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Corporate Directors

To: CABINET - 21 September 2015

Subject:

- (1) REVENUE AND CAPITAL BUDGET MONITORING FOR 2015-16 - QUARTER 1
- (2) KEY ACTIVITY MONITORING FOR 2015-16 - QUARTER 1
- (3) FINANCIAL HEALTH INDICATORS 2015-16 - QUARTER 1
- (4) PRUDENTIAL INDICATORS 2015-16 - QUARTER 1
- (5) IMPACT ON REVENUE RESERVES
- (6) DIRECTORATE STAFFING LEVELS 2015-16 - QUARTER 1

Classification: **Unrestricted**

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## 1. SUMMARY

- 1.1 This report provides the budget monitoring position for June 2015-16 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 June 2015 compared to 31 March 2015, which are provided in section 7.

## 2. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

## 3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £14.555m, before management action, but management action is expected to reduce this to £11.950m as shown in table 1 below. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2016-17 in an overspending position. Management action of £0.5m is expected to be delivered within Education & Young People Services and £0.034m within Strategic & Corporate Services. In addition, a £2.071m reduction is expected within Strategic & Corporate Services once we receive the detailed action plan from our project partners (KPMG) in relation to how the £2.071m Procurement & Commissioning saving will be delivered. Further work is urgently required to identify actions to eliminate the residual £11.950m forecast pressure. The annexes to this report provide the detail of the overall forecast position which is summarised in table 1 below.
- 3.2 In terms of the residual forecast overspend after management action of £11.950m, it is anticipated that there should be an improvement in the position arising from measures that have only recently commenced, which are now starting to take effect but were not reflected in the Quarter 1 position submitted by budget managers as it was too early to quantify the effects of these actions. It is therefore anticipated that the position will improve by the quarter 2 report. However, this is a significant problem to resolve and should not be under-estimated, so the Corporate Management Team is asked to consider options to fully offset this forecast residual pressure, starting initially with reviewing all areas of spend to ensure we continue to focus on reducing spend in those areas which will not directly impact on front line services. If by quarter 2 this is not showing adequate signs of reducing then more radical action will need to be taken.

3.3 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £0.267m increase in the forecast overspend (excluding schools), as shown in table 1. This is mainly due to:

**E&YP** - costs associated with the new Early Help Module; underachievement of savings within Children's Centres due to only a part year effect being delivered in 2015-16; anticipated one-off costs related to the restructuring within Early Help & Preventative Services division; youth centre refurbishment costs and wireless routers/cabling in children's centres; shortfall against income targets for Early Years training income, School Improvement and outdoor education sites; and an increase in the pressure on the SEN home to school transport budget, are being partially offset by increased underspending on Mainstream Home to School Transport (HTST), reduced capitalisation of pension costs, savings on commissioned services and £0.5m of management action within Early Help & Preventative Services.

**SCH&W (SCS)** - an increase in the forecast shortfall in grant funding for the Asylum Service following the well reported recent increase in migrant activity. Within the other Specialist Children's Services there are pressures on social care staffing and safeguarding predominately due to use of agency staff, together with pressures on care leavers, family support services and fostering budgets due to higher than budgeted demand, which are largely being offset by lower demand for residential services including secure accommodation.

**SCH&W (Adults)** - the pressure has only marginally increased from the position reported to Cabinet in July.

**GE&T** - a net pressure on the waste budgets is now forecast due to increased tonnage, partially offset by savings on waste contract/prices; an unachievable saving on Libraries rates due to a delay in establishing a charitable trust and a small increase in the pressure on the Concessionary fares budget are being partially offset by a rebate for streetlight energy based on winter 2014-15 usage; increased Registration income and a one-off rebate related to costs incurred in prior years on the libraries cash management system.

**S&CS** - a small improvement in the pressures reported last month, together with small variances across many units and expected management action of £0.034m across the divisions. In addition, a forecast reduction of £2.071m is now reflected within management action, in anticipation of the detailed action plan from KPMG as to precisely how the £2.071m procurement & commissioning saving is to be delivered, leading to an overall balanced position for the directorate.

**FI** - estimated retained levy as a result of being in a business rate pool, the accounting treatment for which has only recently been agreed and an underspend on the external audit fee following approval of the fee at Governance & Audit Committee in July.

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	72,475.3	+953	-500	+453	-	+453
2	Social Care, Health & Wellbeing - Specialist Children's Services	132,815.6	+244	-	+244	-	+244
	Social Care, Health & Wellbeing - Asylum	280.0	+5,936	-	+5,936	+2,900	+3,036
	<i>Sub Total SCH&amp;W - Specialist Children's Services</i>	<i>133,095.6</i>	<i>+6,180</i>	<i>-</i>	<i>+6,180</i>	<i>+2,900</i>	<i>+3,280</i>
3	Social Care, Health & Wellbeing - Adults	347,149.2	+7,083	-	+7,083	+7,019	+64
4	Social Care, Health & Wellbeing - Public Health	-693.2	-	-	-	-	-
5	Growth, Environment & Transport	171,027.1	+741	-	+741	+594	+147
6	Strategic & Corporate Services	68,796.6	+2,105	-2,105	-	+2,520	-2,520
7	Financing Items	125,978.2	-2,507	-	-2,507	-1,350	-1,157
	<b>TOTAL (excl Schools)</b>	<b>917,828.8</b>	<b>+14,555</b>	<b>-2,605</b>	<b>+11,950</b>	<b>+11,683</b>	<b>+267</b>
1	<i>Schools (E&amp;YP Directorate)</i>	-	+1,212	-	+1,212	-	+1,212
	<b>TOTAL</b>	<b>917,828.8</b>	<b>+15,767</b>	<b>-2,605</b>	<b>+13,162</b>	<b>+11,683</b>	<b>+1,479</b>

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

- a) The position included in this report for Asylum is a pressure of £5.936m, and this reflects the impact of the increase in migrant activity up to the end of June and the estimated fit out costs for a new temporary reception centre. We are seeking to recoup these one-off fit out costs from Government. This forecast is based on the latest grant offer from the Home Office and assumes 100 new referrals per month for July, August & September and then 50 per month for the remainder of the financial year. There were 182 referrals in July, suggesting that we are currently under-forecasting the potential pressure on the Asylum budget, but this will depend on the level of migrant activity for the remainder of the year. At the time of writing this report, migrant activity has slowed significantly in August from the levels experienced in July, with 86 referrals in the first 25 days of the month. Negotiations continue particularly with regard to the increased costs resulting from the recent high number of referrals.
- b) There is a small forecast pressure on Specialist Children's Services (exc. Asylum, see above) which assumes that the transformation savings will be delivered in line with the savings profiles agreed with our transformation partner. The net overspend of £0.244m mainly relates to increased costs of agency social workers due to the ongoing difficulties in recruiting to salaried posts. Also, pressures on Safeguarding, Care Leavers, Family Support Services and Fostering are offset by underspending on Residential Services.

- c) The pressure of £7.083m within Social Care, Health & Wellbeing - Adults is largely the net effect of a continuation of increased activity experienced in the final quarter of 2014-15 on residential and homecare services for older people and physically disabled clients together with significant pressures on the supported living service for learning disabled and physically disabled clients and support for carers. These pressures are partially offset by delivery of transformation savings, staff vacancy savings and the use of so-far uncommitted funding held within Other Adult Services (see Annex 3 for further information).
- d) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of £0.517m but this is more than offset by a continuation from last year of the reduced demand for mainstream home to school transport (-£0.986m). In addition the Directorate is showing a net pressure in relation to costs associated with the new Early Help Module, only a part year effect of Children's Centres savings being delivered this year, refurbishment costs for Youth Centres and costs of cabling and wireless routers in Children's Centres, shortfalls against income targets for nursery provision, early years training, outdoor education and school improvement, together with a pressure on the Community Learning & Skills service due to costs associated with service redesign and a reduction in contract/grant income. These pressures are partially offset by lower than budgeted annual pension capitalisation costs and savings on commissioned services, with the directorate as a whole forecasting a net pressure excluding schools of £0.953m. Management action estimated at £0.5m has been identified to offset this but the directorate is committed to achieving a balanced budget position and is currently investigating ways in which this pressure can be reduced further, particularly within Early Help & Preventative Services and Education Quality & Standards divisions, which is where the main pressure areas reflected in this report are contained.
- e) The Growth, Environment and Transport Directorate is forecasting a pressure of £0.741m. The most significant services contributing to this position are Concessionary Fares (£0.621m) due to increased usage and a net pressure on the waste budget of £0.389m (*see item (f) below for further details*). These pressures are partially offset by a rebate on streetlight energy following a reconciliation of winter 2014-15 usage and additional registration income, mainly from ceremonies.
- f) The high waste volumes experienced during 2014-15 have continued into the first quarter of 2015-16 with a forecast overspend of £1.119m currently reported. This is partially offset by savings on in-vessel composting, higher than anticipated income from recyclables, lower cost of waste to energy disposal and contract savings at HWRCs and transfer stations, giving an overall net waste pressure of £0.389m. The tonnage for quarter 1 was 2,300 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £1.119m assumes 19,100 tonnes above the budgeted level of 690,500 tonnes for the full year. This forecast appears high when comparing to year to date tonnage, but it assumes that waste volumes will remain at similar levels to those experienced last year for the remainder of this financial year.
- g) The forecast for Public Health currently shows an underspend on £0.144m which in line with government guidelines will be transferred to the Public Health reserve, for use in future years. However, the service is currently considering options for dealing with a potential in year grant reduction resulting from the Government's austerity measures, please see section 3.7 (i) for further details.
- h) Within Strategic & Corporate Services, a £2.071m centrally held procurement & commissioning saving is currently forecast to be offset once the detailed action plan from our project partner (KPMG) as to precisely how this will be delivered, is finalised.

- i) Within Financing Items, higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012, 2013 and 2014 Autumn Statements; a retained levy as a result of being in a business rate pool with 10 of the Kent District Councils and an underspend against the external audit fee all contribute to a forecast underspend of £2.507m. The accounting treatment for the retained levy has only recently been agreed, hence why this was not factored into the 2015-16 budget build. If a business rate pool is agreed for 2016-17 then we will need to reflect a retained levy in the 2016-17 budget build, but we will not know this until the autumn.

### 3.6 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the allocation of the single pay reward scheme funding to units, the further centralisation of budgets, recharging as a result of the commissioning of Public Health related services from other units within the council and to reflect where responsibility for providing services has moved between directorates.
- In addition, budgets have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2014-15 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier and to present a more accurate gross and income expectation. Further details are provided within the annexes. Some of these adjustments have impacted upon the affordable levels of activity reported in section 2 of the annexes, which have been amended from the levels reported to Cabinet on 6 July in the outturn report. **Cabinet is asked to agree these changes to the cash limits as set out in tables 1a of the annexes.** The variances reflected in this report assume that these cash limit changes are approved.

Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October. Equally the spend related to these roll forwards is not included in this report, so there is no impact upon the overall variance reported.

### 3.7 Potential in year cuts to Government funding levels

Making an early start on tackling the public finances in this Parliament, the Chancellor announced in the Queen's Speech in early June that the in-year budget review process was completed and provided details of the savings by Government Department. Some of these cuts will have a direct impact on our finances. Details which have been announced so far include:

i) **Public Health**

- As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government has announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options include:
  - (1) take a larger share from LAs that are significantly above their target allocation;
  - (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
  - (3) apply a flat rate percentage reduction to all LAs allocations;
  - (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.Although we do not expect to know the outcome of the consultation until early autumn, the Department of Health's stated preferred option is to apply a 6.2% reduction across the board (option 3 above), which for Kent would mean a cut in funding of £4.040m. On this basis, the service is considering options for dealing with an in-year 2015-16 budget reduction of this level, but it should be noted that a reduction of this size would require cuts to service levels.  
Our response to the consultation is that option 1 is our preferred option. Kent is currently below our target allocation.

ii) **Adult Education**

- The Skills Funding Agency (SFA) has announced a 3.9% cut to adult skills budget and discretionary learner support allocations, which is being made in response to the £450m in year savings required of the Department for Business, Innovation & Skills. Additionally, the SFA will attempt to save money by withdrawing all funding for mandated English for speakers of other languages (ESOL) provision for the 2015-16 funding year. This 3.9% cut will be made across the board to non-apprenticeship allocations. The impact on the Community Learning & Skills budget is a reduction in funding of £0.359m but the service is able to cease some direct service costs and with the implementation of management action the residual impact is estimated at £0.1m, and this is included in the EY&P directorate forecast reflected in this report.

iii) **Youth Offending Service**

- A formal consultation is imminent regarding a 14% in year government cut in Youth Offending Team grant from Youth Justice Board (YJB). A 14% reduction in our YJB funding would equate to £0.2m. We, and other local authorities, have sent a letter to YJB stating that a cut in grant would be too detrimental to the service and suggest that the reduction should be taken from the central YJB budget. A further update will be provided once we have more details.

#### 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2015-16 Capital Programme is £369.351m (£331.573m excluding PFI). The forecast outturn against this budget is £341.837m (£304.059m excluding PFI) giving a variance of -£27.514m (-£27.514m 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	15-16 Cash Limit £'000	2015-16 Working Budget £'000	2015-16 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	144,784	162,231	-15,878	35	-15,913	1
Social Care, Health & Wellbeing - Specialist Children's Services	902	1,959	-			2
Social Care, Health & Wellbeing - Adults	30,049	51,156	-3,408	-246	-3,162	3
Social Care, Health & Wellbeing - Public Health	-	360	-			4
Growth, Environment & Transport	101,707	125,897	-8,545	-977	-7,568	5
Strategic & Corporate Services	20,582	27,748	317	417	-100	6
Financing Items	-	-	-			7
<b>TOTAL</b>	<b>298,024</b>	<b>369,351</b>	<b>-27,514</b>	<b>-771</b>	<b>-26,743</b>	

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

- a) The majority of schemes are within budget and on time.
- b) -£0.771m of the -£27.514m variance is due to real variances as follows:

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

Sittingbourne Town Centre Regeneration (GET) -£2.000m. The match funding for this project will be held by a third party and will therefore not pass through KCC's books. The budget will be amended accordingly.

Highway Major Enhancement (GET) +£0.283m reflects an additional footway scheme to be funded by additional developer contributions and additional costs to a resurfacing scheme in Thanet to be funded by grant.

Marsh Millions (GET) +£0.400m reflects expected match funding from partners.

Disposal Costs (S&CS) +£0.400m. This reflects the capitalisation of security costs to protect the value of KCC assets, to be funded from the capital proceeds of property disposals. Future year budgets will be considered as part of the 2016-19 MTFP process.

The remaining +£0.146m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.



c) -£26.743m of the -£27.514m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Special School Review Phase 2 (EYP) -£15.005m. Rephasing to reflect the impact on 2015-16 of delays at the planning stage, land acquisition and cost renegotiation stages on a number of complicated projects which has impacted on completion dates.

Early Help Single System (EYP) -£0.908m. Re-profiling of original budget allocation to reflect revised project plan.

OP Strategy - Specialist Care Facilities (SCH&W Adults) -£3.162m. The Accommodation Strategy has identified a need to incentivise the market in Swale, Thanet and Sandwich. Market engagement has commenced in Swale which will inform what capital investment is needed. However, a more formal exercise may be required which is unlikely to be complete by the end of the financial year and therefore the budget is being rephased into 2016-17.

SELEP projects (GET):

Sittingbourne Town Centre Regeneration -£2.500m;

Middle Deal Transport Improvements -£1.500m;

A26 London Road/Staplehurst Road/Yew Tree Junction -£0.939m;

M20 Junction 4 Eastern Over Bridge -£0.899m;

Tonbridge Town Centre Regeneration -£0.842m.

A28 Sturry Rural Integrated Transport Package -£0.509m; and

Folkestone Seafront -£0.156m.

The original budgets for these schemes were profiled on the phasings within the initial business cases which were submitted to SELEP for LGF funding. The forecasts now reflect amended profiles in the revised business cases.

The remaining -£0.323m rephasing comprises minor rephasing across the capital programme. The annexes to this report provide the detail.

#### 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 2015-16 on our revenue reserves:

Account	Balance at 31/3/15 £m	Projected Balance at 31/3/16 £m	Movement £m
General Fund balance	34.7	37.2	2.5
Earmarked Reserves	168.3	114.4	-53.9
Surplus on Trading Accounts	2.9	2.9	-
Schools Reserves *	54.0	52.8	-1.2

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

- 6.2 The increase of £2.5m in general reserves reflects the 2015-16 budgeted contribution, as approved by County Council in February.

6.3	The reduction of £53.9m in earmarked reserves includes:	£m
	▪ Budgeted drawdown of Economic Downturn reserve to support 2015-16 budget	-4.2
	▪ Budgeted drawdown of earmarked reserve to support 2015-16 budget (residual 2013-14 underspend)	-4.0
	▪ Budgeted use of directorate held reserves to support 2015-16 budget	-2.4
	▪ Budgeted contribution to reserves for invest to save proposals	+4.5
	▪ Budgeted contribution to reserves (incl. continuation of collaborative work with DCs to increase council tax yield)	+2.6
	▪ Budgeted drawdown from Kingshill Smoothing reserve	-2.0
	▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12 (year 2 of 10)	+1.3
	▪ Budgeted contribution to the elections reserve	+0.6
	▪ Use of rolling budget reserve (2014-15 underspend) to fund approved roll forwards	-10.9
	▪ Transfer to earmarked reserve to support future budgets of uncommitted 2014-15 rolled forward	+4.1
	▪ Planned drawdown of reserves for transformation costs	-13.2
	▪ Planned drawdown of Dedicated Schools Grant reserve	-3.8
	▪ Planned drawdown of Kent Drug & Alcohol Service reserve	-3.9
	▪ Planned drawdown of 2014-15 underspend from Public Health reserve	-1.6
	▪ Forecast transfer to Public Health reserve of 2015-16 underspend (see annex 4)	+0.1
	▪ Forecast transfer to (+ve) / from (-ve) Dedicated Schools Grant reserve (unbudgeted) (see annex 1)	-0.1
	▪ Planned use of NHS Support for Social Care reserve	-0.7
	▪ Forecast transfer to Insurance reserve (see annex 7)	+0.7
	▪ Forecast transfer to Kingshill Smoothing reserve in respect of net profit distribution from partnership	+2.2
	▪ Planned movement in IT Asset Maintenance reserve	-2.1
	▪ Planned movement in Dilapidations reserve	-3.9
	▪ Impact on rolling budget reserve of current forecast overspend	-12.0
	▪ Other forecast movements in earmarked reserves	-5.2
		-53.9
6.3	The reduction of £1.2m in schools reserves is due to:	£m
	▪ An assumed 11 schools converting to academy status this financial year and taking their accumulated reserves with them	-1.2

## 7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2015 compared to the numbers as at 31 March 2015, based on active assignments. Between 31 March and 30 June 2015 there has been a reduction of 157.6 FTEs, of which 17.03 FTEs were in schools and 140.57 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of a school converting to an academy.

