspend due to vacancies being held during restructure and appointment of Director of Public Health</i>
- Sexual Health Services	11,996.7	-11,996.7	0.0	+1,044	+605	<i>Public Health grant variance: Pressure on sexual health testing and treatment of STIs</i>
					+253	<i>Public health grant variance: Pressure relating to contraception costs, in particular Long Acting Reversible Contraception (LARC) costs</i>
					+186	<i>Public health grant variance: one-off pressure due to GP training</i>
- Targeting Health Inequalities	6,116.1	-6,116.1	0.0	+66	+830	<i>Public health grant variance: Pressure relating to health inequalities</i>
					-225	<i>Public health grant variance: Lower expenditure overall on health checks and invites, with a reduction in the number attending a health check but an increase in the number of invites sent</i>
					-175	<i>Public health grant variance: Lower expenditure than expected on outreach activity</i>

**ANNEX 4**

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-357	<i>Public health grant variance: Reduced costs of Health Trainers and Healthy Living Pharmacies</i>
					-7	<i>Public health grant variance: Other minor variances</i>
- Tobacco Control & Stop Smoking Services	4,013.4	-4,013.4	0.0	-93	-93	<i>Public health grant variance: Other minor variances</i>
	55,380.8	-55,380.8	0.0	0		
- <i>tr to(+)/from(-) Public Health reserve</i>				0		
<b>Total SCH&amp;W (Public Health)</b>	<b>55,380.8</b>	<b>-55,380.8</b>	<b>0.0</b>	<b>0</b>		

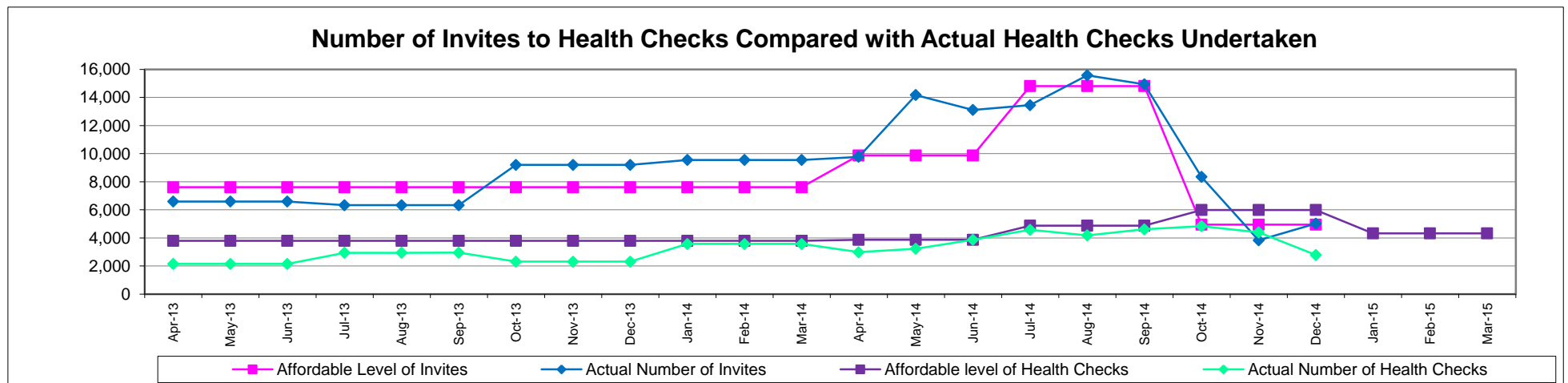
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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	15,577	4,875	4,179
Sep					14,816	14,933	4,876	4,613
Oct					4,939	8,345	5,987	4,837
Nov	22,810	27,608	11,405	6,924	4,939	3,831	5,988	4,389
Dec					4,938	5,014	5,989	2,782
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	98,210	57,145	35,446

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 planned number of invites is based on 20% of eligible population (as it is a 5 year programme) and was based on DoH estimates, but more recent GP data shows an increase in the eligible population. This activity is therefore anticipated to be above budget for the year.





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

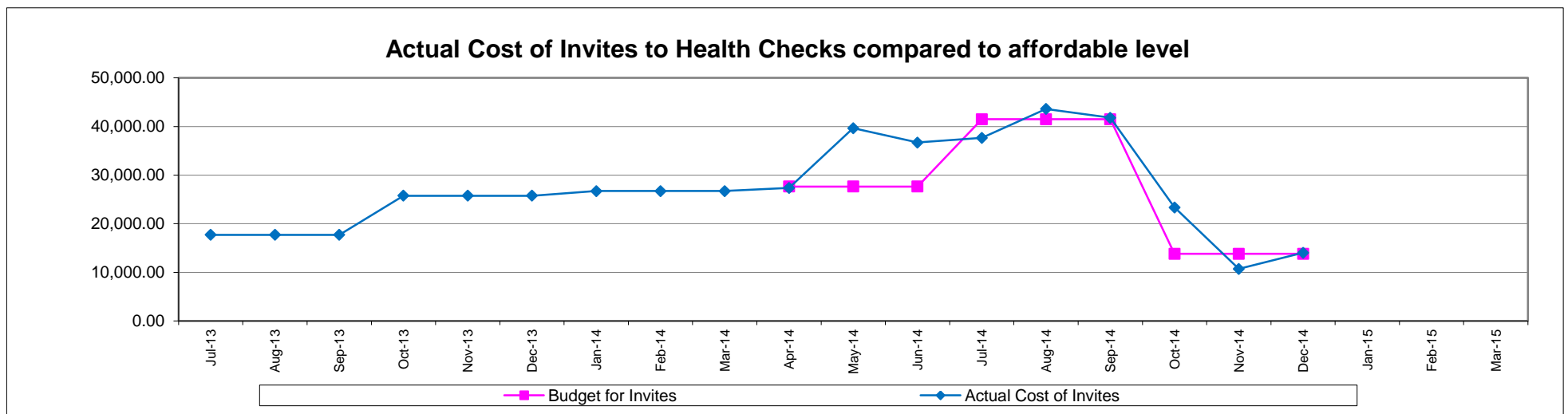
	2013-14 *		2014-15			
	Invites	Checks	Invites ~		Checks #	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081
May	0	0	27,656	39,673	92,700	79,696
Jun			27,658	36,702	92,748	95,130
Jul			41,485	37,680	117,052	112,119
Aug	53,189	210,746	41,485	43,616	117,076	104,137
Sep			41,485	41,812	117,100	113,424
Oct			13,829	23,366	143,781	116,768
Nov	77,302	175,920	13,829	10,727	143,805	110,779
Dec			13,826	14,039	143,829	66,666
Jan			0		103,843	
Feb	80,189	266,524	0		103,869	
Mar			0		103,869	
<b>TOTAL</b>	<b>210,680</b>	<b>653,190</b>	<b>248,909</b>	<b>274,988</b>	<b>1,372,372</b>	<b>875,800</b>