		31 Mar 15	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	Difference	
							Number	%
KCC	Assignment count	37,285	37,123				-162	-0.43%
	Headcount (inc. CRSS)	31,437	31,310				-127	-0.40%
	Headcount (excl. CRSS)	27,933	27,770				-163	-0.58%
	<b>FTE</b>	<b>20,915.93</b>	<b>20,758.33</b>				<b>-157.60</b>	<b>-0.75%</b>
KCC - Non Schools	Assignment count	11,667	11,471				-196	-1.68%
	Headcount (inc. CRSS)	10,785	10,587				-198	-1.84%
	Headcount (excl. CRSS)	9,296	9,134				-162	-1.74%
	<b>FTE</b>	<b>7,972.64</b>	<b>7,832.07</b>				<b>-140.57</b>	<b>-1.76%</b>
E&YP	Assignment count	2,903	2,843				-60	-2.07%
	Headcount (inc. CRSS)	2,678	2,598				-80	-2.99%
	Headcount (excl. CRSS)	1,903	1,849				-54	-2.84%
	<b>FTE</b>	<b>1,573.20</b>	<b>1,536.07</b>				<b>-37.13</b>	<b>-2.36%</b>
SCH&W	Assignment count	4,638	4,590				-48	-1.03%
	Headcount (inc. CRSS)	4,256	4,221				-35	-0.82%
	Headcount (excl. CRSS)	4,056	4,028				-28	-0.69%
	<b>FTE</b>	<b>3,483.83</b>	<b>3,459.75</b>				<b>-24.08</b>	<b>-0.69%</b>
GET	Assignment count	2,370	2,354				-16	-0.68%
	Headcount (inc. CRSS)	2,163	2,152				-11	-0.51%
	Headcount (excl. CRSS)	1,626	1,617				-9	-0.55%
	<b>FTE</b>	<b>1,314.51</b>	<b>1,305.26</b>				<b>-9.25</b>	<b>-0.70%</b>
S&CS	Assignment count	1,756	1,684				-72	-4.10%
	Headcount (inc. CRSS)	1,746	1,674				-72	-4.12%
	Headcount (excl. CRSS)	1,720	1,649				-71	-4.13%
	<b>FTE</b>	<b>1,601.10</b>	<b>1,530.99</b>				<b>-70.11</b>	<b>-4.38%</b>
Schools	Assignment count	25,618	25,652				34	0.13%
	Headcount (inc. CRSS)	20,718	20,785				67	0.32%
	Headcount (excl. CRSS)	18,667	18,665				-2	-0.01%
	<b>FTE</b>	<b>12,943.29</b>	<b>12,926.26</b>				<b>-17.03</b>	<b>-0.13%</b>

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

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

CRSS = Staff on Casual Relief, Sessional or Supply contracts.

## 8. CONCLUSIONS

- 8.1 The overall forecast overspend position has increased by +£2.872m from +£11.683m to +£14.555m since the initial forecast for the year provided to Cabinet in July. However, management action of £0.5m is proposed within Education & Young People Services and £0.034m within Strategic & Corporate Services; in addition, a £2.071m reduction in the Strategic & Corporate Services position is anticipated once the detailed action plan from KPMG is finalised on precisely how the procurement & commissioning saving will be delivered. This is expected to reduce this position to +£11.950m, an increase of +£0.267m since the last report. Within this position is a +£3.036m increase in the Asylum forecast reflecting the impact of the increase in migrant activity up to the end of June. Migrant activity was especially high during July so there is potential for this forecast to increase further, but we will continue our negotiations with Government to recoup as much of this as we possibly can. Excluding Asylum, the position for all other services has therefore improved this month by -£2.769m. Whilst this improvement is welcome, there is still a very long way to go to deliver a balanced position for the year. A £11.950m forecast pressure, £6.014m excluding Asylum, is a real cause for concern. Although it is not unusual for the early forecasts in the financial year to be on the pessimistic side, usually by the quarter 1 report the position has improved significantly. This is true of this year also, where the position excluding Asylum has improved by £2.769m this month, however we have not had a forecast residual pressure (including Asylum) of this magnitude (£11.950m) at the quarter 1 position in, at least, any of the last 21 years. In addition, this position is likely to be exacerbated by in year Government funding cuts, which are starting to be consulted upon (see section 3.7 above). This all therefore paints a very bleak outlook and it is essential that this is managed down to at least a balanced position before the end of the financial year, considering the further substantial budget savings required to balance the 2016-17 budget, and with further government funding cuts expected in the medium term. We are all aware that the easier savings options have already been taken, meaning that managing an in year pressure becomes harder and harder each year. The earlier in the financial year that this residual pressure is addressed the more manageable and less painful the required management action is likely to be, hence it is essential that prompt action is taken to address this situation. Although Directorates are currently investigating options to reduce their individual positions, because of the severity of the position **the Corporate Management Team is considering how best to manage this on an authority-wide basis.**
- 8.2 There are a number of ongoing emerging issues that will need to be addressed in the 2016-17 budget build / 2016-19 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

## 9. RECOMMENDATIONS

**Cabinet** is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets as detailed in sections 1.2 to 1.3 and table 1a of each of the annex reports.
- iii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

## 10. BACKGROUND DOCUMENTS

None

## 11. CONTACT DETAILS

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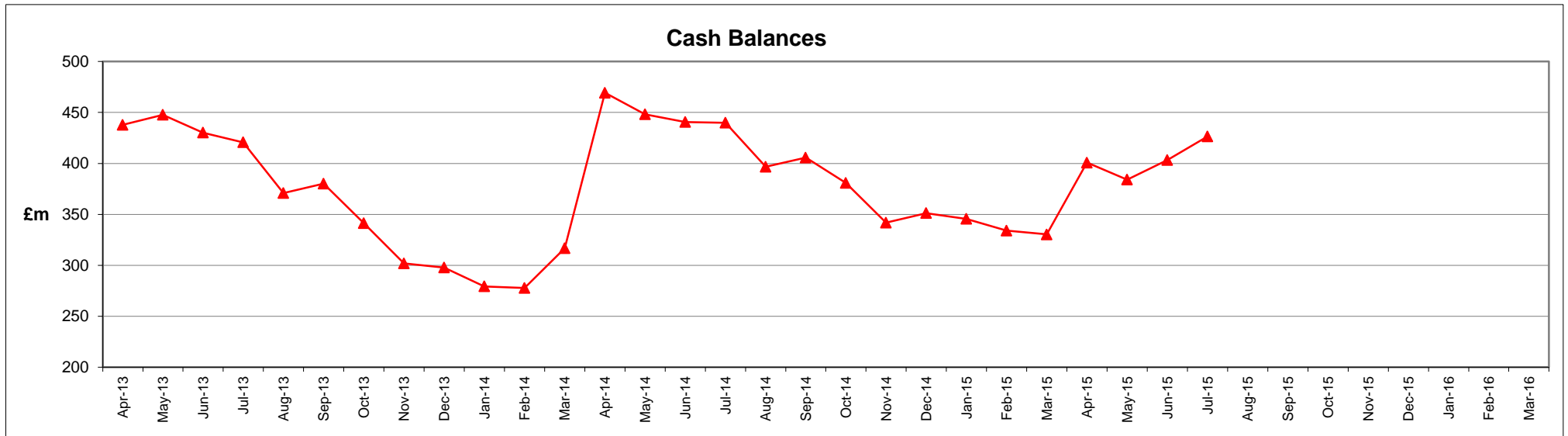
**FINANCIAL HEALTH INDICATORS**

**1. CASH BALANCES**

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£7.353m), balances of schools in the corporate scheme (£50.57m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Central Government Departments (particularly DCLG) are following a similar pattern to the last two years of front loading revenue grants for 2015-16, though less so than last year, where receipts have been weighted towards the beginning of the year (33%) 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>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	334.1	330.4
<b>2015-16</b>	400.8	384.1	403.2	426.5								



**2. LONG TERM MATURITY**

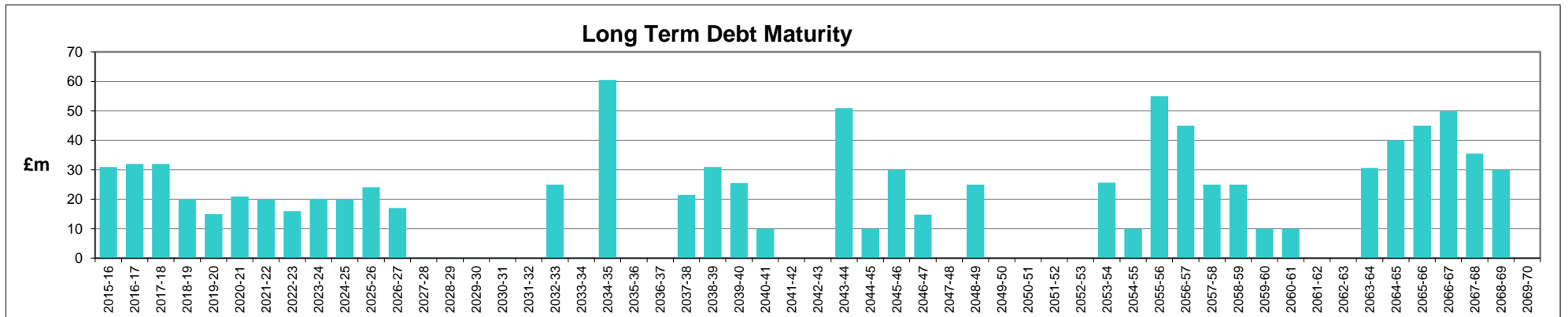
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £39.486m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) 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 2015-16 is £31.001m, relating to £29m of maturity loans, (£14m to be repaid in August and £15m to be repaid in February), and £2.001m of equal instalment of principal loans (mainly relating to £1m to be repaid in September and £1m to be repaid in March).

A £25m PWLB maturity loan was borrowed at 3.16%, advanced on 29 April 2015, which matures on 10 August 2055.

	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	55.000	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		
2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000	<b>TOTAL</b>	<b>1,009.080</b>





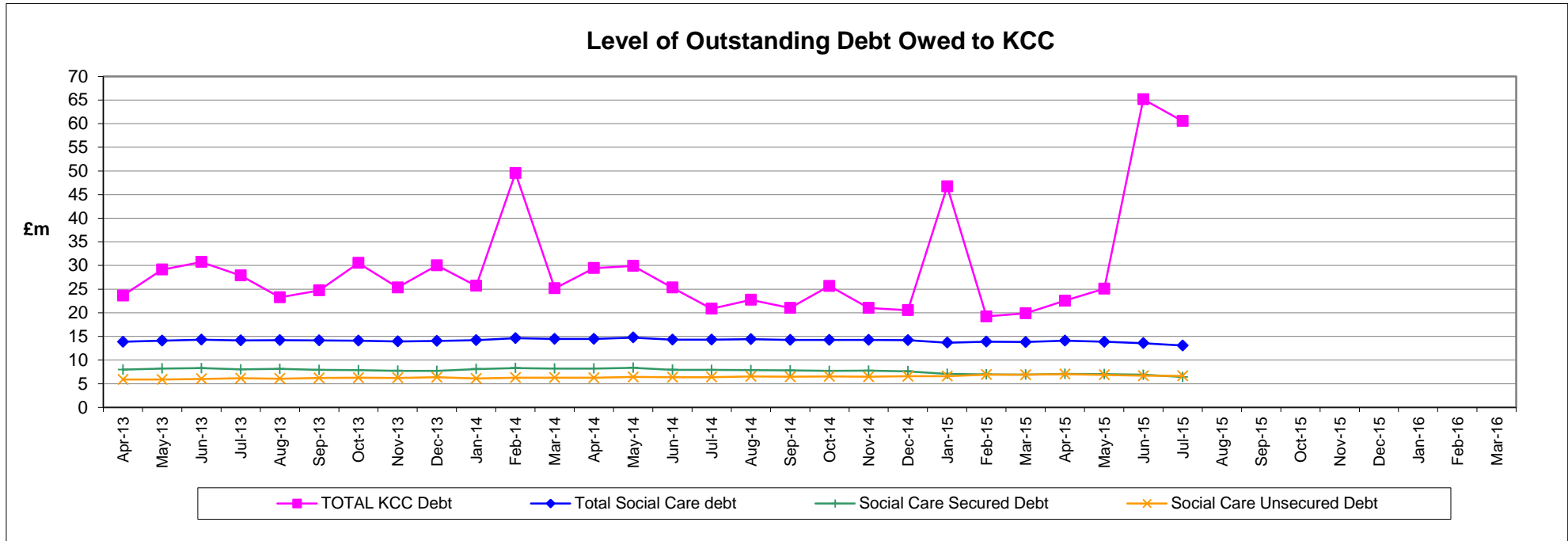
### 3. OUTSTANDING DEBT OWED TO KCC

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. The significant increase in SCH&W Directorate sundry debt in June 2015 predominately relates to a number of invoices raised early in this financial year across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. **There is minimal risk around this £43m debt** as it is secured by a signed Section 75 agreement meaning that the CCGs are legally obliged to pay. Payments are being received monthly, so this debt will gradually reduce over the remaining months of the financial year.

	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 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	6.973	6.914	13.887	2.538	<b>16.425</b>	2.792	<b>19.217</b>
Mar 15	6.915	6.887	13.802	2.955	<b>16.757</b>	3.136	<b>19.893</b>
Apr 15	7.069	7.026	14.095	3.669	<b>17.764</b>	4.782	<b>22.546</b>
May 15	7.009	6.848	13.857	5.534	<b>19.391</b>	5.675	<b>25.066</b>
Jun 15	6.885	6.673	13.558	* 46.885	<b>60.443</b>	4.694	<b>65.137</b>
Jul 15	6.417	6.637	13.054	* 43.741	<b>56.795</b>	3.755	<b>60.550</b>
Aug 15			0.000		<b>0.000</b>		<b>0.000</b>
Sep 15			0.000		<b>0.000</b>		<b>0.000</b>
Oct 15			0.000		<b>0.000</b>		<b>0.000</b>
Nov 15			0.000		<b>0.000</b>		<b>0.000</b>
Dec 15			0.000		<b>0.000</b>		<b>0.000</b>
Jan 16			0.000		<b>0.000</b>		<b>0.000</b>
Feb 16			0.000		<b>0.000</b>		<b>0.000</b>
Mar 16			0.000		<b>0.000</b>		<b>0.000</b>

\* incl. BCF debt of £42.867m

\* incl. BCF debt of £39.295m



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

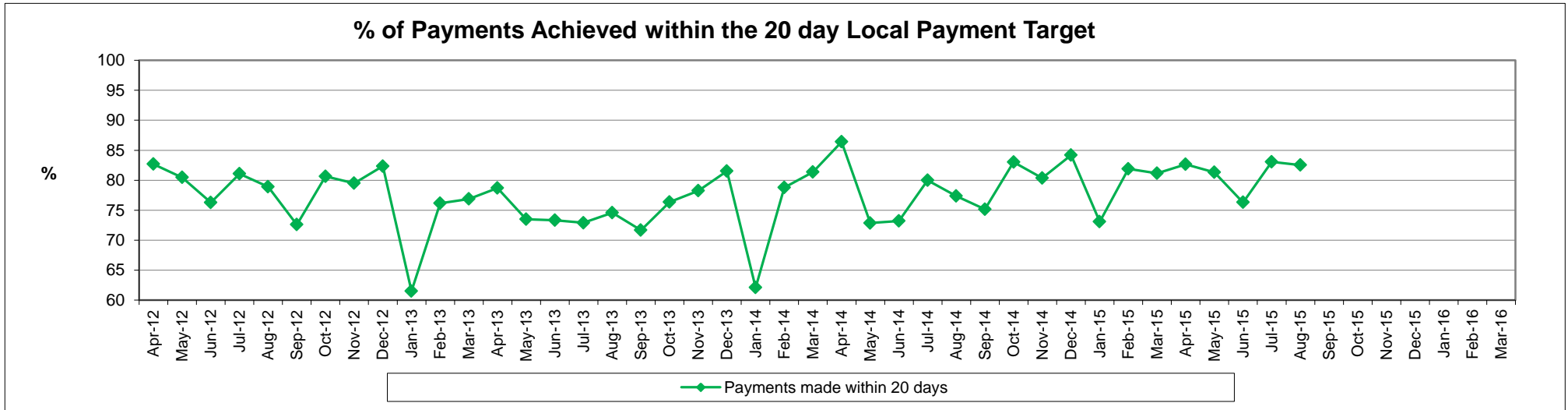
The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions.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

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
	%	%	%	%
Apr	82.7	78.7	86.4	82.7
May	80.5	73.5	72.9 *	81.3
Jun	76.3	73.3	73.2 *	76.3
Jul	81.1	72.9	80.0	83.1
Aug	78.9	74.6	77.3	82.5
Sep	72.6	71.7	75.1	
Oct	80.6	76.4	83.0	
Nov	79.5	78.2	80.3	
Dec	82.3	81.5	84.2	
Jan	61.5	62.1	73.1	
Feb	76.1	78.8	81.9	
Mar	76.9	81.4	81.2	

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 2015-16 year to date figure for invoices paid within 20 days is 81.1%. This compares to overall performance in previous years as follows:

	20 days %
2012-13	77.3
2013-14	75.3
2014-15	79.2
2015-16 to date	81.1

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

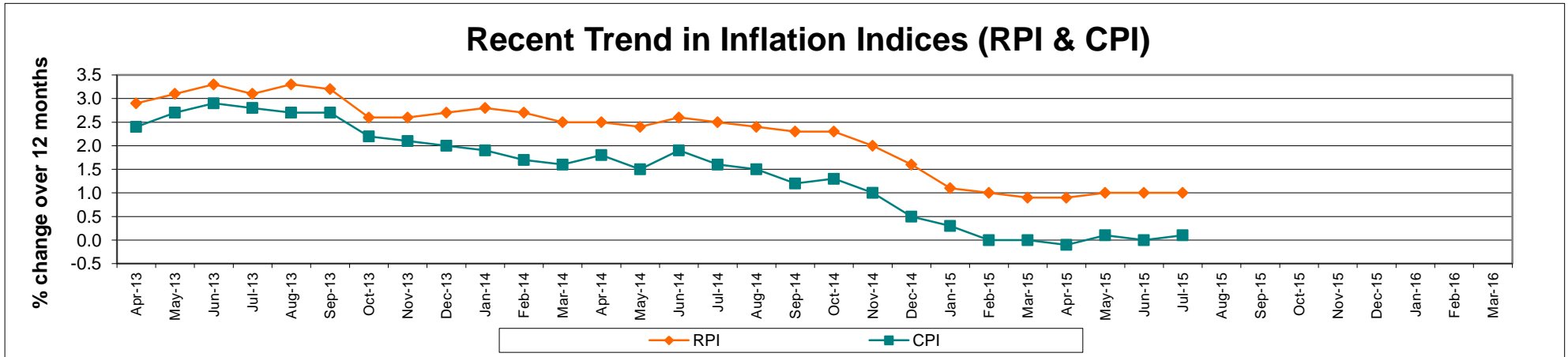


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments, 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

	2013-14		2014-15		2015-16	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	2.9	2.4	2.5	1.8	0.9	-0.1
May	3.1	2.7	2.4	1.5	1.0	0.1
Jun	3.3	2.9	2.6	1.9	1.0	0.0
Jul	3.1	2.8	2.5	1.6	1.0	0.1
Aug	3.3	2.7	2.4	1.5		
Sep	3.2	2.7	2.3	1.2		
Oct	2.6	2.2	2.3	1.3		
Nov	2.6	2.1	2.0	1.0		
Dec	2.7	2.0	1.6	0.5		
Jan	2.8	1.9	1.1	0.3		
Feb	2.7	1.7	1.0	0.0		
Mar	2.5	1.6	0.9	0.0		



**2015-16 QUARTER 1 MONITORING OF PRUDENTIAL INDICATORS****1. Estimate of Capital Expenditure (excluding PFI)**

Actuals 2014-15	£219.896m
Original estimate 2015-16	£289.838m
Revised estimate 2015-16	£308.493m

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

	2014-15	2015-16	2015-16	2016-17	2017-18
	Actual	Original Estimate	Forecast as at 30-6-15	Forecast as at 30-6-15	Forecast as at 30-6-15
	£m	£m	£m	£m	£m
Capital Financing requirement	1,382.856	1,382.620	1,380.853	1,346.136	1,303.058
Annual increase/reduction in underlying need to borrow	-52.407	-9.053	-2.003	-34.717	-43.078

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 2014-15	14.19%
Original estimate 2015-16	13.17%
Revised estimate 2015-16	13.78%

**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 2015-16.

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

	Prudential Indicator	Position as at 30.06.15
	£m	£m
Borrowing	993	967
Other Long Term Liabilities	261	254
	<u>1,254</u>	<u>1,221</u>

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

	Prudential Indicator	Position as at 30.06.15
	£m	£m
Borrowing	1,038	1,009
Other Long Term Liabilities	261	254
	<u>1,299</u>	<u>1,263</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 2015-16 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 30.06.15	Authorised limit for total debt managed by KCC	Position as at 30.06.15
	£m	£m	£m	£m
Borrowing	1,033	967	1,078	1,009
Other long term liabilities	261	254	261	254
	<u>1,294</u>	<u>1,221</u>	<u>1,339</u>	<u>1,263</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 2015-16

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2015-16

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

	Upper limit	Lower limit	As at 30.06.15
	%	%	%
Upper 12 months	10	0	3.07
12 months and within 24 months	10	0	3.17
24 months and within 5 years	15	0	6.64
5 years and within 10 years	15	0	9.61
10 years and within 20 years	20	5	12.53
20 years and within 30 years	20	5	14.76
30 years and within 40 years	25	10	10.45
40 years and within 50 years	25	10	23.84
50 years and within 60 years	30	10	15.93

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

Indicator	£175m
Actual	£126m

**2015-16 QUARTER 1 SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES**

Directorate	Project	2015-16	2016-17	2017-18	Funding	Description
		£'000	£'000	£'000		
<b>Cash limit change due to revised external/grant funding availability</b>						
GET	Marsh Million	50			External Other	Banked match funding from partners.
GET	Highway Major Enhancement Programme	58			Grant	Additional funding towards a resurfacing scheme in Thanet.
GET	Tiger	4			Grant	
<b>Other cash limit changes:</b>						
GET	Sittingbourne Town Centre Regeneration	-2,000			External Other	Third party match funding to be held externally.
GET	No Use Empty - Rented Affordable Homes - Extension	298			External Other	Funding cash limit adjustment between grant and external other.
GET	No Use Empty - Rented Affordable Homes - Extension	-298			Grant	Funding cash limit adjustment between grant and external other.
GET	Integrated Transport Schemes under £1m	189			Revenue	Bus purchase to be funded from a revenue reserve.
GET	Public Rights of Way	2			Revenue	Revenue contribution from Member Highway Fund towards a specific scheme.
S&CS	Modernisation of Assets	30			Grant	Transfer of funding from Good Day Programme to fund refurbishment works at Minnis Day Centre.
SCH&W Adults	Learning Disability Good Day Programme - Community Hubs	-30			Grant	Transfer of funding from Good Day Programme to fund refurbishment works at Minnis Day Centre.
SCH&W Adults	OP Strategy - Specialist Care Facilities	-56			Developer Contributions	To amend budget.



**EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE**  
**JUNE 2015-16 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>	+72,475	+953	-500	+453
<b>Schools (£k)</b>	-	+1,212	-	+1,212
<b>Directorate Total (£k)</b>	<b>+72,475</b>	<b>+2,165</b>	<b>-500</b>	<b>+1,665</b>

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£8,980.8k gross and -£8,980.8k income. Significant changes included within this are:

- Adjustment to more accurately reflect the gross and income budget (+£8,965.8k gross and -£8,965.8k income), which predominately reflects where we have received changes to our grant allocations such as DSG.
- Contribution from Public Health towards Positive Relationships (+£15k gross and -£15k income).

In addition, realignment of budgets within the Early Help and Preventative Services division following the outcome of the restructure consultation, has resulted in budgets moving between the Children's Centres, Early Intervention and Prevention, and Directorate Management & Support for E&YP A-Z lines. Realignment of income targets within Education Quality & Service Standards division has resulted in income budgets moving between Individual Learner Support and School Improvement A-Z lines. These adjustments have no impact on the overall gross and income totals.

There are also a number of other corporate adjustments which total +£313.6k gross and -£485k income, which are predominately related to the allocation of the single pay reward scheme funding (+£388.6k gross), income from Public Health reflecting the commissioning of public health related services provided by Children's Centres (-£500k income) and further centralisation of Property and Finance budgets to Strategic and Corporate Services (-£75k gross & +£15k income).

The overall movements are therefore an increase in gross of +£9,294.4k and income of -£9,465.8k, giving an overall net reduction of -£171.4k. This is detailed in table 1a.

Table 1a shows:

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

- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Education &amp; Young People's Services</b>									
<b>Delegated Budget:</b>									
Schools & Pupil Referral Units Delegated Budgets	675,530.7	-675,530.7	0.0	682,433.2	-682,433.2	0.0	6,902.5	-6,902.5	0.0
<b>TOTAL DELEGATED</b>	<b>675,530.7</b>	<b>-675,530.7</b>	<b>0.0</b>	<b>682,433.2</b>	<b>-682,433.2</b>	<b>0.0</b>	<b>6,902.5</b>	<b>-6,902.5</b>	<b>0.0</b>
<b>Non Delegated Budget:</b>									
E&YP Strategic Management & directorate support budgets	9,587.2	-8,681.2	906.0	9,711.6	-8,679.2	1,032.4	124.4	2.0	126.4
<u>Children's Services - Early Help</u>									
- Children's Centres	8,521.0	-1,576.5	6,944.5	8,376.2	-2,076.5	6,299.7	-144.8	-500.0	-644.8
- Early Intervention & Prevention	20,209.7	-5,338.1	14,871.6	20,447.9	-5,353.1	15,094.8	238.2	-15.0	223.2
	28,730.7	-6,914.6	21,816.1	28,824.1	-7,429.6	21,394.5	93.4	-515.0	-421.6
<u>Children's Services - Education &amp; Personal</u>									
- 14 - 24 year olds	2,005.3	-941.0	1,064.3	2,010.9	-941.0	1,069.9	5.6	0.0	5.6
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	2,587.9	-2,449.3	138.6	0.0	0.0	0.0
- Early Years & Childcare	6,346.3	-4,939.8	1,406.5	6,369.7	-4,939.8	1,429.9	23.4	0.0	23.4
- Early Years Education	54,062.0	-54,062.0	0.0	54,231.9	-54,231.9	0.0	169.9	-169.9	0.0
- Education Psychology Service	2,920.3	-675.0	2,245.3	2,966.8	-675.0	2,291.8	46.5	0.0	46.5
- Individual Learner Support	7,144.8	-6,751.4	393.4	7,151.5	-6,671.4	480.1	6.7	80.0	86.7
- Statemented Pupils	4,309.8	-4,309.8	0.0	4,809.8	-4,809.8	0.0	500.0	-500.0	0.0
- Youth Service	2,960.6	-1,726.2	1,234.4	2,962.2	-1,726.2	1,236.0	1.6	0.0	1.6
- Youth Offending Service	2,372.1	-1,941.5	430.6	2,202.7	-1,771.1	431.6	-169.4	170.4	1.0
	84,709.1	-77,796.0	6,913.1	85,293.4	-78,215.5	7,077.9	584.3	-419.5	164.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Children's Services - Other Children's Services</u>									
- Safeguarding	507.5	-150.0	357.5	512.1	-150.0	362.1	4.6	0.0	4.6
<u>Community Services</u>									
- Community Learning & Skills (CLS)	13,133.9	-14,673.6	-1,539.7	13,826.4	-15,366.1	-1,539.7	692.5	-692.5	0.0
- Supporting Employment	780.8	-335.0	445.8	786.6	-335.0	451.6	5.8	0.0	5.8
- Troubled Families	1,887.1	-1,887.1	0.0	2,124.9	-2,124.9	0.0	237.8	-237.8	0.0
	15,801.8	-16,895.7	-1,093.9	16,737.9	-17,826.0	-1,088.1	936.1	-930.3	5.8
<u>Housing Related Support for Vulnerable People (Supporting People)</u>									
- Young People	3,677.9	0.0	3,677.9	3,677.9	0.0	3,677.9	0.0	0.0	0.0
<u>School &amp; High Needs Education Budgets</u>									
- Exclusion Services	2,768.4	-2,768.4	0.0	2,768.4	-2,768.4	0.0	0.0	0.0	0.0
- High Needs Further Education Colleges - Post 16 year olds	2,338.0	-2,338.0	0.0	2,338.0	-2,338.0	0.0	0.0	0.0	0.0
- High Needs Independent Sector Providers - Post 16 year olds	4,591.0	-4,591.0	0.0	4,591.0	-4,591.0	0.0	0.0	0.0	0.0
- High Needs Independent Special School placements	19,650.4	-19,650.4	0.0	19,650.4	-19,650.4	0.0	0.0	0.0	0.0
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	23,810.0	-23,810.0	0.0	0.0	0.0	0.0
	53,157.8	-53,157.8	0.0	53,157.8	-53,157.8	0.0	0.0	0.0	0.0
<u>Schools Services:</u>									
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	1,500.0	-1,500.0	0.0	0.0	0.0	0.0
- Other Schools Services	6,779.3	-6,885.5	-106.2	6,779.3	-6,885.5	-106.2	0.0	0.0	0.0
- Redundancy Costs	1,188.7	-1,188.7	0.0	1,188.7	-1,188.7	0.0	0.0	0.0	0.0
- School Improvement	7,690.2	-4,828.6	2,861.6	8,909.1	-6,108.6	2,800.5	1,218.9	-1,280.0	-61.1
- Schools Staff Services	2,617.6	-2,514.6	103.0	2,617.6	-2,514.6	103.0	0.0	0.0	0.0
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	8,416.3	-2,684.0	5,732.3	0.0	0.0	0.0
	28,192.1	-19,601.4	8,590.7	29,411.0	-20,881.4	8,529.6	1,218.9	-1,280.0	-61.1

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Transport Services</b>									
- Home to School/College Transport (SEN)	21,598.1	-900.0	20,698.1	21,599.5	-900.0	20,699.5	1.4	0.0	1.4
- Mainstream HTST	8,795.0	-50.0	8,745.0	8,795.0	-50.0	8,745.0	0.0	0.0	0.0
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	3,452.4	-2,575.0	877.4	0.0	0.0	0.0
	33,845.5	-3,525.0	30,320.5	33,846.9	-3,525.0	30,321.9	1.4	0.0	1.4
<b>Assessment Services</b>									
- Assessment & Support of Children with Special Education Needs	9,074.3	-7,915.5	1,158.8	8,503.1	-7,336.0	1,167.1	-571.2	579.5	8.3
	9,074.3	-7,915.5	1,158.8	8,503.1	-7,336.0	1,167.1	-571.2	579.5	8.3
<b>TOTAL NON DELEGATED</b>	<b>267,283.9</b>	<b>-194,637.2</b>	<b>72,646.7</b>	<b>269,675.8</b>	<b>-197,200.5</b>	<b>72,475.3</b>	<b>2,391.9</b>	<b>-2,563.3</b>	<b>-171.4</b>
<b>Total E&amp;YPS</b>	<b>942,814.6</b>	<b>-870,167.9</b>	<b>72,646.7</b>	<b>952,109.0</b>	<b>-879,633.7</b>	<b>72,475.3</b>	<b>9,294.4</b>	<b>-9,465.8</b>	<b>-171.4</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	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	682,433.2	-682,433.2	0.0	+1,212	+1,212	Drawdown from school reserves for 11 expected academy converters	
<b>TOTAL DELEGATED</b>	<b>682,433.2</b>	<b>-682,433.2</b>	<b>0.0</b>	<b>+1,212</b>			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Non Delegated Budget:</b>						
E&YP Strategic Management & directorate support budgets	9,711.6	-8,679.2	1,032.4	+327	+430 Pressure on the Information and Intelligence team including £220k of costs associated with the new Early Help Module <i>(includes a DSG variance of +£91k)</i> +186 Additional Area Education staffing costs together with plans to capitalise staffing costs for basic need provision not now going ahead <i>(includes a DSG variance of +£172k)</i> -198 Underspend on legal fees -91 Other minor variances	The Early Help Module pressure is expected to be ongoing and will be reflected in the 2016-19 MTFP  Part of this saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
<u>Children's Services - Early Help</u>						
- Children's Centres	8,376.2	-2,076.5	6,299.7	+163	+135 Underachievement of savings on commissioned contracts due to only a part year effect being delivered in 2015-16 +28 Other minor variances	
- Early Intervention & Prevention	20,447.9	-5,353.1	15,094.8	+324	+200 Anticipated one-off costs related to the restructure of the Early Help & Preventative Services division implemented during the summer +150 Refurbishment costs for Youth Centres including Whitstable and Tunbridge Wells +125 ICT costs for wireless routers, cabling etc in Children's Centres -200 Net savings on commissioned services +49 Other minor variances	
	28,824.1	-7,429.6	21,394.5	+487		
<u>Children's Services - Education &amp; Personal</u>						
- 14 - 24 year olds	2,010.9	-941.0	1,069.9	0		
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	-72		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Early Years & Childcare	6,369.7	-4,939.8	1,429.9	+267	+295 Shortfall in the budgeted surplus for the 3 nursery provisions +277 Under recovery of Early Years Training income -196 Underspend on Sufficiency and Sustainability staff ( <i>includes a DSG variance of -£169k</i> ) -156 <i>DSG variance - Improvement and Standards team due to the restructure of Treasure Chest services and vacancies</i> +47 Other minor variances	
- Early Years Education	54,231.9	-54,231.9	0.0	0		
- Education Psychology Service	2,966.8	-675.0	2,291.8	-16		
- Individual Learner Support	7,151.5	-6,671.4	480.1	0		
- Statemented Pupils	4,809.8	-4,809.8	0.0	-12	-135 <i>DSG variance - an increase in places in SEN provision has led to a reduction in Individual Tuition costs</i> +72 <i>DSG variance - Additional therapy equipment costs</i> +51 <i>DSG variance - Other minor variances</i>	
- Youth Service	2,962.2	-1,726.2	1,236.0	+139	+162 Net shortfall in the budgeted surplus for the outdoor education sites. A recent marketing campaign for Bewl and Kent Mountain Centre may help to improve this position. -23 Other minor variances	
- Youth Offending Service	2,202.7	-1,771.1	431.6	0		
	85,293.4	-78,215.5	7,077.9	+306		
<b>Children's Services -Other Children's Services</b>						
- Safeguarding	512.1	-150.0	362.1	-51		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,826.4	-15,366.1	-1,539.7	+732	+632	Pressure due to costs associated with the service redesign, a reduction in contract income with no corresponding reduction in costs and requirement to fund additional costs of total contribution pay.
					+100	An in year cut of £359k has been announced by the Skills Funding Agency. Some direct delivery costs can cease and management action has been implemented to reduce other costs but this leaves a residual problem of £100k.
- Supporting Employment	786.6	-335.0	451.6	0		
- Troubled Families	2,124.9	-2,124.9	0.0	0		
	16,737.9	-17,826.0	-1,088.1	+732		
<u>Housing Related Support for Vulnerable People (Supporting People)</u>						
- Young People	3,677.9	0.0	3,677.9	-1		
<u>School &amp; High Needs Education Budgets</u>						
- Exclusion Services	2,768.4	-2,768.4	0.0	0		
- High Needs Further Education Colleges - Post 16 year olds	2,338.0	-2,338.0	0.0	0		
- High Needs Independent Sector Providers - Post 16 year olds	4,591.0	-4,591.0	0.0	0		
- High Needs Independent Special School placements	19,650.4	-19,650.4	0.0	0		
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0		
	53,157.8	-53,157.8	0.0	0		
<u>Schools Services:</u>						
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	0		
- Other Schools Services	6,779.3	-6,885.5	-106.2	+152	+154	<i>DSG variance - Pressure on mobile classrooms budget to fulfil basic need</i>
					-2	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Redundancy Costs	1,188.7	-1,188.7	0.0	0		
- School Improvement	8,909.1	-6,108.6	2,800.5	+346	+512 -60 -106	Shortfall in budgeted income targets for teams across the units Support team staff vacancies Other minor variances, each less than £100k in value
- Schools Staff Services	2,617.6	-2,514.6	103.0	-4		
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	-849	-849	Reduced annual capitalisation costs
	29,411.0	-20,881.4	8,529.6	-355		This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
<u>Transport Services</u>						
- Home to School/College Transport (SEN)	21,599.5	-900.0	20,699.5	+517	+566 -49	Higher than budgeted numbers of pupils travelling Other minor variances
- Mainstream HTST	8,795.0	-50.0	8,745.0	-986	-986	Fewer than budgeted numbers of pupils travelling
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	+1		This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
	33,846.9	-3,525.0	30,321.9	-468		
<u>Assessment Services</u>						
- Assessment & Support of Children with Special Education Needs	8,503.1	-7,336.0	1,167.1	+125	+109 +16	<i>DSG variance - additional Occupational Therapy and Communication equipment</i> Other minor variances
	8,503.1	-7,336.0	1,167.1	+125		
<b>TOTAL NON DELEGATED</b>	<b>269,675.8</b>	<b>-197,200.5</b>	<b>72,475.3</b>	<b>+1,102</b>		



Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- <i>Transfer to(+)/from(-) DSG reserve</i>				-149	-189 +40	<i>Net transfer from the Central DSG reserve to offset: DSG variances of +£189k explained above A number of other smaller DSG variances totalling -£40k</i>
TOTAL NON DELEGATED after tfr to/from DSG reserve	269,675.8	-197,200.5	72,475.3	+953		
<b>Total E&amp;YPS</b>	<b>952,109.0</b>	<b>-879,633.7</b>	<b>72,475.3</b>	<b>+2,165</b>		
<b>Assumed Mgmt Action</b>				-500		The directorate is committed to achieving a balanced budget position by the end of the financial year. Both the Quality & Standards and Early Help & Preventative Services (EH&PS) divisions, which account for the main areas of overspend, are investigating ways in which the pressure can be reduced, including reviewing all items of discretionary non staffing spend. The restructure of the EH&PS division only took effect in the summer of 2015 and there are a number of vacant posts across the division which are still being quantified as staffing costs are being moved to the correct budgets. The Quality & Standards division management action includes maximising traded income from schools in addition to any service level agreements in place, continuing to try and recruit permanent staff in advisory roles rather than using more costly consultants, and achieving greater efficiencies for 3 nursery provisions by restructuring in line with local need and statutory requirements and reviewing the charging policy. Actions identified to date are estimated to deliver savings in the region of £500k, but work is ongoing to identify further actions with the view to deliver a balanced position by year end.
<b>Total E&amp;YPS Forecast <u>after</u> mgmt action</b>	<b>952,109.0</b>	<b>-879,633.7</b>	<b>72,475.3</b>	<b>+1,665</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:

	2012-13	2013-14	2014-15	2015-16
	as at 31-3-13	as at 31-3-14	as at 31-3-15	as at 30-6-15
Total number of schools	463	449	412	397
Total value of school reserves	£48,124k	£45,730k	£54,009k	£52,797k
Number of deficit schools	8	18	8	9
Total value of deficits	£364k	£2,017k	£2,650k	£825k

#### Comments:

- The information on deficit schools for 2015-16 has been obtained from the schools 3 year plans completed in summer 2015 and show 9 schools predicting a deficit at the end of year 1. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. Schools' Financial Services are working with these 9 schools to reduce the risk of a deficit in 2015-16 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 11 primary schools will convert to academies before the 31st March 2016 and 4 schools are closing.
- The estimated drawdown from schools reserves of £1,212k assumes 11 schools convert to academy status this financial year. The value of school reserves are very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from LA maintained schools.

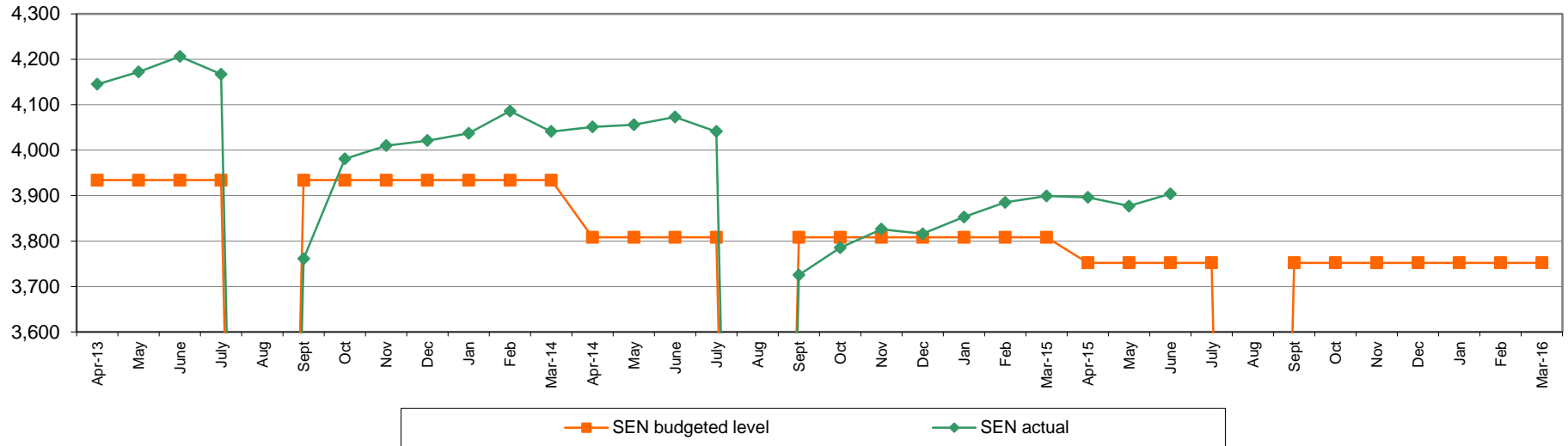
## 2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2013-14				2014-15				2015-16			
	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	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400	3,752	3,896	9,866	9,426
May	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436	3,752	3,877	9,866	9,454
Jun	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468	3,752	3,904	9,866	9,491
Jul	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307	3,752	0	9,866	0
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,934	3,761	14,667	10,300	3,808	3,725	12,493	8,969	3,752	0	9,866	0
Oct	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123	3,752	0	9,866	0
Nov	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237	3,752	0	9,866	0
Dec	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220	3,752	0	9,866	0
Jan	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258	3,752	0	9,866	0
Feb	3,934	4,086	14,667	11,368	3,808	3,885	12,493	9,357	3,752	0	9,866	0
Mar	3,934	4,041	14,667	11,375	3,808	3,899	12,493	9,388	3,752	0	9,866	0

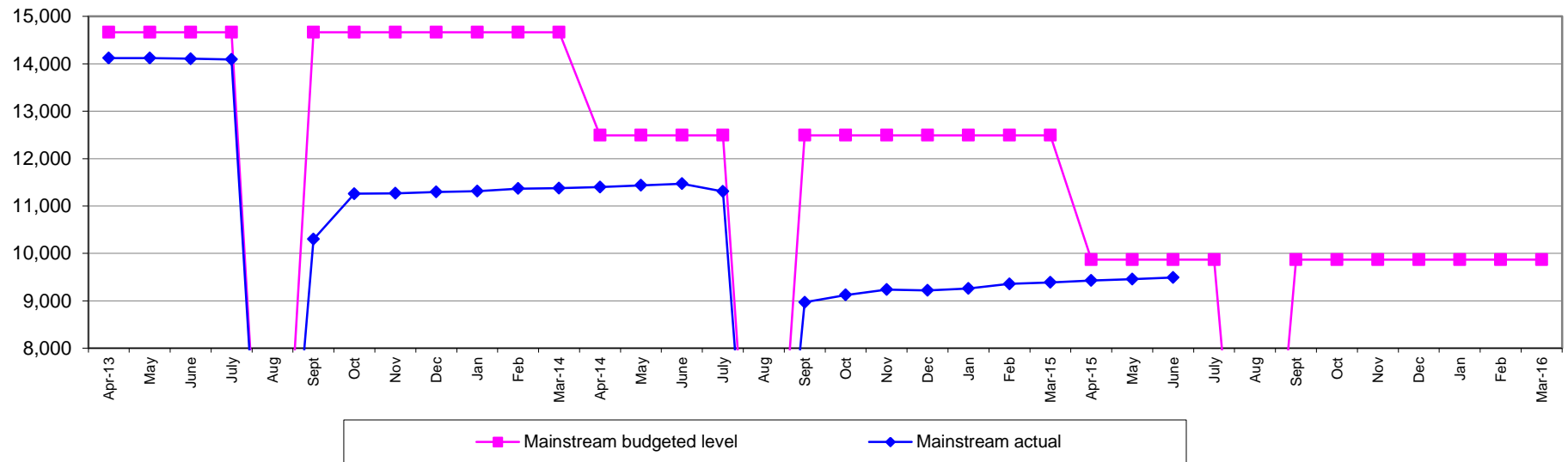
## Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A pressure of +£566k is therefore reported in table 1b, which is offset by minor underspends on SEN college transport and personal transport budgets.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£986k is reported in table 1b. The number of children requiring transport is expected to reduce further for the new academic year due to a reduction in the secondary aged population and the impact of a further school year cohort affected by the selective and denominational school transport policy change implemented in 2012-13.

**Number of children receiving assisted SEN transport to school**



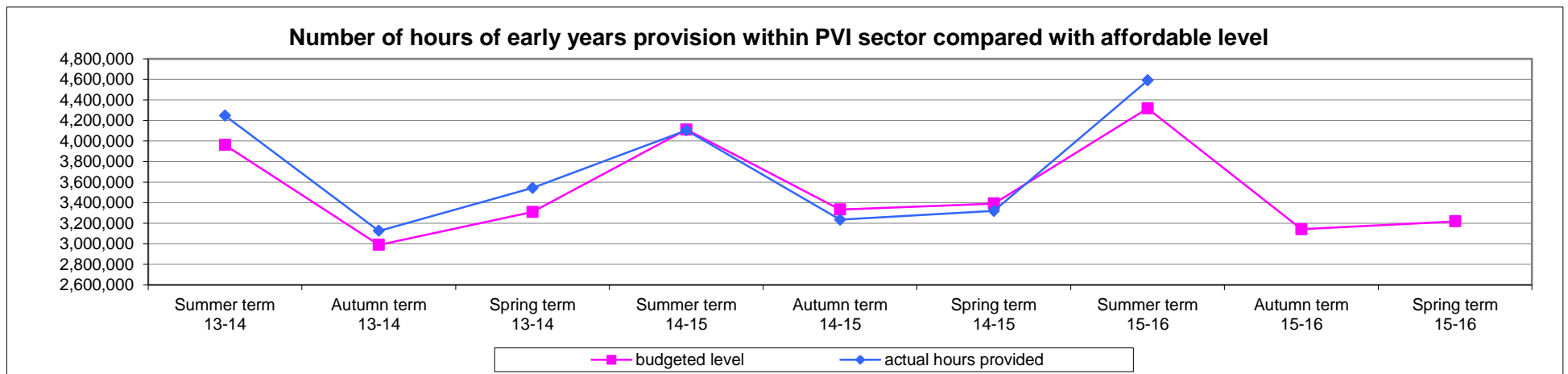
**Number of children receiving assisted Mainstream transport to school**



**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:**

	2013-14		2014-15		2015-16	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,961,155	4,247,461	4,110,576	4,104,576	4,316,888	4,589,645
Autumn term	2,990,107	3,126,084	3,333,465	3,234,394	3,141,829	
Spring term	3,310,417	3,543,567	3,392,138	3,320,479	3,218,523	
<b>TOTAL</b>	<b>10,261,679</b>	<b>10,917,112</b>	<b>10,836,179</b>	<b>10,659,449</b>	<b>10,677,240</b>	<b>4,589,645</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.
- Although the current activity suggests a pressure, the Dedicated School Grant is expected to soon be adjusted to reflect January 2015 pupil numbers and this will be reflected in the next report, hence a breakeven position is currently forecast in table 1b. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

### 3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2015-16 of £162,231k . The forecast outturn against the 2015-16 budget is £146,353k giving a variance of -£15,878k.

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	9,000	13,656	0	0			Green		
Pupil Referral Units	1,209	1,627	0	0			Green		
Youth - Modernisation of Assets	0	23	0	0			Green		
<b>Individual Projects</b>									
<b>Basic Need Schemes</b> - to provide additional pupil places:									
Basic Need Programme	61,767	68,745	0	0			Green		
Basic Need - Aylesham Primary School	0	0	0	0				Project to commence in later years.	
Goat Lees Primary School, Ashford	0	25	0	0			Green		
Repton Park Primary School, Ashford	0	109	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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>Modernisation Programme -</b> Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	2,000	3,479	0	0			Green	Programme of works has now been finalised.	
St Johns / Kingsmead Primary School, Canterbury	0	70	0	0			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	628	0	0			Green		
Special Schools Review phase 2	47,200	49,540	-15,005	-15,005	Rephasing	Rephasing due to delays at the planning stage, acquisition of land and re-negotiating costs. Projects at Portal House, Ridge View and Five Acre Wood are particularly problematic, completion dates have been affected.	Amber		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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>Academy Projects:</b>									
Astor of Hever (St Augustine's Academy), Maidstone	0	19	0	0			Green		
Dover Christ Church	3,000	2,760	0	0			Green		
Skidders Academy	0	140	0	0			Green		
Academy Unit Costs	233	798	0	0			Green		
BSF Wave 3 Build Costs	500	498	0	0			Green		
BSF Unit Costs	0	51	0	0			Green		
<b>Other Projects:</b>									
Primary Improvement Programme	0	4	0	0			Green		
Canterbury Family Centre	0	4	0	0			Green		
Integrated Youth Service - Youth Hub Re-provision	0	713	0	0			Amber	Revised completion date of 28 August 2015. Bad weather and delays in early underground works have pushed back the completion date for this project.	
Nursery Provision for Two Year Olds	0	637	0	0			Green		
One-off Schools Revenue to Capital	0	40	0	0			Green		
Platt CEPS	0	85	0	0			Green		



Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Sevenoaks Grammar School	10,000	9,677	0	0			Amber	Awaiting Secretary of State decision, works halted pending outcome of decision.	
Trinity Free School, Sevenoaks	7,000	5,706	0	0		Project to be funded by the EFA.	Amber	Awaiting grant from EFA. Full project cost expected to be £15.4m, to be funded from grant.	
Early Help Single System	1,800	1,800	-908	-908	Rephasing	Re-profiling of original budget allocation to reflect revised project plan.	Green		
Ashford North Youth Centre	0	0	35	35	Real - Developer Contribution		Green		
Priority School Build Programme	0	0	0	0			Green	Projects to commence in later years.	
Universal Infant Free School Meals	1,075	1,207	0	0			Green		
The Piggery, Swattenden	0	42	0	0			Green		
Vocational Education Centre	0	148	0	0			Green		
<b>Total</b>	<b>144,784</b>	<b>162,231</b>	<b>-15,878</b>	<b>-15,878</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**  
**JUNE 2015-16 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>	+132,816	+244	-	+244
<b>Asylum (£k)</b>	+280	+5,936	-	+5,936
<b>Total (£k)</b>	<b>+133,096</b>	<b>+6,180</b>	-	<b>+6,180</b>

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

- The reallocation of 2015-16 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2014-15 outturn expenditure and activity levels, the latest service transformation plans and the outcomes from an external review of safeguarding, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£5,075k gross and -£5,075k income. Significant changes included within this are:

- Following the integration of the Asylum Seekers service into mainstream Specialist Children's Services, realignment to include costs and recharge income on the other children's services budget lines (+£4,013.5k gross and -£4,013.5k income) and, within the Asylum budget, a change from direct service provision to a recharge from these other services (net nil impact on gross).
- Reduction in expected Asylum Seekers grant on Asylum A-Z budget line (-£97.9k gross and +£97.9k reduction in grant income) based on current grant rules.
- Reduction in expected Asylum Seekers grant on Strategic Management & Directorate Support A-Z budget line (-£175k gross and +£175k reduction in grant income).
- Transfer of budget within SCS from the 18+ Care Leavers budget (-£952.1k gross) to the Children's Social Care staffing budget (+£952.1k gross), to reflect that the care leavers service is now provided in house thereby increasing our staffing costs, whereas previously payments were made to an external supplier for this service.
- Supporting People funding for 18+ Care Leavers previously went directly to the external supplier from the Supporting People Service but is now given to the Care Leavers service (+£703.6k gross and -£703.6k income).
- An increase in the Care Leavers budget to reflect additional Staying Put grant funding from the DfE to support young people to continue to live with their foster carers once they turn 18 (+£265.3k gross and -£265.3k income).

- Allocation of health monies (+£153.5k gross and -£153.5k income) reflected within the Children's Social Care staffing budget.
- Other minor adjustments (+£212k gross and -£212k income).

There is also a corporate adjustment of +£749.2k gross which relates to the allocation of the single pay reward scheme funding.

The overall movements are therefore an increase in gross of £5,824.2k and income of -£5,075.0k, giving an overall net increase of £749.2k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 6 July within the outturn report.