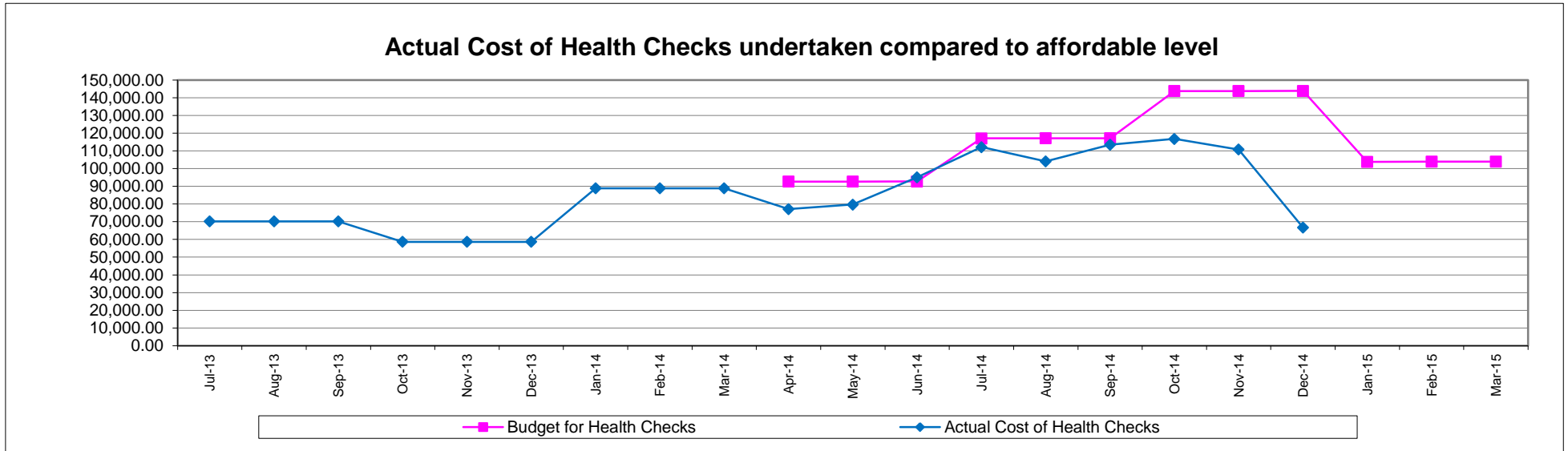
\* In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.

# Health check activity for the first nine months of 2014-15 is below budget and is expected to remain below budgeted levels this financial year.

~ The health check invites activity for the first nine months of 2014-15 is above budget. We are expecting some further invite costs in the last three months of the year as not all practices had submitted their data by the end of December.

As a result of # and ~ above, a net £225k underspend is forecast on health checks & invites, as reflected against Targeting Health Inequalities in table 1 of section 1.2 above.





**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. It is now anticipated that the number of health check invites will be greater than budgeted due to an increase in eligible population. Any pressure as a result of this will be offset by a saving on checks.

**GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE**  
**DECEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Directorate Total (£k)</b>	<b>+180,059</b>	<b>-415</b>	<b>-</b>	<b>-415</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Growth, Environment &amp; Transport</b>						
Strategic Management & Directorate Support budgets	4,794.9	-93.6	4,701.3	+9	+415 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).	This pressure is expected to be on-going and realignment of budgets has been reflected in the 2015-18 MTFP
					-212 This results from a number of vacancies as well as some staffing costs being covered by the Facing the Challenge budget (see annex 6).	Part of this saving is expected to be ongoing and has been reflected in the 2015-18 MTFP
					-194 Other minor variances	
<u>Children's Services - Education &amp; Personal</u>						
- 14 - 19 year olds	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,435.8	-300.7	2,135.1	-55		
- Community Safety	443.3	-61.2	382.1	-28		
- Community Wardens	2,689.8	0.0	2,689.8	-221	-316 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is expected to be on-going and realignment of budgets has been reflected in the 2015-18 MTFP
					+95 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Gypsies & Travellers	666.1	-430.0	236.1	-66		
- Libraries, Registration & Archives (LRA)	18,526.2	-5,256.7	13,269.5	-1,134	-471 Increased Registration Service income primarily from ceremonies and nationality checking service  -470 Staffing vacancies -139 Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock -100 Rebate received in respect of costs incurred in prior years related to the cash management system. +46 Other minor variances	This additional income is expected to be on-going and has been reflected in the 2015-18 MTFP
- Sports Development	2,725.5	-1,925.3	800.2	-136	-120 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). -16 Other minor variances	This saving is on-going and realignment of budgets between these A to Z lines has been reflected in the 2015-18 MTFP
	27,486.7	-7,973.9	19,512.8	-1,640		
<u>Environment:</u>						
- Country Parks	1,532.9	-1,023.7	509.2	-32		£25k of this underspend will be requested as a roll-forward to support additional marketing required to enable the service to deliver its savings target in 2015-16.
- Countryside Access (incl. Public Rights of Way)	2,646.9	-885.1	1,761.8	-17		
- Environment Management	4,752.7	-2,414.6	2,338.1	-174	-60 A number of highway drainage asset surveys scheduled to take place have been delayed until next year because of issues with the third party undertaking the work. As a result a committed roll-forward will be requested.  -114 Other minor variances	
	8,932.5	-4,323.4	4,609.1	-223		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,214.9	0.0	3,214.9	0			
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	-124			
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+450	+154	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required as a result of the favourable growing conditions (mild & moist) and high water table.	
					+201	Additional safety critical maintenance work	
					+95	Other minor variances	
- Highway drainage	2,962.4	0.0	2,962.4	+220	+107	Late billing of storm damage costs from 2013-14 for which no creditor provision was set up in last year's accounts.	
					+60	Increased soakaway cleansing costs	
					+53	Other minor variances	
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-66			
	24,648.1	-851.7	23,796.4	+480			
- Highways Management:							
- Development Planning	2,117.5	-2,135.2	-17.7	-44	-167	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 has been reflected in the 2015-18 MTFP
					+123	Other minor variances, each below £100k	
- Highways Improvements	1,596.7	-33.3	1,563.4	-109	-109	A number of minor variances, each below £100k, including some staffing vacancies.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Road Safety	3,059.8	-2,146.4	913.4	-436	-384 Lower than budgeted average cost per attendee for Speed Awareness courses -19 Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees +47 Reduced income for Speed Awareness courses due to fewer attendees -80 Other minor variances	This net saving is expected to be on-going and has been reflected in the 2015-18 MTFP
- Streetlight energy	5,689.5	0.0	5,689.5	-301	-144 Greater than budgeted savings achieved from part night switch-off energy saving initiative, partially offset by costs of additional streetlights at new developments. -157 Lower than budgeted impact of electricity price increase	This saving is expected to be on-going and has been reflected in the 2015-18 MTFP
- Traffic management	5,304.7	-3,363.2	1,941.5	-114	-145 Increased permit scheme income +31 Other minor variances	
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	-63	+150 Additional weed treatment. The budget only provides for one treatment but two treatments have been undertaken this year due to the mild and moist conditions leading to favourable growing conditions. -115 Procurement saving on grass cutting -84 Underspend within High Speed Roads due to termination of works to offset High Speed Roads traffic management pressures reported within the General Maintenance & Emergency Response A-Z budget line above. -14 Other minor variances	This saving is expected to be on-going and has been reflected in the 2015-18 MTFP
	21,129.7	-7,678.1	13,451.6	-1,067		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Planning &amp; Transport Strategy:</u>						
- Planning & Transport Policy	1,121.7	-60.0	1,061.7	-9		
- Planning Applications	1,094.4	-600.0	494.4	0		
	2,216.1	-660.0	1,556.1	-9		
<u>Regeneration &amp; Economic</u>						
- Regeneration & Economic Development Services	5,739.3	-1,777.8	3,961.5	-24		
<u>Regulatory Services</u>						
- Coroners	3,664.4	-1,032.7	2,631.7	-256	-157 Long Inquest costs lower than expected -87 Fixtures, fittings and IT costs of setting up the coroners offices in KCC accommodation are considerably less than expected -70 This underspend has arisen because the implementation of the new structure has been delayed until the new financial year. The service is therefore requesting roll-forward to cover the re-phasing of the expected costs of restructuring. +58 Other minor variances	
- Emergency Planning	761.8	-169.0	592.8	-86		
- Trading Standards (incl. Kent Scientific Services)	3,812.8	-945.6	2,867.2	-4		
	8,239.0	-2,147.3	6,091.7	-346		
<u>Schools Services</u>						
- Other Schools Services	445.4	0.0	445.4	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Transport Services:</u>						
- Concessionary Fares	17,006.0	-27.0	16,979.0	-226	-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 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.