Table 1a shows:

- The published budget
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Specialist Children's Services</u>									
Strategic Management & Directorate Support budgets	4,887.6	-175.0	4,712.6	5,420.9	-257.9	5,163.0	533.3	-82.9	450.4
<u>Children's Services - Children in Care (Looked After)</u>									
- Fostering - In house service	24,002.8	-41.0	23,961.8	24,165.6	-252.2	23,913.4	162.8	-211.2	-48.4
- Fostering - Commissioned from Fostering Agencies	8,369.3	0.0	8,369.3	8,184.3	0.0	8,184.3	-185.0	0.0	-185.0
- Legal Charges	6,769.0	0.0	6,769.0	6,769.0	0.0	6,769.0	0.0	0.0	0.0
- Residential Children's Services - in house services (short breaks units)	3,190.2	-682.4	2,507.8	3,227.4	-682.4	2,545.0	37.2	0.0	37.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	13,625.9	-2,567.7	11,058.2	0.0	0.0	0.0
- Virtual School Kent	4,702.8	-3,302.9	1,399.9	4,792.7	-3,360.3	1,432.4	89.9	-57.4	32.5
	60,660.0	-6,594.0	54,066.0	60,764.9	-6,862.6	53,902.3	104.9	-268.6	-163.7
<b>Children's Services - Children in Need</b>									
- Family Support Services	10,944.5	-1,660.0	9,284.5	10,944.5	-1,660.0	9,284.5	0.0	0.0	0.0
<b>Children's Services - Other Social Services</b>									
- Adoption & other permanent care arrangements	13,270.3	-104.0	13,166.3	12,908.8	-104.0	12,804.8	-361.5	0.0	-361.5
- Asylum Seekers	19,717.0	-19,437.0	280.0	19,619.1	-19,339.1	280.0	-97.9	97.9	0.0
- Care Leavers	5,559.1	-265.3	5,293.8	6,657.1	-2,105.4	4,551.7	1,098.0	-1,840.1	-742.1
- Safeguarding	4,942.6	-393.6	4,549.0	5,397.8	-812.9	4,584.9	455.2	-419.3	35.9
	43,489.0	-20,199.9	23,289.1	44,582.8	-22,361.4	22,221.4	1,093.8	-2,161.5	-1,067.7
<b>Assessment Services</b>									
- Children's social care staffing	42,471.5	-1,477.3	40,994.2	46,563.7	-4,039.3	42,524.4	4,092.2	-2,562.0	1,530.2
<b>Total SCH&amp;W (SCS)</b>	<b>162,452.6</b>	<b>-30,106.2</b>	<b>132,346.4</b>	<b>168,276.8</b>	<b>-35,181.2</b>	<b>133,095.6</b>	<b>5,824.2</b>	<b>-5,075.0</b>	<b>749.2</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Specialist Children's Services</b>							
Strategic Management & Directorate Support budgets	5,420.9	-257.9	5,163.0	-143	-143	Lower than anticipated spend in the Access to Resource Team and the Central Support Team, principally due to vacancy management	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Children's Services - Children in Care (Looked After)</b>							
- Fostering - In house service	24,165.6	-252.2	23,913.4	+25	+222	Forecast +591 weeks above affordable level of 52,485 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+282	Forecast average unit cost +£5.37 above affordable level of £371.10	
					-85	Reduction in spend on 'other' costs such as personal expenses, specialist fees and client public transport following planned action to reduce costs.	
					-167	Lower than anticipated costs in the County Fostering Team relating primarily to recruitment and training costs, including lower use of specialists	
					-227	Other minor variances each under £100k such as higher than anticipated income from Asylum recharges owing to greater Asylum activity (-£91k) and lower than anticipated spend on Fostering Related Payments (-£69k)	
- Fostering - Commissioned from Fostering Agencies	8,184.3	0.0	8,184.3	+103	+135	Forecast +146 weeks above affordable level of 8,812 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-2	Forecast average unit cost -£0.19 below affordable level of £925.36	
					-30	Other minor variances	
- Legal Charges	6,769.0	0.0	6,769.0	0			
- Residential Children's Services - in house services (short breaks units)	3,227.4	-682.4	2,545.0	-28			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	-693	-1,207	Forecast -362 weeks below affordable level of 2,660 weeks, partially due to young people becoming care leavers (see care leavers below)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+679	Forecast average unit cost +£255.24 above affordable level of £3,079.85	
					+11	Children with a Disability: Forecast +4 weeks above affordable level of 1,489 weeks	
					-484	Children with a Disability: Forecast average unit cost -£324.80 below affordable level of £2,968.70	
					+677	Lower than anticipated service income, mainly relating to fewer contributions for care costs agreed to date from Health & Education as a result of the reduced activity levels	
					-300	Lower than anticipated spend on Secure Accommodation based on year to date usage	
					-69	Other minor variances	
- Virtual School Kent	4,792.7	-3,360.3	1,432.4	-22			
	60,764.9	-6,862.6	53,902.3	-615			
<b>Children's Services - Children in Need</b>							
- Family Support Services	10,944.5	-1,660.0	9,284.5	+197	+197	Minor variances each under £100k including Section 17 payments (+£92k) and Direct Payments (+£63k)	
<b>Children's Services - Other Social Services</b>							
- Adoption & other permanent care arrangements	12,908.8	-104.0	12,804.8	-89	+274	Guardianship: Primarily due to the full year effect of an increase in Special Guardianship Orders in the previous year.	
					-307	County Adoption Team: fewer adoption arrangements are being made, so current vacancies are being managed	
					-56	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Asylum Seekers	19,619.1	-19,339.1	280.0	+5,936	+2,665 +300 +300 +881 +1,790	Pressure relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs being greater than grant receivable Estimated fitting out costs of new temporary reception centre. We are seeking to recoup these costs from Central Government. Pressure relating to under 18 UASC due to ineligibility Pressure relating to over 18's due to ineligibility, of which £269k relates to All Rights Exhausted (ARE) clients Pressure relating to eligible over 18's due to costs exceeding grant receivable (see activity section 2.6 below), including infrastructure costs	Negotiations continue with Central Government regarding rates for increased numbers of Unaccompanied Asylum Seeking Children and the additional costs incurred by KCC
- Care Leavers	6,657.1	-2,105.4	4,551.7	+205	+313 -164 +56	Higher than expected costs for 16 and 17 year olds requiring this service in order to provide stability and continuity whilst they continue their education as they prepare to leave care. This is partly due to individuals being placed in a broader variety of placements including 'step down' placements from residential care. Lower than anticipated costs on Supported Lodging provision contract Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Safeguarding	5,397.8	-812.9	4,584.9	+287	+378 -91	Pressure due to higher staffing and related costs, predominately due to use of agency staff rather than salaried staff due to difficulties in recruiting to salaried posts Other minor variances	
	44,582.8	-22,361.4	22,221.4	+6,339			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Assessment Services</b>							
- Children's social care staffing	46,563.7	-4,039.3	42,524.4	+402	+2,066	Pressure on staffing budgets for Non-Disability teams due to appointment of agency staff due to difficulties in recruiting to salaried posts. Part of this forecast overspend is linked to the increased numbers of Asylum young people and is offset by the increased recharge below.	This pressure will need to be addressed in the 2016-19 MTFP
					-1,533	Higher than expected recharged costs to Asylum service for social care staffing (offsetting part of the above staff costs) due to increased activity	
					-249	Lower other non-staffing spend in Non-Disability teams mostly due to lower than anticipated staff travel costs	
					+282	Pressure on staffing budgets for Disability teams due to appointment of agency staff due to difficulties in recruiting to salaried posts	
					-177	Lower other non-staffing spend in Disability teams predominately due to lower than anticipated staff travel costs	
					+13	Other minor variances	
<b>Total SCH&amp;W (SCS)</b>	<b>168,276.8</b>	<b>-35,181.2</b>	<b>133,095.6</b>	<b>+6,180</b>			
<b>Assumed Mgmt Action</b>							
<b>Total SCH&amp;W (SCS) Forecast after mgmt action</b>	<b>168,276.8</b>	<b>-35,181.2</b>	<b>133,095.6</b>	<b>+6,180</b>			



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

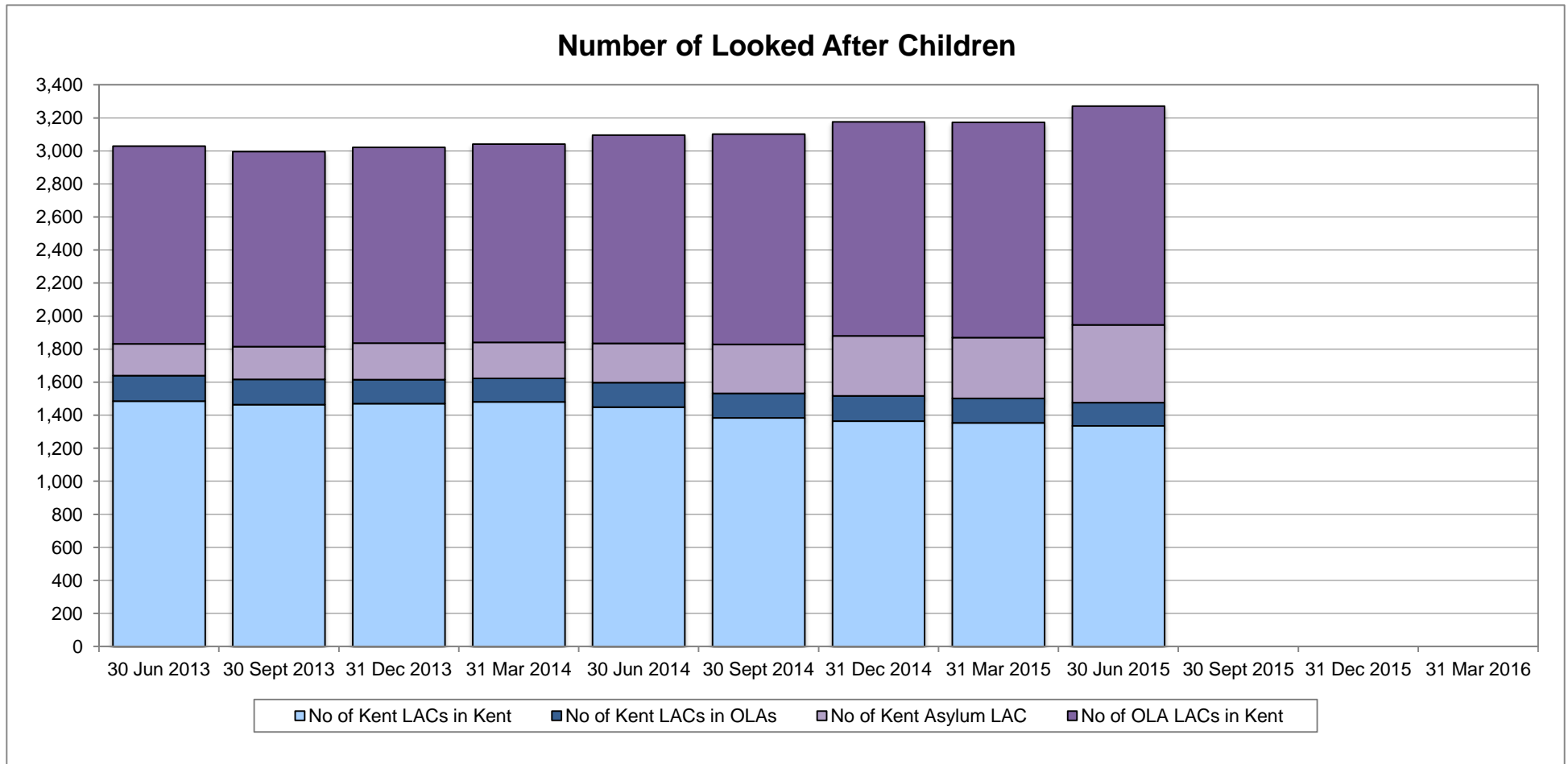
## 2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
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	1,354	148	<b>1,502</b>	368	<b>1,870</b>	1,303	<b>3,173</b>
2015-16	30-Jun	1,336	141	<b>1,477</b>	471	<b>1,948</b>	1,324	<b>3,272</b>
	30-Sep							
	31-Dec							
	31-Mar							

## Comments:

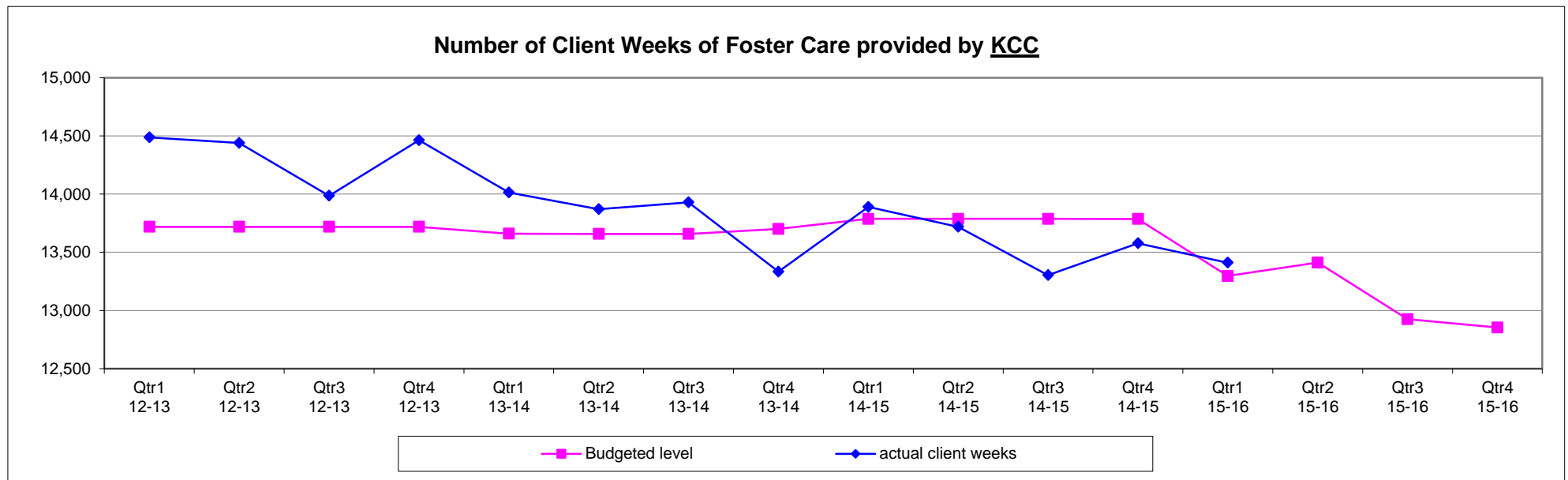
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children had reduced by 25 as at quarter 1 of this financial year, there could have been more (or less) during the period.
- Although there is a reduction in the number of LAC, there is still a small overall forecast pressure on the SCS budget. After taking into account anticipated transformation savings, this pressure primarily relates to non LAC headings such as staffing, safeguarding, care leavers and family support services.

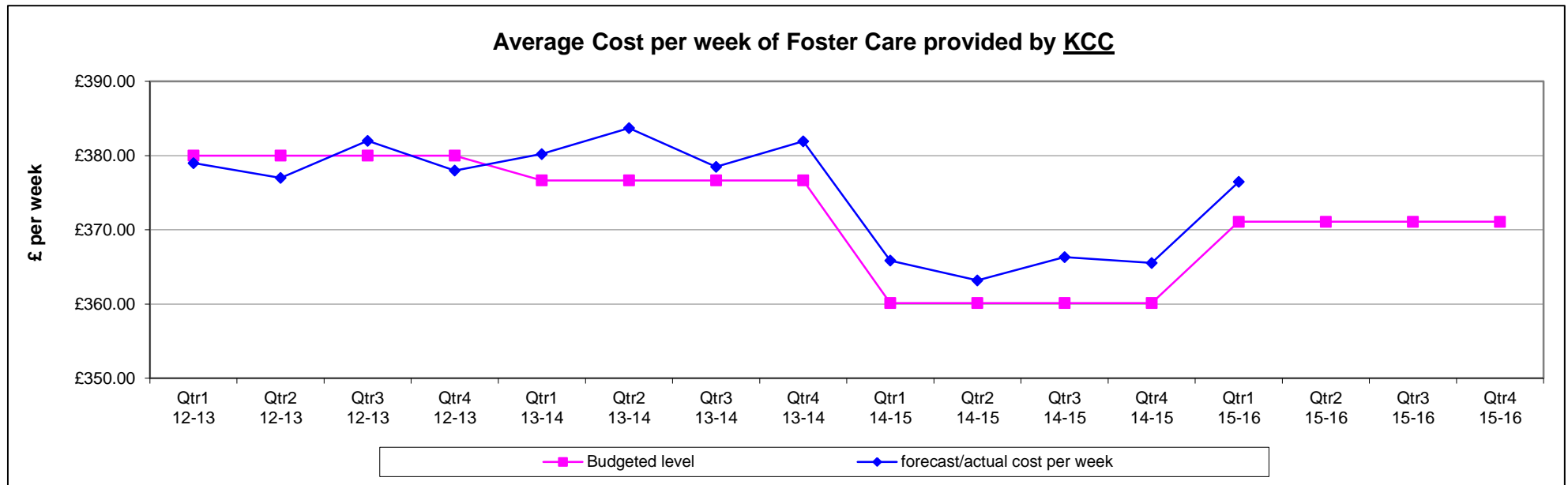
- The OLA LAC information has a confidence rating of 60% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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.



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

	2013-14				2014-15				2015-16			
	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	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85	13,296	13,411	£371.10	£376.47
Jul to Sep	13,658	13,871	£376.67	£383.72	13,787	13,719	£360.14	£363.19	13,411		£371.10	
Oct to Dec	13,658	13,929	£376.67	£378.50	13,787	13,304	£360.14	£366.33	12,925		£371.10	
Jan to Mar	13,700	13,334	£376.67	£381.94	13,786	13,577	£360.14	£365.54	12,853		£371.10	
	<b>54,675</b>	<b>55,148</b>	<b>£376.67</b>	<b>£381.94</b>	<b>55,147</b>	<b>54,489</b>	<b>£360.14</b>	<b>£365.54</b>	<b>52,485</b>	<b>13,411</b>	<b>£371.10</b>	<b>£376.47</b>



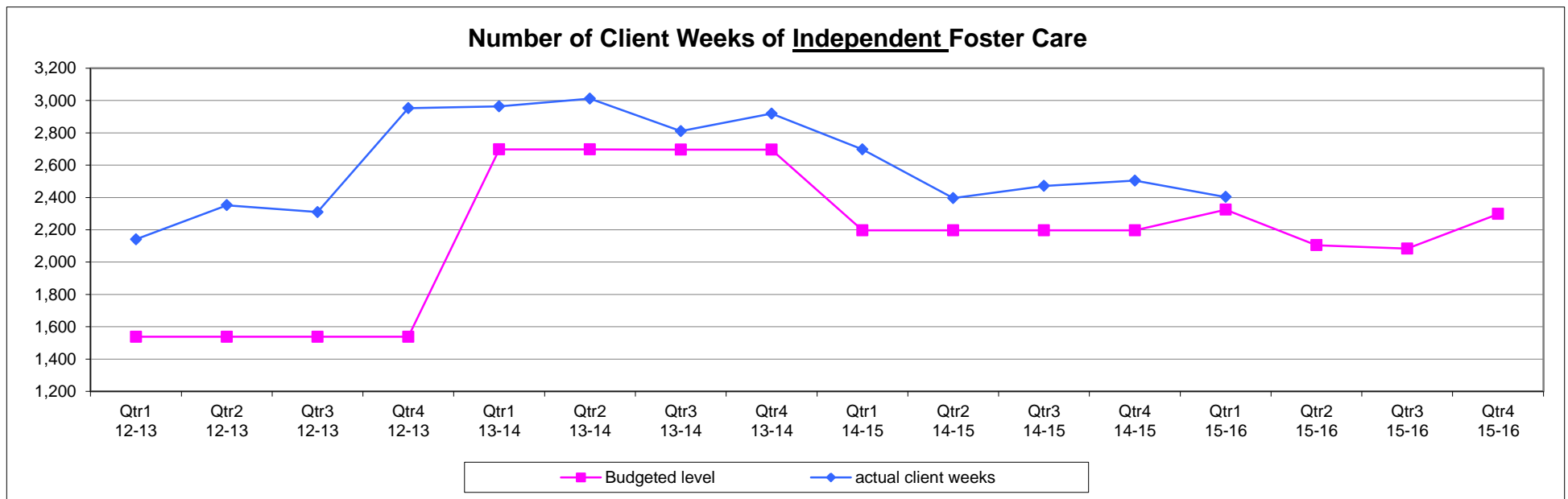


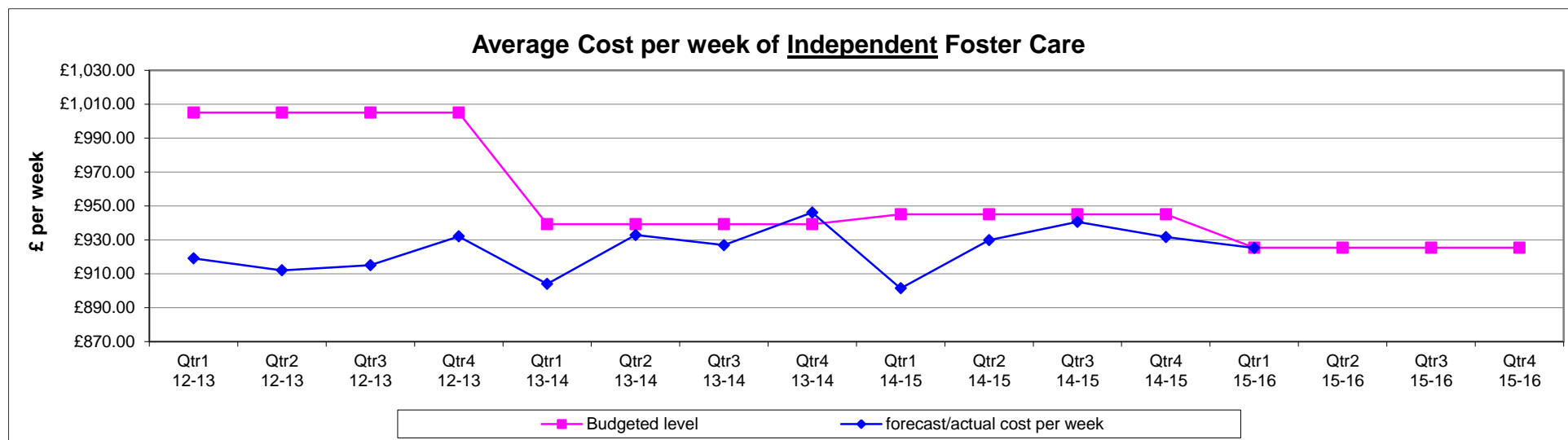
#### Comments:

- 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 2015-16 budgeted level has changed from what was reported to Cabinet on 6 July in the 2014-15 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks (excluding asylum) is 53,076 weeks against an affordable level of 52,485, a difference of +591 weeks. At the forecast unit cost of £376.47 per week, this additional activity gives a pressure of +£222k, as shown in Table 1b. The current year to date activity suggests a slightly lower level of activity than forecast. Part of this is likely to be due to the recording of respite activity which is recorded in arrears, so this part of the year to date activity is likely to be understated.
- The forecast unit cost of +£376.47 is higher than the affordable level of +£371.10 and this difference of +£5.37 gives a pressure of +£282k when multiplied by the affordable weeks, as shown in Table 1b.
- Overall, therefore, the combined gross underspend on this service is +£504k (+£222k +£282k).
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all In House Foster Care activity.

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

	2013-14				2014-15				2015-16			
	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	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37	2,325	2,403	£925.36	£925.17
Jul to Sep	2,697	3,012	£939.19	£932.83	2,197	2,396	£945.07	£929.73	2,105		£925.36	
Oct to Dec	2,696	2,810	£939.19	£926.83	2,197	2,471	£945.07	£940.61	2,084		£925.36	
Jan to Mar	2,696	2,919	£939.19	£946.08	2,197	2,504	£945.07	£931.60	2,298		£925.36	
	<b>10,786</b>	<b>11,705</b>	<b>£939.19</b>	<b>£946.08</b>	<b>8,788</b>	<b>10,068</b>	<b>£945.07</b>	<b>£931.60</b>	<b>8,812</b>	<b>2,403</b>	<b>£925.36</b>	<b>£925.17</b>



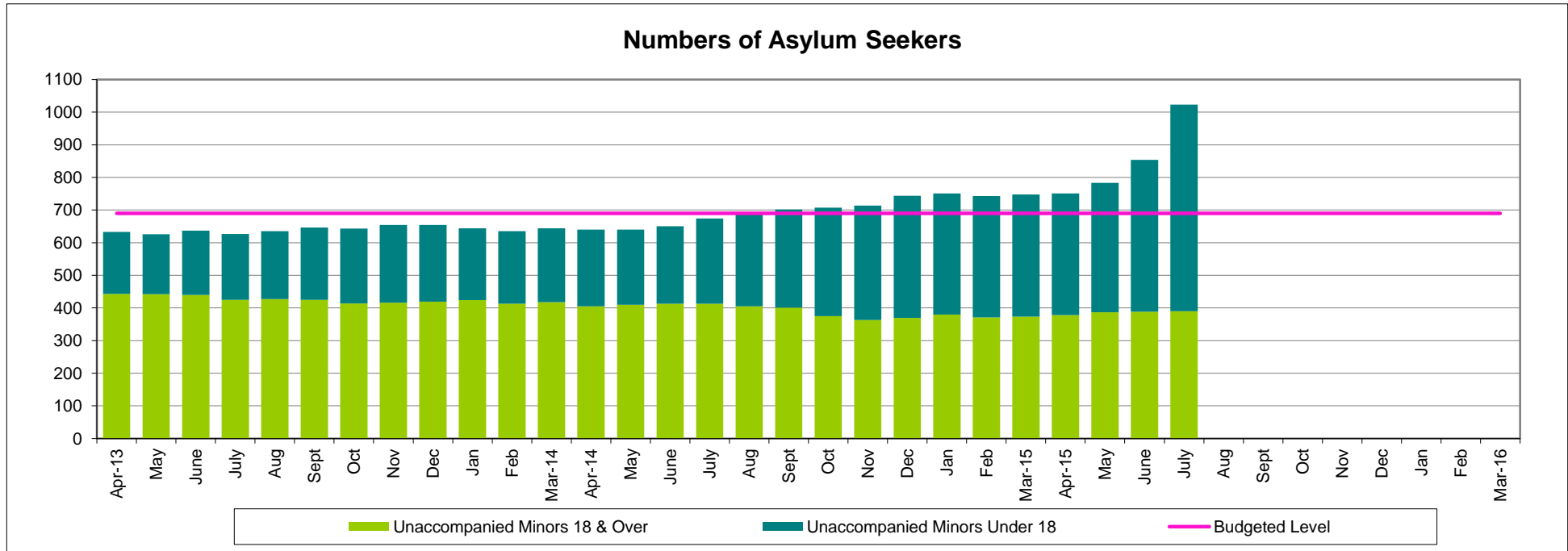


#### Comments:

- 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 2015-16 budgeted level has changed from what was reported to Cabinet on 6 July in the 2014-15 outturn report, reflecting the realignment of budgets reported in sections 1.2 and 1.3 above.
- The forecast number of weeks (excluding asylum) is 8,958 weeks against an affordable level of 8,812, a difference of +146 weeks. At the forecast unit cost of £925.17 per week, this additional activity gives a pressure of +£135k, as shown in Table 1b. The current year to date suggests a higher level of activity than currently forecast – the forecast is based on the transformation savings profiles which assume a range of durations of care/placement end dates. Actual activity will vary from these assumptions but it is anticipated that over time, and as the savings streams become more fully established, that actual activity and the savings profile will more closely align. This will be monitored closely throughout the remainder of the year and any deviation from the savings profile, once they are more fully established, will be reflected in the monitoring.
- The forecast unit cost of +£925.17 is lower than the affordable level of +£925.36 and this difference of -£0.19 reduces the position by -£2k when multiplied by the affordable weeks, as shown in Table 1b.
- Overall therefore, the combined gross underspend on this service is +£133k (+£135k -£2k).
- The forecast average unit cost of £925.17 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The special operation which was previously excluded from this activity indicator has concluded, so from April 2015-16 this indicator reflects all Independent Foster Care activity.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	190	443	<b>633</b>	235	405	<b>640</b>	373	378	<b>751</b>
May	184	442	<b>626</b>	230	410	<b>640</b>	396	387	<b>783</b>
Jun	197	440	<b>637</b>	237	413	<b>650</b>	466	388	<b>854</b>
Jul	202	425	<b>627</b>	261	413	<b>674</b>	633	390	<b>1,023</b>
Aug	208	427	<b>635</b>	282	405	<b>687</b>			
Sep	221	425	<b>646</b>	301	401	<b>702</b>			
Oct	229	414	<b>643</b>	332	375	<b>707</b>			
Nov	238	416	<b>654</b>	351	363	<b>714</b>			
Dec	235	419	<b>654</b>	375	369	<b>744</b>			
Jan	220	424	<b>644</b>	371	380	<b>751</b>			
Feb	222	413	<b>635</b>	372	371	<b>743</b>			
Mar	226	418	<b>644</b>	375	373	<b>748</b>			



## Comments:

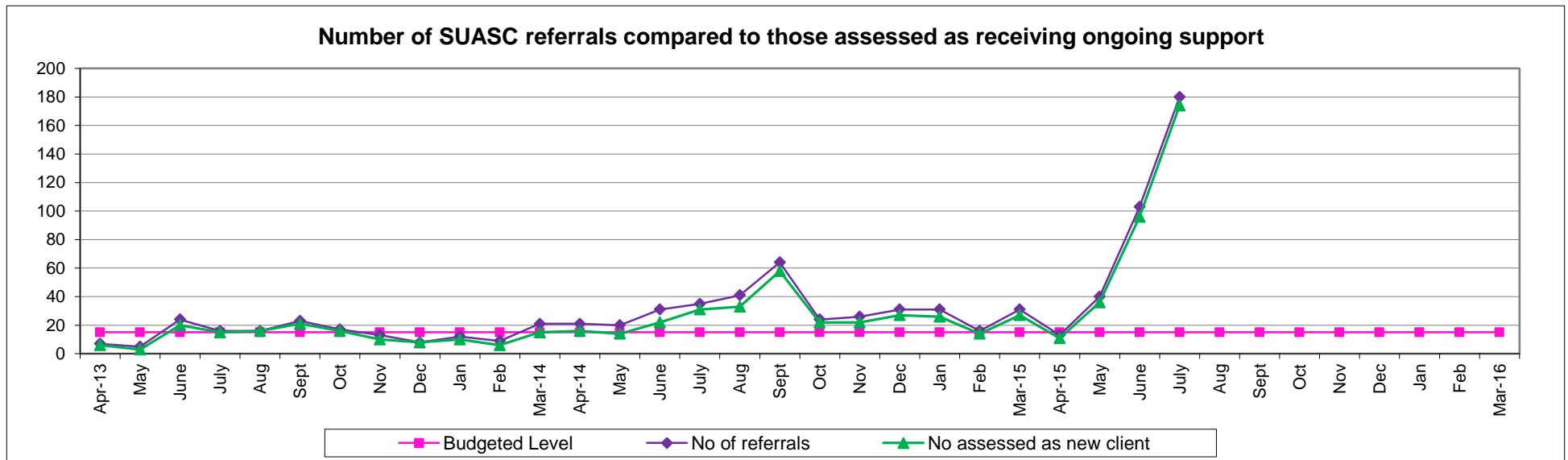
- The overall number of children is increasing, with numbers as at the end of July at the highest level they have been since January 2004. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2015-16 is 15 per month, with 9 (60%) being assessed as under 18.
- The numbers of 18 and over young people who are All Rights of appeal Exhausted (ARE) have been steadily decreasing, particularly since the introduction of Human Rights Assessments (HRAs). On the 3rd of August 2015 there were 49 ARE cases in Kent, compared to 78 in August 2014 and 112 in August 2013.
- The number of young people leaving the service at age 21 rather than remaining in the service up to age 24 has increased in recent months. In previous years, the number of young people supported who are 18 and over has been larger than those aged under 18, but this trend is reversing due to the current high numbers of arrivals of under 18's and the numbers leaving the service at age 21.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim, but once their assessment has been completed, or when successfully appealed, their category may change.
- The number of Asylum LAC shown in table 2.1 above is different to the number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.



2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2013-14			2014-15			2015-16		
	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	6	86%	21	16	76%	13	11	85%
May	5	3	60%	20	14	70%	41	37	90%
Jun	24	20	83%	31	22	71%	103	96	93%
Jul	16	15	94%	35	31	89%	182	175	96%
Aug	16	16	100%	41	33	80%			
Sep	23	21	91%	64	58	91%			
Oct	17	16	94%	24	22	92%			
Nov	13	10	77%	26	22	85%			
Dec	8	8	100%	31	27	87%			
Jan	12	10	83%	31	26	84%			
Feb	9	6	67%	16	14	88%			
Mar	21	15	71%	31	27	87%			
	<b>171</b>	<b>146</b>	<b>85%</b>	<b>371</b>	<b>312</b>	<b>84%</b>	<b>339</b>	<b>319</b>	<b>94%</b>

Since the 2014-15 Q3 monitoring report, a revised methodology has been adopted - UASC are now only included when their Looked After Child (LAC) status has formally commenced.



## Comments:

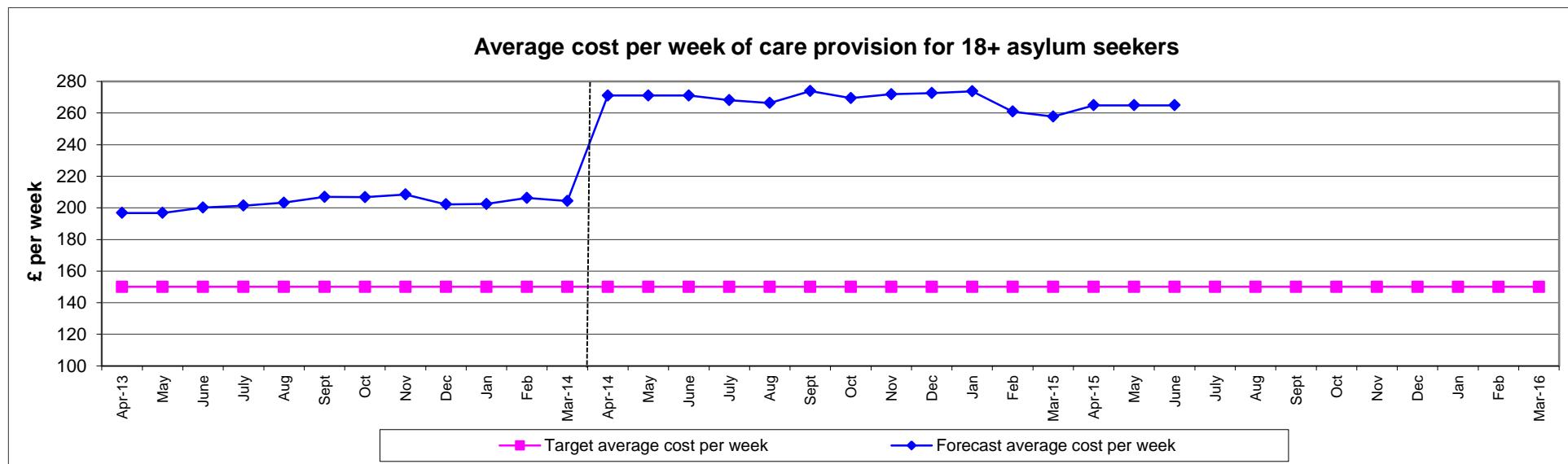
- Please note that UASC Referrals are assumed to be new clients until an assessment has been completed, which usually can take up to 6 weeks, however, as a result of the recent high number of referrals it is currently taking longer to complete individual assessments. Therefore the number of UASC assessed as new clients shown in the table may change once the assessment has taken place.
- The average number of referrals per month for the year to date is 85, which is above the budgeted number of 15 referrals per month. However within this average, as can be seen in the graph above, there is a significantly increasing trend reflecting the recent volatility in migrant activity.
- 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 2015-16 is currently 94%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 80 i.e. 789% higher than budgeted.
- Where a young person has been referred but does not become an ongoing 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. We are only able to claim grant for 28 days for an Asylum Seeker who is assessed as 18+, but due to the current high number of arrivals it is taking longer than this for the assessments to be completed, resulting in an increased unfunded pressure on the Asylum budget.
- 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 (particularly at this stage given the high volumes encountered in June and July), 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.