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	+2,523	+2,285	The Young Person's Travel Pass (YPTP) is a new scheme and a number of assumptions were made when setting the 2014-15 budget around the number of passes as well as the usage, both in terms of number of journeys and distance travelled. Reconciliations have now been provided by our concessionary travel consultant, MCL Transport Services, for the first three quarters of the year, and as can be seen from the activity table in 2.3, journey numbers are significantly above budgeted levels. Both the old Freedom Pass scheme and the new YPTP scheme have experienced higher journey numbers, which in part is due to some of the assumptions around the reductions expected from the weekend and evening restrictions not being fully achieved. In addition, the full impact from reductions in additional capacity bus payments has not been realised and bus operators have increased their fares between 2-5%, which is recognised in the reimbursement method of calculating the payments to bus operators – to ensure they are no better or worse off – and hence has added to the pressure on this budget.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+238	As at Quarter 3 a shortfall in income is projected because the number of passes issued for the new scheme is below expected levels and also there is a different mix of full price, half price and free passes than assumed in the budget model (students in receipt of free school meals pay half price, and students in care, care leavers or young carers pay nothing).
- Subsidised Bus Routes	10,093.8	-2,185.7	7,908.1	-681	-640	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies
					-41	Other minor variances
- Transport Operations	1,271.4	-214.5	1,056.9	+87		
- Transport Planning	562.8	-228.0	334.8	+5		
	42,235.5	-7,251.2	34,984.3	+1,708		
<u>Waste Management</u>						
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	-65		
- Recycling & Diversion from Landfill:						
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-55	-246	Underspend due to contract changes at household waste recycling centres
					-181	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.
					+102	Reduced income primarily resulting from reduced volumes of recyclable metals.
					+193	Reduction in income primarily in relation to the sale of recycled textiles
					+77	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Partnership & development	500.7	-168.0	332.7	-17			
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	+209	+193	The Church Marshes Waste Transfer Station is currently not able to take food waste, meaning that Swale Borough Council's contractor must dispose of this at a different site and is incurring additional costs in doing so. KCC has agreed to reimburse these costs until problems at the site are resolved, which should be by the end of the financial year.	
					+150	Additional tipping away payments for Canterbury City Council following the end of a temporary arrangement to tip dry recyclable material within the council's boundary; the material is now tipped outside of the Canterbury area.	
					-108	Underspend on lease costs of Refuse Collection Vehicles in Shepway, net of reduced recharge to Shepway District Council.	
					+29	Increased recycling credit payments to Waste Collection Authorities and third party recyclers resulting from the higher volume of waste (+400 tonnes).	
					-55	Other minor variances	
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-582	+547	Forecast increase of +20,500 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.	Additional funding to address pressures resulting from increased waste tonnage has been reflected in the 2015-18 MTFP.
					-1,038	Savings resulting from the new Materials Recycling Facilities contract	The full year effect of savings from new waste contracts has been reflected in the 2015-18 MTFP
					-102	Actual price of in-vessel composting is lower than budgeted	

**ANNEX 5**

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+11	Other minor variances
	22,749.9	-3,244.0	19,505.9	-445		
- Waste Disposal:						
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	-29	+158	Insufficient creditor provision set up for Southern Water charges in 2013-14, plus an increase in the metered water charges at North Farm
					-125	Small underspends within Pollution Control Schemes.
					-62	Other minor variances
- Disposal Contracts	31,131.0	-156.0	30,975.0	+1,016	+945	Additional +8,400 tonnes of residual waste to be sent to the Allington Waste to Energy plant
					+347	Forecast increased tonnage of residual waste to be sent to landfill (+15,000 tonnes) following re-direction of waste due to down time at the Allington Waste to Energy Plant
					-342	Income from Trade Waste at North Farm and Dunbrik
					+66	Other minor variances
						Additional funding to address pressures resulting from increased waste tonnage has been reflected in the 2015-18 MTFP.
						This is expected to be ongoing and has been reflected in the 2015-18 MTFP

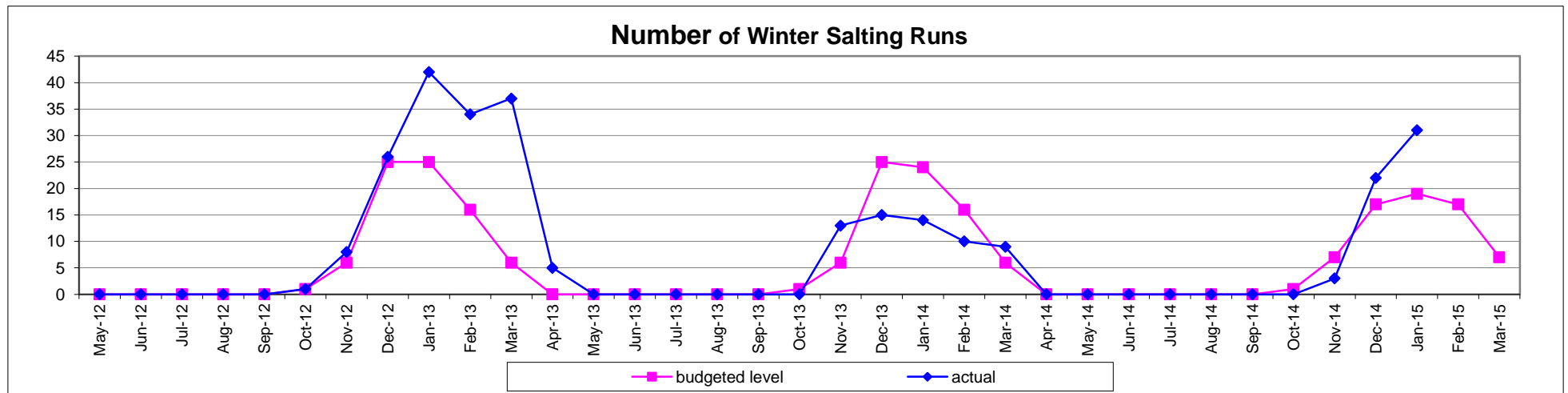
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	-1,009	-869	Underspend due to contract changes at transfer stations
					-220	Reduced volume of waste at certain sites that are outside of the new contracts has resulted in an underspend. With the advent of the new contracts some of the tonnage, primarily soil and hardcore, does not attract an incremental cost as it is processed as part of a fixed management fee irrespective of the volume of waste, therefore a corresponding increase in volume at the sites which are included in the new contracts, has not attracted an offsetting additional cost.
					+80	Other minor variances
- Landfill Tax	4,651.0	0.0	4,651.0	+1,229	+1,229	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 (+15,000 tonnes)
	46,297.0	-261.0	46,036.0	+1,207		
<b>Total GE&amp;T</b>	<b>216,379.9</b>	<b>-36,321.3</b>	<b>180,058.6</b>	<b>-415</b>		
<b>Assumed Mgmt Action</b>						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>216,379.9</b>	<b>-36,321.3</b>	<b>180,058.6</b>	<b>-415</b>		

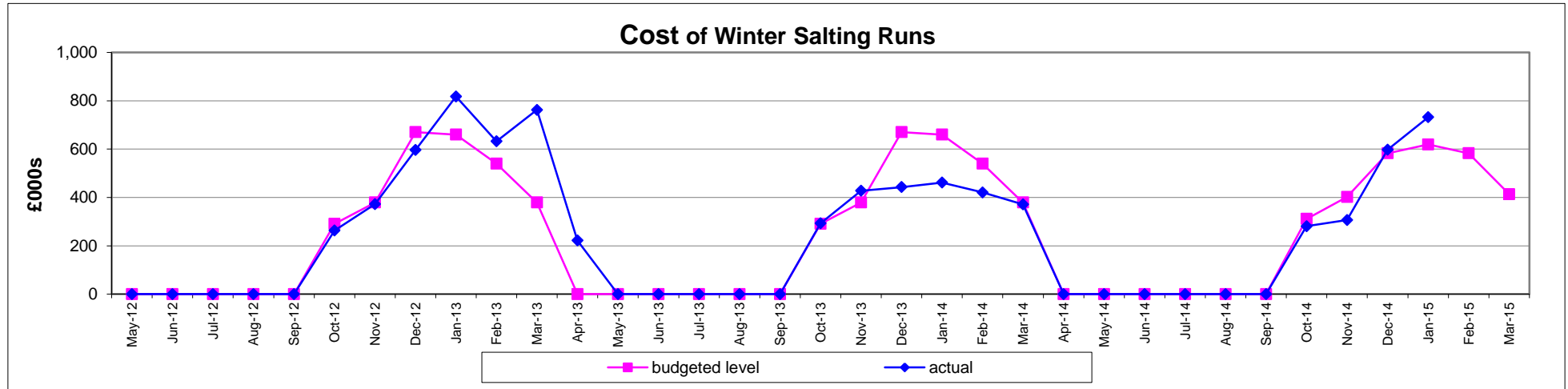
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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	281
Nov	6	8	379	372	6	13	379	428	7	3	402	306
Dec	25	26	670	596	25	15	670	443	17	22	583	597
Jan	25	42	660	817	24	14	660	462	19	31	619	732
Feb	16	34	540	632	16	10	540	421	17		583	
Mar	6	37	379	762	6	9	379	371	7		414	
	<b>79</b>	<b>149</b>	<b>2,919</b>	<b>3,454</b>	<b>78</b>	<b>66</b>	<b>2,919</b>	<b>2,639</b>	<b>68</b>	<b>56</b>	<b>2,911</b>	<b>1,917</b>

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.



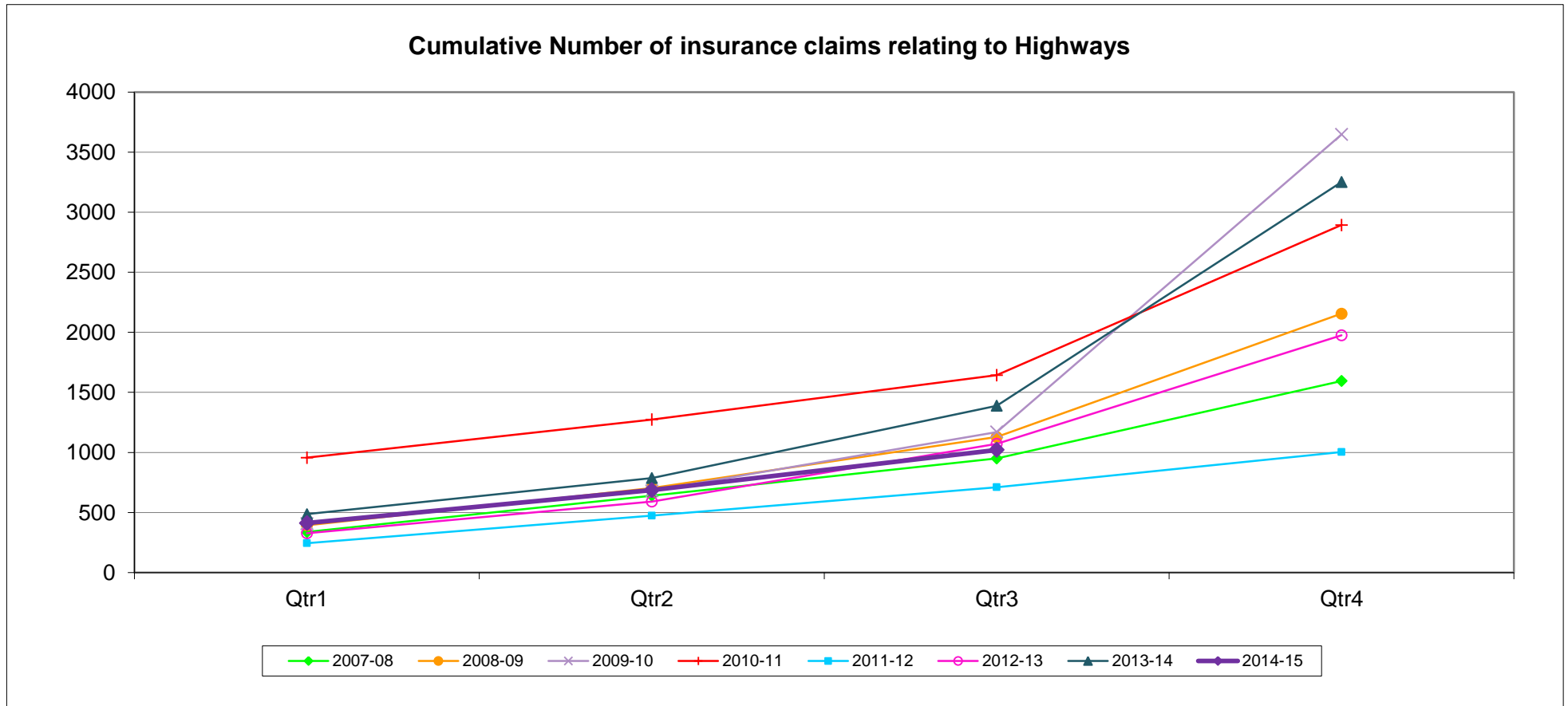


**Comments:**

- 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.
- 2014-15 year to date activity is 12 salting runs above the affordable level but only £3k above budget as at January. Many of the runs have required a lower spread of salt than assumed in the budget and also on a number of occasions the whole county has not been treated, which again results in reduced costs. Together, this has resulted in the costs of salting runs not being as high as the number of runs may suggest. This small variance does not show in Table 1 of section 1.2 as it is offset by other minor variances.

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	486	412
Jul to Sep	640	704	680	1,273	473	590	786	686
Oct to Dec	950	1,128	1,170	1,643	710	1,072	1,388	1,021
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,975	3,251	





## 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 December 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 September monitoring report presented to Cabinet on 1 December 2014 as new claims have been received relating to incidents occurring during these 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 90%.

2.3 Young Persons Travel Pass (formerly Freedom Pass)

The data for this activity indicator is only provided on a quarterly basis from our concessionary travel consultant, MCL Transport Services.

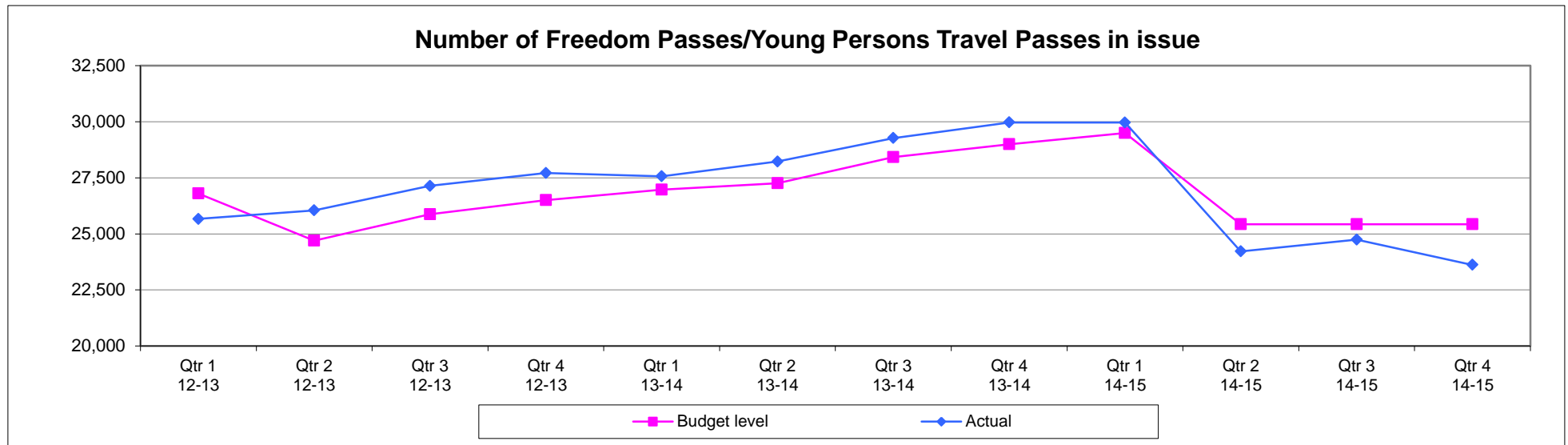
	2012-13				2013-14				2014-15			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)
Qtr 1	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	29,966 ^	2,210	2,407 #
Qtr 2	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	25,430 *	24,223	1,512	1,705
Qtr 3	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	25,430 *	24,747	1,789	2,076
Qtr 4	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	25,430 *	23,618 ~	1,922	
			<b>8,076</b>	<b>8,652</b>			<b>9,050</b>	<b>9,585</b>			<b>7,433</b>	<b>6,188</b>

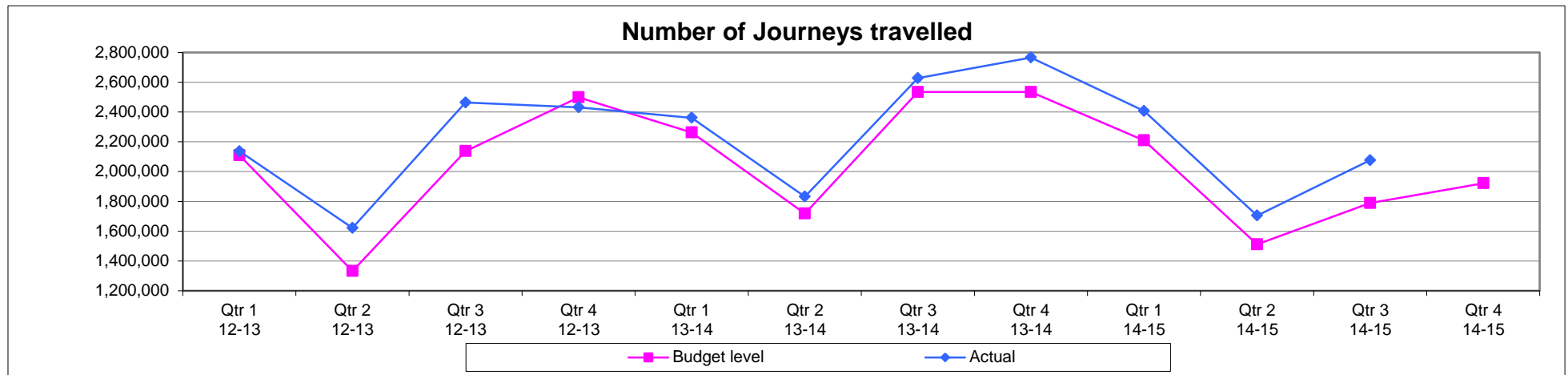
\* 2014-15 budget costings have been reviewed and the affordable number of passes for YPTP has changed as a result.

^ The number of Q1 Freedom Passes has been revised as it previously excluded, in error, young people who had upgraded from a Home to School Transport pass.

~ This reflects the known number of valid passes for Mar 15, as at mid February. Further applications are still being received, so this figure will be updated in future reports to provide the snapshot of passes as at 31 March 2015.

# The Q1 actual journeys has been revised following reconciliation by our concessionary travel consultant, MCL Transport Services.





**Comments:**

- Freedom Pass applications steadily increased from quarter one of 2012-13 to when the old scheme ceased in Quarter 1 2014-15, 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. Despite this, there was still a pressure on this budget in 2013-14 also.
- 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 the introduction of a new scheme, agreed by County Council in February 2014, restricting 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 number of passes for the old scheme in issue in Quarter 1 was above the budgeted number, as were the number of journeys being travelled. Following implementation of the changes to the scheme, YPTP pass numbers remain short of budgeted levels: 24,223 new passes were issued as at 30 September 2014 for the new academic year; this increased to 24,747 as at 31 December 2014, although the figure has dropped to 23,618 as at mid February. This reduction is as a result of a number of half year passes not yet being renewed for the second half of the academic year (applications were due by early January, although a number of requests for renewals are continuing to come in).

2.4 Waste Tonnage

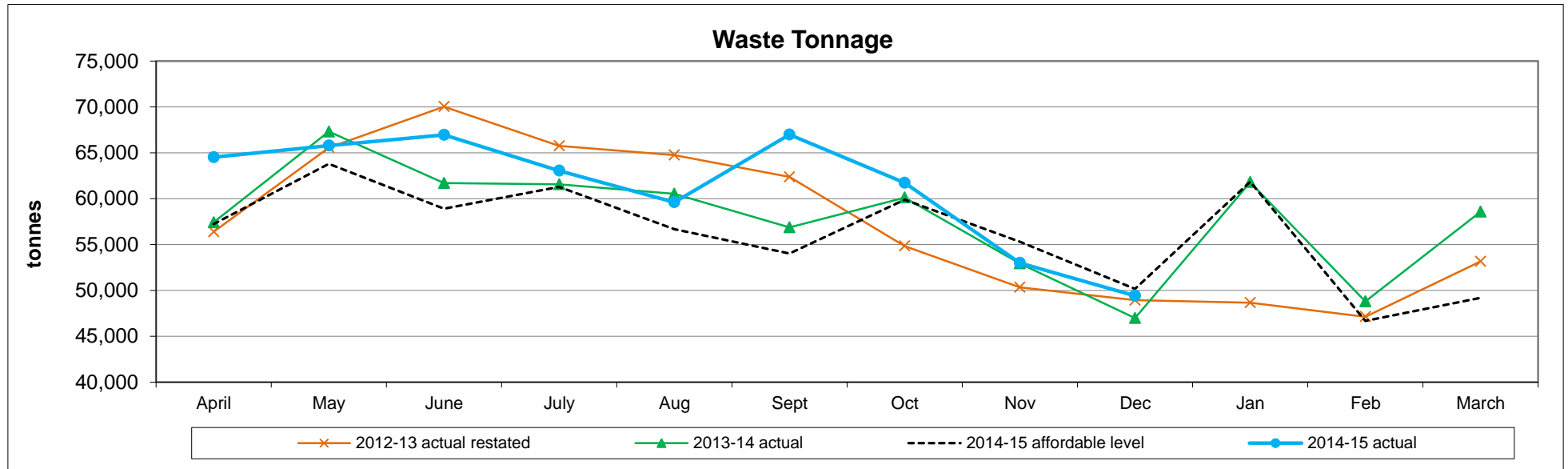
	# 2012-13 restated	2013-14 restated	2014-15	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	56,390	57,423	57,246	64,522
May	65,562	67,314	63,802	65,789
Jun	70,033	61,701	58,899	66,948
Jul	65,764	61,563	61,282	63,048
Aug	64,760	60,519	56,684	59,617
Sep	62,377	56,884	54,032	66,984
Oct	54,837	60,127	59,881	61,734
Nov	50,344	52,934	55,294	52,990
Dec	48,925	46,979	50,167	49,418
Jan	48,668	61,791	61,844	
Feb	47,135	48,801	46,682	
Mar	53,150	58,583	49,187	
	<b>687,945</b>	<b>694,619</b>	<b>675,000</b>	<b>551,050</b>

^ Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. From April 2013, due to changes in managing waste contracts, all service providers have transferred on to a calendar month basis .

# 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.

These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.



## 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.
- 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 last year.
- 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 nine months of the year approximately 33,800 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 December, and forecasts for January to March, the overall volume of waste to be managed this financial year is expected to be approximately 719,300 tonnes, which is 44,300 tonnes above the affordable level and equates to a pressure of £2.979m. However with the advent of the new contracts some of the tonnage, primarily soil and hardcore, does not attract an incremental cost as it is processed as part of a fixed management fee irrespective of the volume of waste, therefore an increase in waste tonnage may not always result in an increased pressure on the waste budget. The pressure on waste volumes is mostly offset by other savings within the service, as detailed in table 1, giving an overall net pressure against the waste management budget of +£0.697m. The service believes that the increase in waste tonnage experienced over the last twelve months can be mostly explained by two separate issues. Firstly, climatic: the extraordinarily mild and moist winter of 2013-14 and spring 2014, as well as a markedly high water table, 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 financial 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 1.2 are based on actual activity for April to December, with estimates for the remaining three months. Overall waste volumes are currently 4.9% higher for the first nine months of the year when compared with the same period for last year. The current forecast of 719,300 tonnes is only 3.6% higher than actual tonnage for 2013-14 and assumes that the unusually high tonnage in January last year resulting from the floods and storms will not be repeated this year. Waste tonnages for November & December are below the affordable levels, which is encouraging and may suggest that the recent trend of increased waste volumes is starting to reverse and fall more in line with expectations, however waste volumes remain volatile.

### 3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £128,500k. The forecast outturn against the 2014-15 budget is £118,097k giving a variance of -£10,403k.

3.2 **Table 2** below details the Growth, Environment and Transport 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Country Parks Access and Development	180	77	-2	-2	Rephasing: capital receipt		Green		
Library Modernisation Programme	1,095	782	-782	-782	Rephasing: prudential	Rephased following review through the budget process.	Green		
Management and Modernisation of Assets - Vehicles	430	166	0	0			Green		
Public Rights of Way	2,505	1,368	42	42	Rephasing: -£80k grant Real: +£92k external other and +£30k developer contributions		Green		Increase 14-15 cash limit by £92k external other and £30k developer contributions
Public Sports Facilities Improvement - Capital Grant	300	100	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 <sup>1</sup>	Explanation of Project Status	Actions
Village Halls and Community Centres - Capital Grants	725	325	-60	-60	Rephasing: prudential		Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	39,719	-48	-48	Rephasing: -£339k external other Real: +£246k grant, +£20k external other and +£25k revenue	Real variance comprises: +£63k contribution from MHF towards the delivery of a resurfacing scheme. +£133k uncommitted member grant to fund increased costs relating to final account for resurfacing contracts. +£50k from Carriageway Collapse scheme to fund some urgent culvert works. +£20k external contribution towards tourism signs and footway repairs. +£25k for weather station enhancements to be funded from a renewals reserve. Rephasing of -£339k following a recent review of the resurfacing schemes delivery. Also, several barrier replacement schemes now require detailed design and public consultation.	Green		Increase 14-15 cash limit by +£113k grant

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 <sup>1</sup>	Explanation of Project Status	Actions
Integrated Transport Schemes under £1 million	11,346	5,039	648	648	Rephasing: -£32k grant and -£268k developer contributions Real: +£903k grant and +£45k external other	+£903k reflects additional grant awarded by the DfT to deliver local sustainable transport schemes. More works are now being scheduled to maximise the grant allocation. An additional +£45k external contribution towards Coxheath traffic calming scheme. -£300k rephasing comprises a number of schemes reprofiled across the Integrated Transport 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 <sup>1</sup>	Explanation of Project Status	Actions
Member Highway Fund		1,132	-361	-361	Real: -£196k grant Rephasing:-£165k grant	Real variance of -£196k consists of: -£63k to contribute towards the delivery of a member nominated resurfacing scheme and -£133k uncommitted member grant which will be used to settle increased final resurfacing accounts within the Highway Major Enhancement programme. Rephasing of -£165k consists of: -£68k for schemes which have been ordered but where delivery has been delayed following scheme redesign as a result of public consultation and £97k for committed schemes yet to be designed.	Green		Decrease 14-15 cash limit by -£63k grant

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 <sup>1</sup>	Explanation of Project Status	Actions
Land compensation and Part 1 claims arising from completed projects	1,213	261	-222	-222	Rephasing: -£21k developer contributions and -£201k prudential	Rephasing due to significant delays in mobilising new valuation service tender to the new provider. The forecast has been adjusted to reflect actual completion within the financial year.	Green		
Major Schemes - Preliminary Design Fees	450	680	0	0			Green		
<b>Individual Projects</b>									
Dartford Library Plus	434	434	-434	-434	Rephasing: -£125k capital receipt, -£120k prudential, -£180k developer contributions and -£9k external other.	Following public consultation suggested changes have impacted on delivery times and hence rephasing to 15/16.	Amber	Will remain amber status until new completion date agreed.	
Kent History & Library Centre	0	104	-94	-94	Rephasing: -£94k PEF2		Green	There has been no impact on the completion date.	
New Community Facilities at Edenbridge	0	43	0	0			Green		
Southborough Hub	250	125	-125	-125	Rephasing: -£122k capital receipts and -£3k developer contributions.	A new enhanced scheme is currently being considered and the project has been reprofiled accordingly.	Amber	Will remain amber status until revised scheme completion date agreed.	

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 <sup>1</sup>	Explanation of Project Status	Actions
Tunbridge Wells Library	0	10	0	0			Green		
Broadband	21,850	12,955	-4,950	-4,950	Rephasing: +£837k grant and -£5,787k prudential	As a result of the in-life contract management controls, KCC has been working with BDUK to identify potential savings and deployment efficiencies within the broadband programme work. Whilst good progress is being made, and the project deployment remains on track, given that the infrastructure build is now moving into more complex areas, some re-phasing is required.	Green	There has been no impact on the completion date.	
Cyclopark	0	35	0	0			Green	The revised completion date of 30/06/2015 has been previously reported	
Empty Property Initiative	7,500	2,972	-472	-472	Rephasing: -£482k external other Real: +£10k revenue	Potential loans from this project have been diverted to develop the new NUE (No Use Empty) programme so the product can be developed and tested.	Green	There has been no impact on the completion date.	

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 <sup>1</sup>	Explanation of Project Status	Actions
Eurokent Road (East Kent)	69	71	-62	-62	Rephasing: external other		Green	There has been no impact on the completion date.	
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 of which £1.063m is available for capital use (£0.310m in 2014-15 and balance in future years).	Green		
Incubator Development	0	401	-17	-17	Rephasing: prudential		Green	There has been no impact on the completion date.	
LIVE Margate	2,656	5,076	-3,376	-3,376	Rephasing: prudential	KCC has endeavoured to acquire some key strategic sites and it is taking longer to finalise these acquisitions.	Green	There has been no impact on the completion date.	It is proposed to move this project to S&CS.
Marsh Million	200	433	-300	-300	Rephasing: -£200k capital receipt and £100k external other	The take-up of funding for this scheme has been slow. Marketing activity has been ongoing to raise the profile of the fund.	Green	There has been no impact on the completion date.	
No Use Empty - Rented Affordable Homes	250	563	795	795	Real: external funding	Following full project spend the HCA funding is now available and reflected in the forecast.	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 <sup>1</sup>	Explanation of Project Status	Actions
Old Town Hall, Gravesend	58	15	33	33	Rephasing: +£5k prudential and +£28k capital receipts		Green		
Payers Park	0	500	0	0			Green		
Regeneration Fund Projects	2,006	2,902	0	0			Green		
Regional Growth Fund - Expansion East Kent	21,000	9,867	5,133	5,133	Rephasing: grant	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	23	23	Rephasing: grant		Green		
Rural Broadband Demonstration Project	1,315	675	-516	-516	Real: -£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	There has been no impact on the completion date.	

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 <sup>1</sup>	Explanation of Project Status	Actions
Swale Parklands	0	48	-25	-25	Real: prudential	Underspend to fund Tram Road/Tontine Street.	Green	The revised completion date of 31/03/2015 has been previously reported	
Tram Road/Tontine Street Road Works	0	13	25	25	Real: prudential	To be funded from Swale Parklands.	Amber	A change in contractor has caused additional works to be carried out, but overspend will be funded from Swale Parklands.	
TIGER	16,000	4,796	5,478	5,478	Rephasing: grant	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green	There has been no impact on the completion date.	
Escalate	5,400	5,500	-311	-311	Rephasing: grant	The forecast has been adjusted according to current actual and pipeline cases in current year.	Green	There has been no impact on the completion date.	
Energy and Water Efficiency Investment Fund - External	431	235	-10	-10	Rephasing: revenue		Green	There has been no impact on the completion date.	
Energy Reduction and Water Efficiency Investment - KCC	292	172	-64	-64	Rephasing: revenue		Green	There has been no impact on the completion date.	
Sandwich Sea Defences	1,875	1,515	-75	-75	Rephasing: prudential		Green	There has been no impact on the completion date.	

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 <sup>1</sup>	Explanation of Project Status	Actions
Coldharbour Gypsy site		41	34	34	Real: -£41k external other and +£75k capital receipt.		Amber	Increased cost following agreement of final account with the contractor. This is to be funded by capital receipt.	
Archaeological Heritage Findings			19	19	Real: grant		Green		
<b>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):</b>									
HWRC - Tonbridge and Malling	300		0	0			Green		
HWRC-West Kent	600	0	0	0					
Richborough Closed Landfill site- Emergency Works	0	200	0	0			Green		
Sturry Road Closed Landfill site- Emergency Works	0	49	0	0			Green		
TS/HWRC - Ashford	50	50	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 <sup>1</sup>	Explanation of Project Status	Actions
TS/HWRC - Swale	3,380	1,880	-1,280	-1,280	Rephasing: -£1,030k prudential Real: -£250k prudential	Bridge works only to be carried out in this financial year. The revised scheme is showing an overall underspend of £250k and this will be used to fund the overspend reported in weather damage (£100k) and Street Lighting Timing (150k).	Green	There has been no impact on the completion date.	Decrease cash limit in 14-15 by -£250k Prudential
<b>Kent Highway Services</b>									
Weather Damage - Major Patching	0	1,516	105	105	Real: +£100k prudential and +£5k external other	Additional works had been carried out. The overspend is to be funded by £100k underspend shown against the Swale Transfer station, and additional external funding of £5k.	Amber		Increase cash Limit in 14-15 by +£100k Prudential
Carriageway Collapse-Emergency works	0	1,119	-50	-50	Real: grant	Works nearly completed. £50k budget no longer required and will be transferred to Highway Major Enhancement to fund some urgent culvert works.	Green		Decrease Cash limit in 14-15 by -£50k Grant



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 <sup>1</sup>	Explanation of Project Status	Actions
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0					
East Kent Access Phase 2 - Major Road Scheme	3,447	2,011	-1,669	-1,669	Rephasing: grant	Review of delivery programme due to re tendering of LCA part 1 works.	Green	There has been no impact on the completion date.	
Growth without Gridlock initiatives	350	0	0	0					
Kent Thameside Strategic Transport Programme	11,526	1,479	-1,179	-1,179	Rephasing: -£872k grant and -£307k developer contributions	The overall programme is still under review. Rathmore Road link within the programme has now been given planning consent in October 2014 to go ahead. The earlier profile anticipated the voluntary acquisition of a property and this is unlikely to happen in this financial year due to slow progress on negotiation to agree terms with the owner's agent.	Green	There has been no impact on the completion date.	
Lorry Park	14,620	1,080	-1,055	-1,055	Rephasing: prudential	Further options are being explored hence the start date has been delayed.	Green	The revised completion date has been previously reported.	

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 <sup>1</sup>	Explanation of Project Status	Actions
North Farm Longfield Road, Tunbridge Wells	4,275	6,054	-1,283	-1,283	Rephasing: developer contributions	Predicted completion now June 2015 as a result of unchartered utility services that require diversion or protection.	Green	The revised completion date of June 2015 has been previously reported	
Rushenden Link (Sheppey) - major road scheme	749	694	-584	-584	Rephasing: prudential	Review of delivery programme due to re tendering of LCA part 1 works.	Green	There has been no impact on the completion date.	
Sandwich Highways Depot	3,000	0	0	0			Green		
Sittingbourne Northern Relief Road - major road scheme	2,722	2,395	-2,007	-2,007	Rephasing: developer contributions	Review of delivery programme due to re tendering of LCA part 1 works.	Green	There has been no impact on the completion date.	
Street Lighting Column - Replacement Scheme	2,500	1,804	0	0			Green		
Street Lighting Timing - Invest to Save	1,817	1,512	250	250	Real: +£150k prudential and +£100k grant.	Increased cost is mainly due to a higher than expected number of columns needing to be rewired to enable conversion and higher staff cost than originally estimated. The overspend is to be funded from the Swale Transfer station and old residual grant balances.	Amber		Increase cash Limit in 14-15 by +£150k Prudential and Grant +£100k

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 <sup>1</sup>	Explanation of Project Status	Actions
Thanet Park Way	2,600	1,642	-1,500	-1,500	Rephasing: prudential	The rephasing is due to delays in the procurement process and the delay in acquiring the land in this financial year. The negotiations are under way, but unlikely to be completed in this financial year.	Green	The revised completion date reported in June 2014 Monitoring.	
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	4,386	-1,033	-1,033	Rephasing: +£155k grant, -£1033k prudential and -£155k developer contributions	Scheme is expected to be completed in June 2015. The delay is due to unchartered and shallow utility services needing some extra mitigation works. These costs have been absorbed within the overall budget.	Amber	Revised completion date June 2015.	
<b>Ashford Schemes</b>									
A28 Chart Road, Ashford	16,600	0	660	660	Rephasing: developer contributions	The scheme has received planning consent. The anticipated spend is now being brought forward to cover initial development works and engagement with utilities.	Green	The overall scheme cost has increased and this will be funded from the anticipated LEP grant and developer contributions.	
Victoria Way	468	505	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 <sup>1</sup>	Explanation of Project Status	Actions
Drovers Roundabout junction	192	242	-12	-12	Rephasing		Green	There has been no impact on the completion date.	
<b>Total</b>	<b>259,191</b>	<b>128,500</b>	<b>-10,403</b>	<b>-10,403</b>					

## 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**  
**DECEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+82,638</b>	<b>-1,097</b>	<b>-</b>	<b>-1,097</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Strategic &amp; Corporate</b>						
Strategic Management & Directorate Support Budgets	3,535.1	-5,089.3	-1,554.2	-172	-167 Staff vacancies, mainly due to secondments to the Facing the Challenge team -5 Other minor variances	
<b>Community Services</b>						
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+507	+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.  +269 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.  +73 Other minor variances	Management action has been taken which has improved performance to target whilst delivering some efficiencies and keeping 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	-165	-165 Other minor variances each below £100k	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	-276	-213	Reduction in estimated number of Healthwatch business cases which will require funding in 2014-15
					-63	Other minor variances
	7,791.5	-2,343.4	5,448.1	+66		
<u>Local Democracy</u>						
- Community Engagement	415.3	0.0	415.3	+185	+277	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. The review of this service has now been completed and a revised structure is subject to consultation.
					-92	Other minor variances, each below £100k, including savings from a moratorium on non critical spend to offset the pressure on this service.
- County Council Elections	570.0	0.0	570.0	0		
- Local Member Grants	2,120.5	0.0	2,120.5	0		
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	-40		
	5,569.0	0.0	5,569.0	+145		
<u>Support to Frontline Services</u>						
- Business Strategy	3,365.5	-82.0	3,283.5	-277	-311	Staff vacancies & maternity leave. A committed roll forward of £14k will be requested for Health Reform monies which is due to be spent in April & May 2015.
					+34	Other minor variances
- Business Strategy (Facing the Challenge & Corporate Portfolio Office)	504.2	0.0	504.2	0	+4,027	Facing the Challenge costs in excess of the gross budget of £484.1k which was rolled forward from 2013-14
					-4,027	Drawdown from reserves to meet Facing the Challenge costs in excess of cash limit

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+792 Corporate Portfolio Office costs in excess of the gross budget of £20.1k which was rolled forward from 2013-14	Service transformation costs have been held here as a holding position this year and it is anticipated that these transformation costs, together with the matching drawdown from reserves, will be transferred to the relevant services before the end of the financial year.
					-792 Drawdown from reserves to meet Corporate Portfolio Office costs in excess of cash limit	
					+252 Corporate/Customer Services Transformation Assessment works	
					+341 Adult Social Care Transformation Phase 2 Assessment works	
					+113 0-25 Children's Services Transformation Assessment works	
					+1,000 0-25 Children's Services Transformation Design works - in accordance with Cabinet Member decision 14/00086	
					-1,706 Drawdown from reserves to fund Transformation works detailed above	
- Communications & Consultation	2,805.4	-131.0	2,674.4	-343	-136 Staff vacancies	
					-42 Income from Public Health to fund costs of Press Campaign Officer	
					-165 Other minor variances each below £100k	
- Democratic & Members	3,835.1	-128.7	3,706.4	-66		
- Finance & Procurement	19,644.4	-7,761.9	11,882.5	-335	+240 Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-187 Staffing vacancies	
					-208 Reduction in specialist fees within Financial Management	
					-180 Other minor variances each below £100k	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Human Resources	15,635.2	-6,464.8	9,170.4	-531	-61 Staffing vacancies -365 Revision to the training budget following finalisation of workforce development plans  -149 Additional income for recruitment services provided to schools & academies +44 Other minor variances	The training budget was reviewed as part of the 2015-18 MTFP process and a revised budget set for 2015-16.
- Information, Communications &	34,954.1	-17,351.3	17,602.8	-7	-7	
- Legal Services & Information Governance	9,574.3	-11,725.9	-2,151.6	+180	+136 Reduction in income resulting from market conditions +44 Other minor variances	
- Property & Infrastructure Support	32,913.9	-6,411.2	26,502.7	+243	+243 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 is being taken to address this through on-going work with service directorates to identify opportunities. The 2015-18 MTFP includes further savings to be delivered from asset rationalisation.
	123,232.1	-50,056.8	73,175.3	-1,136		
<b>Total S&amp;CS</b>	<b>140,127.7</b>	<b>-57,489.5</b>	<b>82,638.2</b>	<b>-1,097</b>		
<b>Assumed Management Action</b>						
<b>Total S&amp;CS Forecast after mgmt action</b>	<b>140,127.7</b>	<b>-57,489.5</b>	<b>82,638.2</b>	<b>-1,097</b>		



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

### 2.1 Capital Receipts

The total forecast receipts expected to be banked during 2014-15 is £11.963m. With the imminent closure of PEF1 and PEF2 all receipts achieved will now go towards funding the capital programme. Finance and Property colleagues are continuing discussions to resolve any ongoing implications from the closure of the two funds.

### 2.2 Capital Receipts Funding Capital Programme

	<b>2014-15</b>
	£'000
Capital receipt funding required for capital programme	28,956
Banked in previous years and available for use	31,449
Receipts from other sources*	2,571
Requiring to be sold this year	-5,064
Forecast receipts for 2014-15	11,963
Potential Surplus/(Deficit)	<u>17,027</u>

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2014-15 totals £28.956m. Taking into account receipts banked in previous years which are available for use, receipts from other sources, and on the assumption the forecast receipts are achieved in 2014-15, there is a forecast "surplus" of capital receipt funding by the end of the year. It should be noted that any surplus would be a result of timing differences between when the receipts are achieved and when the spend is incurred in the capital programme. Any surplus receipts would therefore be required to fund future capital expenditure.

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

### 3. CAPITAL

3.1 The Strategic and Corporate Services Directorate has a working budget for 2014-15 of £29,764k. The forecast outturn against the 2014-15 budget is £24,911k, giving a variance of -£4,853k.

3.2 **Table 2** below details the Strategic and Corporate 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	300	300	Real: capital receipts	Increased forecast reflects the capitalisation of security costs to protect the value of KCC assets.	Amber	Amber status reflects increased forecast.	
Modernisation of Assets	5,626	6,793	-3,500	-3,500	Rephasing: prudential	Mainly due to hiring an environmental consultant to decide most economical way forward on two large building works.	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Connecting with Kent	282	651	0				Green		
Customer Journey Programme (Facing the Challenge)	990	709	-709	-709	Rephasing: prudential	Project presently on hold until further clarity on requirements following Facing the Challenge.	Amber	Amber until completion date agreed.	
Enterprise Resource Programme	0	209	10	10	Rephasing: -£50k prudential Real: +£60k revenue		Green	The revised completion date of 30/06/2015 has been previously reported.	
Gateways (Programme Rollout)	296	296	-146	-146	Rephasing: prudential	Enhanced design work and additional value engineering.	Green	There has been no impact on the completion date.	
HR System Development	160	160	-60	-60	Rephasing: prudential		Green	There has been no impact on the completion date.	
Innovative Schemes Fund	2,000	926	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 <sup>1</sup>	Explanation of Project Status	Actions
New Ways of Working	12,400	14,238	0				Green		
Property Asset Management System	0	90	0				Green	The revised completion date of 31/03/2015 has been previously reported.	
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	-320	-320	Rephasing: -£266k prudential and -£54k capital receipts	First phase of the redevelopment has been extended, pushing second phase in to next year. Overall completion date unaffected.	Green	There has been no impact on the completion date.	
Swanley Gateway (Programme Rollout)	490	1,078	-428	-428	Rephasing: -£398k developer contributions and -£30k external other	Contractor has identified additional works and is seeking extension of time.	Green	The revised completion date of 30/06/2015 has been previously reported.	
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green	The revised completion date of 31/01/2015 has been previously reported.	
Winter Gardens Rendezvous site	100	100	0				Green		
<b>S&amp;CS Directorate Total</b>	<b>28,806</b>	<b>29,764</b>	<b>-4,853</b>	<b>-4,853</b>					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FINANCING ITEMS**  
**DECEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+134,117</b>	<b>-2,258</b>	<b>-</b>	<b>-2,258</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Financing Items</b>						
Audit Fees	314.0	0.0	314.0	-141	-141	Forecast based on anticipated fees as notified by our external auditors which includes rebates relating to prior years
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	The revised dividend target set for Commercial Services by the Shareholder Board is £1.391m less than the originally budgeted dividend. Commercial Services remain on track to meet this revised dividend target.
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	+2,056	+539 +1,517	Transfer to Insurance reserve of surplus on Insurance Fund (see below) Transfer to the Minimum Revenue Provision (MRP) smoothing reserve of in year saving on MRP to cover potential impact in future years, in line with usual practice (see net debt charges below).

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Insurance Fund	4,679.0	0.0	4,679.0	-539	-539	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	3,258.5	0.0	3,258.5	0		
Net Debt Charges (incl Investment Income)	128,012.5	-8,514.0	119,498.5	-1,117	+400	Impact of continued low interest rates on our cash balances and investments
					-1,517	In year saving on MRP as a result of re-phasing of the 2013-14 capital programme, resulting in fewer assets becoming operational last year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year.
Other	939.0	-36.0	903.0	0		
Unallocated	3,782.5	0.0	3,782.5	-3,708	-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
					-1,770	Increase in Government funding levels from £942.251m to £944.021m following Autumn Budget Statement and more certainty around the number and timing of schools converting to academy status in year.
					-983	Bellwin funds received in respect of emergency costs incurred as a result of the 2013-14 autumn and winter storms & flooding
					+983	Transfer of Bellwin funds to the Emergency Conditions reserve

**ANNEX 7**

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-33	Business Rates flood relief grant
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0		
<b>Total Financing Items</b>	<b>150,357.7</b>	<b>-16,241.0</b>	<b>134,116.7</b>	<b>-2,258</b>		
<b>Assumed Management Action</b>						
<b>Total Fin Items Forecast <u>after</u> mgmt action</b>	<b>150,357.7</b>	<b>-16,241.0</b>	<b>134,116.7</b>	<b>-2,258</b>		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil		
	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	93.21
Oct	89.49	100.54	84.40
Nov	86.53	93.86	75.79
Dec	87.86	97.63	59.29
Jan	94.76	94.62	47.22
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.