	2013-14		2014-15		2015-16	
	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	196.78	150	271.10	150	264.91
May	150	196.78	150	271.10	150	264.91
Jun	150	200.18	150	271.10	150	264.91
Jul	150	201.40	150	268.15	150	
Aug	150	203.29	150	266.33	150	
Sep	150	206.92	150	273.87	150	
Oct	150	206.74	150	269.47	150	
Nov	150	208.51	150	271.85	150	
Dec	150	202.25	150	272.56	150	
Jan	150	202.49	150	273.75	150	
Feb	150	206.24	150	260.94	150	
Mar	150	204.27	150	257.79	150	

The current forecast average weekly cost for 2015-16 is £264.91, +£114.91 above the £150 claimable under the grant rules. This adds +£2,070k to the forecast outturn position for eligible clients under the grant rules for which we have a cash limit of £280k, giving a variance of +£1,790k, as shown in table 1b. In addition, this adds +£881k to the forecast outturn position for ineligible clients, including All Rights Exhausted Clients and over 21's not in Education, also shown in table 1b.

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. From 2014-15 onwards we no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore, the increased weekly cost since April 2014 reflects 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 reduction in unit cost between January and February 15 follows a restructure of the service that took place at the start of December to bring Asylum support alongside mainstream care. Following this restructure a data cleansing exercise was performed. This revealed a number of elements that required revision, including changes to weekly costs for those in independent accommodation and a reassessment of the level of void placements. In addition, the amount paid via the Essential Living Allowance has reduced, which is likely to be in part due to ongoing work to improve take-up of benefits for those able to claim them.
- The local authority (LA) 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 number of AREs supported has fallen in recent months. 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.
- The issue remains that 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.
- 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 2015-16 of £1,959k . The forecast outturn against the 2015-16 budget is £1,959k giving a variance of £0k.

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	70	112	0				Green		
ConTROCC	556	925	0				Green	Phase 1 went live in July 2015. Phase 2 is scheduled for December 2015.	
Early Help Module (EHM)	276	922	0				Green	Phase 1 went live in June 2015. Phase 2 is scheduled for November 2015.	
<b>Total</b>	<b>902</b>	<b>1,959</b>	<b>0</b>	<b>0</b>					

#### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE**  
**ADULTS SERVICES**  
**JUNE 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+347,149</b>	<b>+7,083</b>	<b>-</b>	<b>+7,083</b>

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

- The reallocation of 2015-16 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2014-15 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier (-£2,228.1k Gross and +£2,228.1k Income). This realignment of gross and income recognises the fact that some parts of the transformation agenda will affect both spend and client contributions (-£2,131.3k Gross and +£2,131.3k Income), and more accurately reflects current levels of services and income to be received (-£96.8k gross and +£96.8k income).
- The reallocation of Care Act Grants from DCLG and DoH and Better Care Fund to reflect revised spending plans agreed since the budget setting process. This involves transfers between A-Z budget lines.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£321.7k gross and -£321.7k income. Significant changes included within this are:

- Reallocation of health monies (-£231.3k gross and +£231.3k income) where further information regarding allocations and spending plans has become available since the budget setting process. This involves an adjustment between A-Z budget lines and an overall gross and income budget transfer to Specialist Children's Services of -£153.5k gross and +£153.5k income in respect of health funded services, along with transfers to Strategic & Corporate Services (-£69.4k gross and +£69.4k income) for the reimbursement of services relating to the increased number of Direct Payments following the domiciliary re-let and Better Care Fund finance support, and to Growth, Environment & Transport towards health funded staffing costs (-£8.4k gross and +£8.4k income).
- Allocation of additional grant monies for the DWP Prepaid Card Pilot (+£150k gross and -£150k income) and Department of Health Delayed Transfer of Care and Helping People Home Grant extension (+£170k gross and -£170k income).
- Realignment of Social Support - Information & Early Intervention gross and income budget to reflect the funding of new projects by Public Health (+£233k gross and -£233k income).

There are also a number of other corporate adjustments which total +£1,109.6k gross and -£469.6k income (+£640k net), which relate to the allocation of the single pay reward scheme funding (+£1,169.5k gross), further centralisation of property related budgets (-£59.9k gross) and income from Public Health reflecting the commissioning of public health related services from Adult Social Care (-£469.6k income).

The overall movements are therefore an increase in gross of -£796.8k and income of +£1,436.8k, giving an overall net increase of +£640k. This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 6 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social Care, Health &amp; Wellbeing - Adult Social Care</b>									
Strategic Management & Directorate Support budgets	7,323.2	-494.5	6,828.7	7,963.0	-1,072.9	6,890.1	639.8	-578.4	61.4
<u>Support to Frontline Services:</u>									
- Adults Social Care Commissioning & Performance Monitoring	3,804.4	-481.0	3,323.4	3,992.7	-606.3	3,386.4	188.3	-125.3	63.0
<u>Adults &amp; Older People:</u>									
- Direct Payments									
- Learning Disability (aged 18+)	17,632.1	-30.0	17,602.1	17,671.6	-69.5	17,602.1	39.5	-39.5	0.0

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Mental Health (aged 18+)	1,221.5	0.0	1,221.5	1,049.7	-84.3	965.4	-171.8	-84.3	-256.1
- Older People (aged 65+)	15,084.8	0.0	15,084.8	14,367.7	0.0	14,367.7	-717.1	0.0	-717.1
- Physical Disability (aged 18-64)	12,067.7	0.0	12,067.7	12,067.7	0.0	12,067.7	0.0	0.0	0.0
Total Direct Payments	46,006.1	-30.0	45,976.1	45,156.7	-153.8	45,002.9	-849.4	-123.8	-973.2
- Domiciliary Care									
- Learning Disability (aged 18+)	979.3	0.0	979.3	993.3	-14.0	979.3	14.0	-14.0	0.0
- Older People (aged 65+) - in house service (KEaH)	7,749.5	-5,415.4	2,334.1	7,888.9	-5,415.4	2,473.5	139.4	0.0	139.4
- Older People (aged 65+) - Commissioned Service	12,167.9	-5,034.7	7,133.2	16,843.4	-10,157.1	6,686.3	4,675.5	-5,122.4	-446.9
- Physical Disability (aged 18-64) - in house service	579.4	0.0	579.4	579.4	0.0	579.4	0.0	0.0	0.0
- Physical Disability (aged 18-64) - Commissioned Service	2,434.0	-25.9	2,408.1	2,240.8	0.0	2,240.8	-193.2	25.9	-167.3
Total Domiciliary Care	23,910.1	-10,476.0	13,434.1	28,545.8	-15,586.5	12,959.3	4,635.7	-5,110.5	-474.8
- Non Residential Charging Income									
- Learning Disability (aged 18+)	0.0	-3,200.1	-3,200.1	0.0	-3,191.3	-3,191.3	0.0	8.8	8.8
- Older People (aged 65+)	0.0	-9,480.3	-9,480.3	0.0	-7,516.3	-7,516.3	0.0	1,964.0	1,964.0
- Physical Disability (aged 18-64) / Mental Health (aged 18+)	0.0	-1,403.4	-1,403.4	0.0	-1,298.5	-1,298.5	0.0	104.9	104.9
Total Non Residential Charging Income	0.0	-14,083.8	-14,083.8	0.0	-12,006.1	-12,006.1	0.0	2,077.7	2,077.7
- Nursing & Residential Care									
- Learning Disability (aged 18+)	81,815.3	-6,590.9	75,224.4	81,815.3	-6,590.9	75,224.4	0.0	0.0	0.0
- Mental Health (aged 18+)	8,050.9	-1,003.4	7,047.5	8,054.0	-1,006.5	7,047.5	3.1	-3.1	0.0
- Older People (aged 65+) - Nursing	37,635.9	-16,250.7	21,385.2	37,635.9	-16,250.7	21,385.2	0.0	0.0	0.0



Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Older People (aged 65+) - Residential - in house service	19,935.9	-5,468.8	14,467.1	20,057.6	-5,468.8	14,588.8	121.7	0.0	121.7
- Older People (aged 65+) - Residential - commissioned service	56,515.1	-30,393.7	26,121.4	55,412.3	-29,367.8	26,044.5	-1,102.8	1,025.9	-76.9
- Physical Disability (aged 18-64)	13,579.6	-1,729.9	11,849.7	13,579.6	-1,729.9	11,849.7	0.0	0.0	0.0
Total Nursing & Residential Care	217,532.7	-61,437.4	156,095.3	216,554.7	-60,414.6	156,140.1	-978.0	1,022.8	44.8
- Supported Living									
- Learning Disability (aged 18+) - in house service	3,748.4	-1,593.7	2,154.7	3,787.4	-1,593.7	2,193.7	39.0	0.0	39.0
- Learning Disability (aged 18+) - shared lives	3,577.8	-246.9	3,330.9	3,582.7	-246.9	3,335.8	4.9	0.0	4.9
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,570.1	-25.9	31,544.2	31,662.7	-118.5	31,544.2	92.6	-92.6	0.0
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	4,825.0	-4,825.0	0.0	0.0	0.0	0.0
- Older People (aged 65+) - commissioned service	400.7	0.0	400.7	400.7	0.0	400.7	0.0	0.0	0.0
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - in house service	107.4	-107.4	0.0	107.4	-107.4	0.0	0.0	0.0	0.0
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - commissioned service	4,179.5	-299.9	3,879.6	4,436.5	-210.2	4,226.3	257.0	89.7	346.7
Total Supported Living	48,408.9	-7,098.8	41,310.1	48,802.4	-7,101.7	41,700.7	393.5	-2.9	390.6
- Other Services for Adults & Older People									
- Adaptive & Assistive Technology	6,153.2	-3,675.9	2,477.3	6,106.6	-3,666.2	2,440.4	-46.6	9.7	-36.9

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Community Support Services for Mental Health (aged 18+) - in house service	1,366.6	-54.3	1,312.3	1,383.8	-64.4	1,319.4	17.2	-10.1	7.1
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,870.3	-373.9	1,496.4	1,717.1	-373.9	1,343.2	-153.2	0.0	-153.2
- Day Care									
- Learning Disability (aged 18+) - in house service	6,780.6	-127.7	6,652.9	6,744.2	-70.7	6,673.5	-36.4	57.0	20.6
- Learning Disability (aged 18+) - commissioned service	7,095.4	0.0	7,095.4	7,095.4	0.0	7,095.4	0.0	0.0	0.0
- Older People (aged 65+) - in house	867.3	-45.0	822.3	877.9	-45.0	832.9	10.6	0.0	10.6
- Older People (aged 65+) - commissioned service	959.1	0.0	959.1	959.1	0.0	959.1	0.0	0.0	0.0
- Physical Disability (aged 18-64)	951.1	0.0	951.1	951.1	0.0	951.1	0.0	0.0	0.0
Total Day Care	16,653.5	-172.7	16,480.8	16,627.7	-115.7	16,512.0	-25.8	57.0	31.2
- Other Adult Services	3,944.3	-4,179.0	-234.7	3,532.0	-3,695.3	-163.3	-412.3	483.7	71.4
- Safeguarding	1,832.8	-235.6	1,597.2	1,846.7	-235.6	1,611.1	13.9	0.0	13.9
- Social Support									
- Carers - in house service	3,438.2	-0.3	3,437.9	3,550.9	-0.3	3,550.6	112.7	0.0	112.7
- Carers - commissioned service	15,815.1	-11,461.5	4,353.6	10,466.9	-6,172.1	4,294.8	-5,348.2	5,289.4	-58.8
- Information & Early Intervention	6,244.0	-1,429.9	4,814.1	6,517.0	-1,952.9	4,564.1	273.0	-523.0	-250.0
- Social Isolation	6,362.4	-2,221.5	4,140.9	6,291.0	-2,410.5	3,880.5	-71.4	-189.0	-260.4
Total Social Support	31,859.7	-15,113.2	16,746.5	26,825.8	-10,535.8	16,290.0	-5,033.9	4,577.4	-456.5
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	1,481.5	0.0	1,481.5	0.0	0.0	0.0
Total Other Services for Adults & Older People	65,161.9	-23,804.6	41,357.3	59,521.2	-18,686.9	40,834.3	-5,640.7	5,117.7	-523.0

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Community Services</b>									
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	1,138.4	-705.9	432.5	0.0	0.0	0.0
<b>Housing Related Support for Vulnerable People (Supporting People)</b>									
- Administration	381.2	0.0	381.2	536.1	-150.0	386.1	154.9	-150.0	4.9
- Adults - Learning Difficulties	3,352.2	0.0	3,352.2	3,352.2	0.0	3,352.2	0.0	0.0	0.0
- Adults - Physical Difficulties	138.5	0.0	138.5	138.5	0.0	138.5	0.0	0.0	0.0
- Adults - Mental Health (aged 18+)	2,904.3	0.0	2,904.3	2,904.3	0.0	2,904.3	0.0	0.0	0.0
- Older People (aged 65+)	3,891.5	0.0	3,891.5	3,891.5	0.0	3,891.5	0.0	0.0	0.0
- Other Adults	7,421.6	0.0	7,421.6	7,421.6	0.0	7,421.6	0.0	0.0	0.0
<b>Total Housing Related Support for Vulnerable People</b>	<b>18,089.3</b>	<b>0.0</b>	<b>18,089.3</b>	<b>18,244.2</b>	<b>-150.0</b>	<b>18,094.2</b>	<b>154.9</b>	<b>-150.0</b>	<b>4.9</b>
<b>Public Health:</b>									
- Drug & Alcohol Services (LASAR)	424.8	0.0	424.8	429.9	0.0	429.9	5.1	0.0	5.1
<b>Assessment Services</b>									
- Adult Social Care Staffing	43,814.4	-10,493.0	33,321.4	44,468.4	-11,183.5	33,284.9	654.0	-690.5	-36.5
<b>Total SCH&amp;W (Adults)</b>	<b>475,614.2</b>	<b>-129,105.0</b>	<b>346,509.2</b>	<b>474,817.4</b>	<b>-127,668.2</b>	<b>347,149.2</b>	<b>-796.8</b>	<b>1,436.8</b>	<b>640.0</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Social Care, Health &amp; Wellbeing - Adult Social Care</b>							
Strategic Management & Directorate Support budgets	7,963.0	-1,072.9	6,890.1	-490	-270	Staff vacancies within Access to Resources Team	
					-104	Reduced demand for a number of office support services (including postage, printing and stationery)	
					-116	Other minor variances, each below £100k	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,992.7	-606.3	3,386.4	-241	-174	Delays in recruitment to vacancies within the Performance & Information Management team	
					-67	Other minor variances	
<u>Adults &amp; Older People:</u>							
- Direct Payments							
- Learning Disability (aged 18+)	17,671.6	-69.5	17,602.1	-269	+403	Forecast +1,441 weeks above affordable level of 63,397 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+69	Forecast average unit cost +£1.08 above affordable level of £278.27	
					+322	One-off direct payments	
					-1,091	Recovery of unspent funds from clients	
- Mental Health (aged 18+)	1,049.7	-84.3	965.4	+24			
- Older People (aged 65+)	14,367.7	0.0	14,367.7	-866	-407	Forecast -2,169 weeks below affordable level of 78,040 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+301	Forecast average unit cost +£3.85 above affordable level of £184.00	
					+480	One-off direct payments	
					-1,238	Recovery of unspent funds from clients	
- Physical Disability (aged 18-64)	12,067.7	0.0	12,067.7	+760	+1,168	Forecast +5,866 weeks above affordable level of 60,472 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+27	Forecast average unit cost +£0.45 above affordable level of £198.65	
					+632	One-off direct payments	
					-1,085	Recovery of unspent funds from clients	
Total Direct Payments	45,156.7	-153.8	45,002.9	-351			
- Domiciliary Care							
- Learning Disability (aged 18+)	993.3	-14.0	979.3	-260	-283	Forecast -20,161 hours below affordable level of 64,081 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+12	Forecast average unit cost +£0.18 above affordable level of £13.87	
					+11	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - in house service (KEaH)	7,888.9	-5,415.4	2,473.5	+145	+145	Higher usage of Kent Enablement at Home Service (KEAH) than anticipated for Older People clients	
- Older People (aged 65+) - Commissioned Service	16,843.4	-10,157.1	6,686.3	+7,807	+5,912	Forecast +407,729 hours above affordable level of 1,168,456 hours	Management action is currently being finalised to reduce the overall demand for this service and any ongoing demographic pressures & savings will be addressed in the 2016-19 MTFP  The revised timing of the anticipated delivery of phase 2 transformation savings will be addressed in the 2016-19 MTFP  This pressure is expected to be ongoing & will need to be addressed in the 2016-19 MTFP.
					+140	Forecast average unit cost +£0.12 above affordable level of £14.38	
					+1,597	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme	
					+152	Commissioning additional block domiciliary related contracts primarily related to providing additional support within Extra Care Sheltered Housing.	
					+6	Other minor variances	
- Physical Disability (aged 18-64) - in house service	579.4	0.0	579.4	0			
- Physical Disability (aged 18-64) - Commissioned Service	2,240.8	0.0	2,240.8	+2,658	+2,251	Forecast +161,496 hours above affordable level of 189,847 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP  The revised timing of the anticipated delivery of phase 2 transformation savings will be addressed in the 2016-19 MTFP
					+34	Forecast average unit cost +£0.18 above affordable level of £13.76	
					+372	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme	
					+1	Other minor variances	
Total Domiciliary Care	28,545.8	-15,586.5	12,959.3	+10,350			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Non Residential Charging							
- Learning Disability (aged 18+)	0.0	-3,191.3	-3,191.3	-421	-421	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Older People (aged 65+)	0.0	-7,516.3	-7,516.3	-763	-763	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Physical Disability (aged 18-64) / Mental Health (aged 18+)	0.0	-1,298.5	-1,298.5	-397	-325	The forecast over-recovery of client contributions towards non-residential care services is linked to the current net pressure being forecast on other physical disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Living) highlighted in this report.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-72	Other minor variances	
Total Non Residential Charging Income	0.0	-12,006.1	-12,006.1	-1,581			
- Nursing & Residential Care							
- Learning Disability (aged 18+)	81,815.3	-6,590.9	75,224.4	-1,940	-2,275	Forecast -1,872 weeks below affordable level of 68,129 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+174	Leading to a shortfall in client contributions	
					+869	Forecast average unit cost +£12.76 above affordable level of £1,202.66	
					-65	Independent Sector: forecast average unit client contribution -£0.96 above affordable level of -£91.73	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -684 Release of unrealised creditors +41 Other minor variances	
- Mental Health (aged 18+)	8,054.0	-1,006.5	7,047.5	+1,185	+1,071 Forecast +1,667 weeks above affordable level of 12,652 weeks -67 Leading to an increase in client contributions +79 Forecast average unit cost +£6.24 above affordable level of £636.00 +65 Independent Sector: forecast average unit client contribution +£5.11 below affordable level of -£45.06 +37 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Older People (aged 65+) - Nursing	37,635.9	-16,250.7	21,385.2	-188	-2,793 Forecast -5,530 weeks below affordable level of 73,815 weeks +1,062 Leading to a shortfall in client contributions +470 Forecast average unit cost +£6.36 above affordable level of £498.75 +1,098 Independent Sector: forecast average unit client contribution +£14.87 below affordable level of -£206.97 -25 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Older People (aged 65+) - Residential - in house service	20,057.6	-5,468.8	14,588.8	+367	+118 Additional agency staff to cover staff vacancies, along with higher than anticipated usage of agency staff for specialist care/nursing roles at Gravesham Place. +108 Increase in running costs for Gravesham Place associated with a recharge from Health for staff, clinical items, utilities and unitary charge. +136 Other minor variances for Graveham Place including reduced health income associated with Registered Nursing Care Contributions (RNCC) +5 Other minor variances within other residential units	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - Residential - commissioned service	55,412.3	-29,367.8	26,044.5	+1,145	-4,422	Forecast -10,489 weeks below affordable level of 139,119 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+2,013	Leading to a shortfall in client contributions	
					+7	Forecast average unit cost +£0.05 above affordable level of £421.49	
					+1,387	Independent Sector: forecast average unit client contribution +£9.97 below affordable level of -£201.90	
					+1,980	Revised phasing of anticipated delivery of phase 2 transformation savings resulting from work completed by our Transformation Partners during the design stage of the savings programme	
					+188	Health have indicated that they will not contribute to an element of running costs for an integrated care centre. Although negotiations continue, it is considered prudent to reflect this as a pressure until the situation is resolved	
					-8	Other minor variances	
- Physical Disability (aged 18-64)	13,579.6	-1,729.9	11,849.7	-609	-628	Forecast -730 weeks below affordable level of 15,841 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+85	Leading to a shortfall in client contributions	
					+49	Forecast average unit cost +£3.06 above affordable level of £857.27	
					-115	Independent Sector: forecast average unit client contribution -£7.23 above affordable level of -£109.20	
Total Nursing & Residential Care	216,554.7	-60,414.6	156,140.1	-40			
- Supported Living							
- Learning Disability (aged 18+) - in house service	3,787.4	-1,593.7	2,193.7	-288	-100	Completion of the Pathway to Independence project pilot at lower cost than anticipated	



Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-258	Local action plans in place to pool resources in preparation for move to Kent Pathways Service, leading to overall reduction in staffing costs as vacancies and secondments are not being filled	
					+70	Other minor variances	
- Learning Disability (aged 18+) - shared lives scheme	3,582.7	-246.9	3,335.8	+144	+26	Forecast +8,687 hours above affordable level of 1,069,507 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+96	Forecast average unit cost +£0.09 above affordable level of £2.84	
					+22	Other minor variances	
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,662.7	-118.5	31,544.2	+2,991	+2,996	Forecast +304,108 hours above affordable level of 3,183,542 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-191	Forecast average unit cost -£0.06 below affordable level of £9.91	
					+186	Other minor variances relating to non-activity related expenditure including additional costs relating to the previous year for which no creditor provision was raised in 2014-15, and estimated costs of unfilled block supported living placements.	
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	0			
- Older People (aged 65+) - commissioned service	400.7	0.0	400.7	-186	-26	Forecast -6,502 hours below affordable level of 48,688 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-208	Forecast average unit cost -£4.28 below affordable level of £8.23	
					+48	Other minor variances	
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - in house service	107.4	-107.4	0.0	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - commissioned service	4,436.5	-210.2	4,226.3	+1,051	+605	Mental Health forecast +53,016 hours above affordable level of 177,397	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					-96	Forecast average unit cost -£0.54 below affordable level of £11.95	
					+1,019	Physical Disability forecast +176,007 hours above affordable level of 300,791 hours	
					-388	Forecast average unit cost -£1.29 below affordable level of £7.08	
					-89	Other minor variances	
Total Supported Living	48,802.4	-7,101.7	41,700.7	+3,712			
- Other Services for Adults & Older People							
- Adaptive & Assistive Technology	6,106.6	-3,666.2	2,440.4	-434	-160	Reduced revenue contribution to capital for telecare equipment due to lower than anticipated unit costs	
					-111	Lower than anticipated costs associated with life line monitoring based on current demand for telecare services	
					-299	Lower than anticipated demand for occupational therapy equipment	
					+208	Greater demand for Integrated Community Equipment Store (ICES) than anticipated	
					-72	Other minor variances	
- Community Support Services for Mental Health (aged 18+) - in house service	1,383.8	-64.4	1,319.4	-46			
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,717.1	-373.9	1,343.2	-61			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Day Care							
- Learning Disability (aged 18+) - in house service	6,744.2	-70.7	6,673.5	-236	-105	Countywide reduction in Agency and contracted staffing costs resulting from extra 1:1 support costs now being commissioned externally (see below for offsetting pressure)	
					-131	Other minor variances including reduced costs associated with fewer clients at Yew Tree and the reorganisation of Dartford Community Day Services	
- Learning Disability (aged 18+) - commissioned service	7,095.4	0.0	7,095.4	+800	+105	Extra 1:1 support costs for specific clients are now commissioned externally rather than provided in-house (see above for offsetting underspend)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+671	Pressure reflecting current demand for services provided by the independent sector including transport related costs	
					+24	Other minor variances	
- Older People (aged 65+) - in house	877.9	-45.0	832.9	-43			
Older People (aged 65+) - commissioned service	959.1	0.0	959.1	-89			
- Physical Disability (aged 18-64)	951.1	0.0	951.1	-67			
Total Day Care	16,627.7	-115.7	16,512.0	+365			
- Other Adult Services	3,532.0	-3,695.3	-163.3	-2,971	-3,275	Use of so-far uncommitted funding, held within Other Adult Services, to offset increased activity on Older People A-Z budget lines.	
					+193	Meals service pressure, primarily due to lower than anticipated client contributions	
					+111	Other minor variances including additional mental health client support costs	

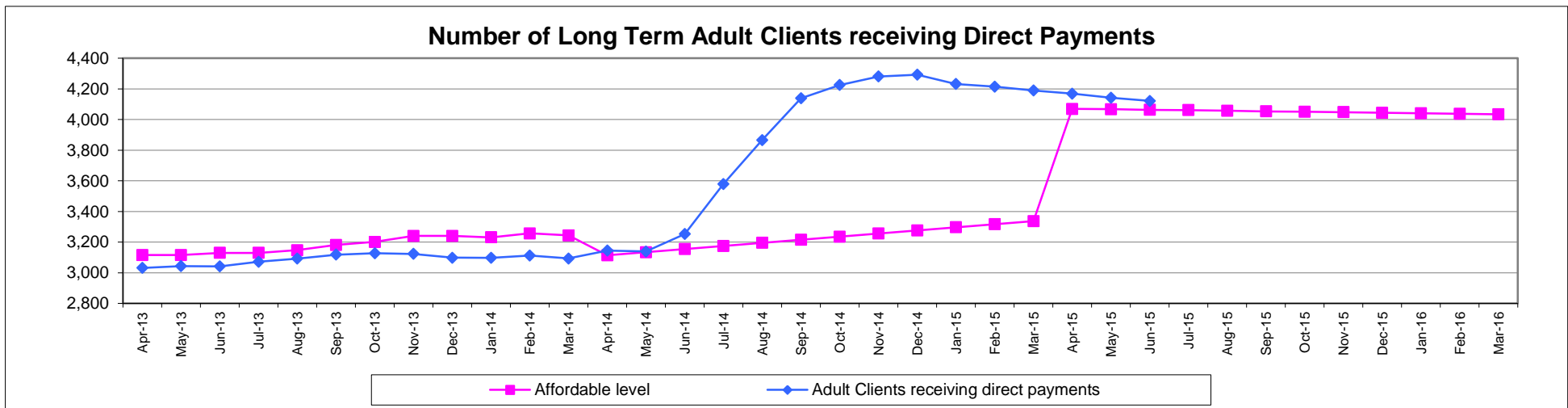
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Safeguarding	1,846.7	-235.6	1,611.1	-129	-129	Other minor variances, each below £100k	
- Social Support							
- Carers - in house service	3,550.9	-0.3	3,550.6	-83			
- Carers - commissioned service	10,466.9	-6,172.1	4,294.8	+574	+584	Higher than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations)	
					-10	Leading to higher than anticipated client income	
- Information & Early Intervention	6,517.0	-1,952.9	4,564.1	+35			
- Social Isolation	6,291.0	-2,410.5	3,880.5	+19	+115	Payments to voluntary organisations as a result of higher than anticipated demand for this Learning Disability services	
					-96	Other minor variances	
Total Social Support	26,825.8	-10,535.8	16,290.0	+545			
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	0			
Total Other Services for Adults & Older People	59,521.2	-18,686.9	40,834.3	-2,731			
<u>Community Services</u>							
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	-54			
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Administration	536.1	-150.0	386.1	-49			
- Adults - Learning Difficulties	3,352.2	0.0	3,352.2	-23			
- Adults - Physical Difficulties	138.5	0.0	138.5	0			
- Adults - Mental Health (aged 18+)	2,904.3	0.0	2,904.3	-58			
- Older People (aged 65+)	3,891.5	0.0	3,891.5	-46			
- Other Adults	7,421.6	0.0	7,421.6	0			
Total Housing Related Support for Vulnerable People	18,244.2	-150.0	18,094.2	-176			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Public Health</b>						
- Drug & Alcohol Services (LASAR)	429.9	0.0	429.9	-27		
<b>Assessment Services</b>						
- Adult Social Care Staffing	44,468.4	-11,183.5	33,284.9	-1,288	-627	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.
					-190	Delay in implementation of new Care Planning Management System software
					-129	Delays in recruitment to vacancies across Older People and Physical Disability assessment teams
					-175	Delays in the recruitment to vacancies across Learning Disability assessment teams
					-167	Other minor variances including lower than anticipated early retirement costs
<b>Total SCH&amp;W (Adults)</b>	<b>474,817.4</b>	<b>-127,668.2</b>	<b>347,149.2</b>	<b>+7,083</b>		
<b>Assumed Mgmt Action</b>						Plans are currently being refined to reduce the overall pressure on Older People and Physical Disability Services, centred around reducing the demand for domiciliary services and increasing client contributions.
<b>Total SCH&amp;W (Adults) Forecast <u>after</u> mgmt action</b>	<b>474,817.4</b>	<b>-127,668.2</b>	<b>347,149.2</b>	<b>+7,083</b>		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2013-14			2014-15			2015-16		
	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	3,116	3,032	164	3,114	3,145	216	4,069	4,168	141
May	3,116	3,043	169	3,134	3,139	160	4,067	4,142	113
Jun	3,130	3,042	120	3,155	3,253	184	4,063	4,121	101
Jul	3,130	3,072	173	3,175	3,579	215	4,061		
Aug	3,147	3,092	158	3,195	3,866	200	4,057		
Sep	3,181	3,118	134	3,215	4,139	209	4,053		
Oct	3,201	3,127	179	3,235	4,225	204	4,050		
Nov	3,240	3,123	144	3,256	4,281	167	4,048		
Dec	3,240	3,098	159	3,276	4,292	115	4,044		
Jan	3,231	3,097	176	3,297	4,232	135	4,041		
Feb	3,257	3,112	135	3,317	4,214	128	4,037		
Mar	3,244	3,093	121	3,337	4,189	144	4,034		
			<b>1,832</b>			<b>2,077</b>			<b>355</b>

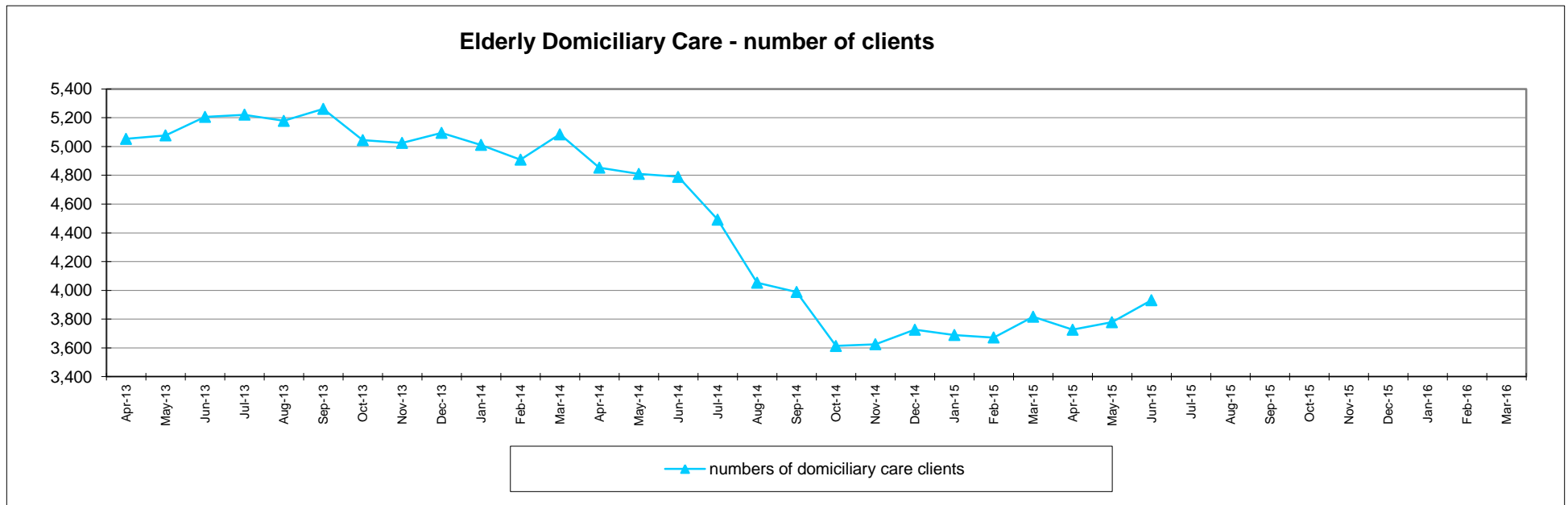


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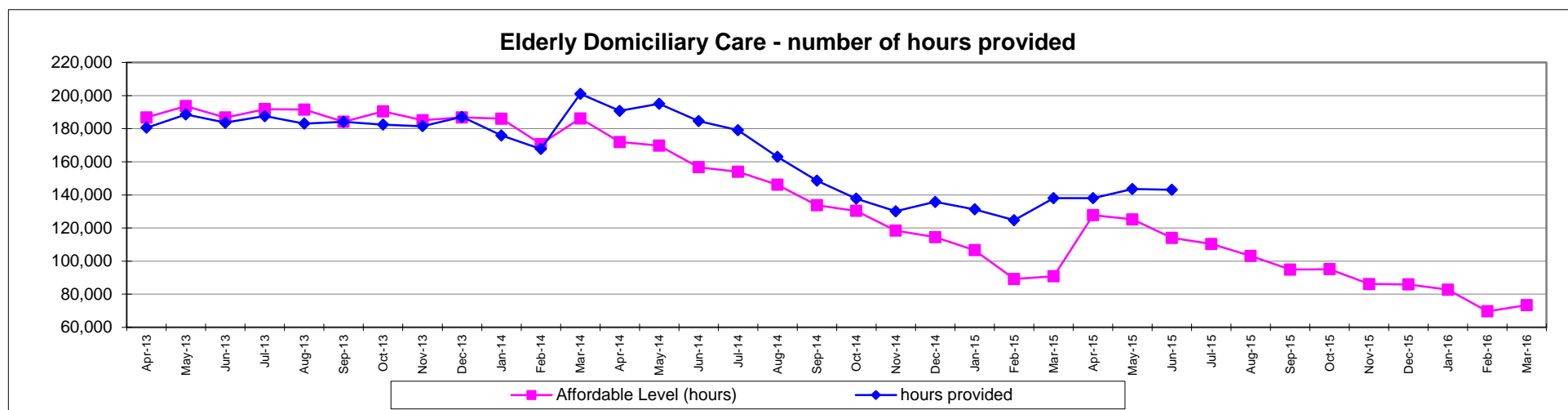
- A long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change, therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- Current activity to date compared against the profiled budget would suggest a lower level of activity than currently forecast on this service, however the current forecast includes a number of known clients not yet recorded on the activity data base. This position is being offset by recoveries of unspent funds from clients. The overall effect of these factors across individual client groups is reflected in Table 1b, which shows a small forecast underspend of £351k against the overall direct payments budget.

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

	2013-14			2014-15			2015-16		
	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	186,809	180,585	5,053	171,979	190,804	4,853	127,780	138,025	3,726
May	193,717	188,656	5,077	169,813	195,051	4,810	125,245	143,582	3,778
Jun	186,778	183,621	5,206	156,692	184,572	4,789	113,969	143,059	3,932
Jul	191,791	187,621	5,221	154,016	179,105	4,492	110,355		
Aug	191,521	183,077	5,178	146,118	163,006	4,054	103,158		
Sep	184,242	184,208	5,262	133,761	148,649	3,989	94,880		
Oct	190,446	182,503	5,044	130,322	137,790	3,614	95,120		
Nov	185,082	181,521	5,025	118,474	130,108	3,625	86,179		
Dec	186,796	187,143	5,094	114,525	135,832	3,727	85,967		
Jan	186,006	175,916	5,011	106,627	131,261	3,690	82,698		
Feb	170,695	167,774	4,909	89,174	124,714	3,672	69,653		
Mar	186,184	201,069	5,085	90,829	138,077	3,817	73,452		
	<b>2,240,067</b>	<b>2,203,694</b>		<b>1,582,330</b>	<b>1,858,968</b>		<b>1,168,456</b>	<b>424,666</b>	







#### Comments:

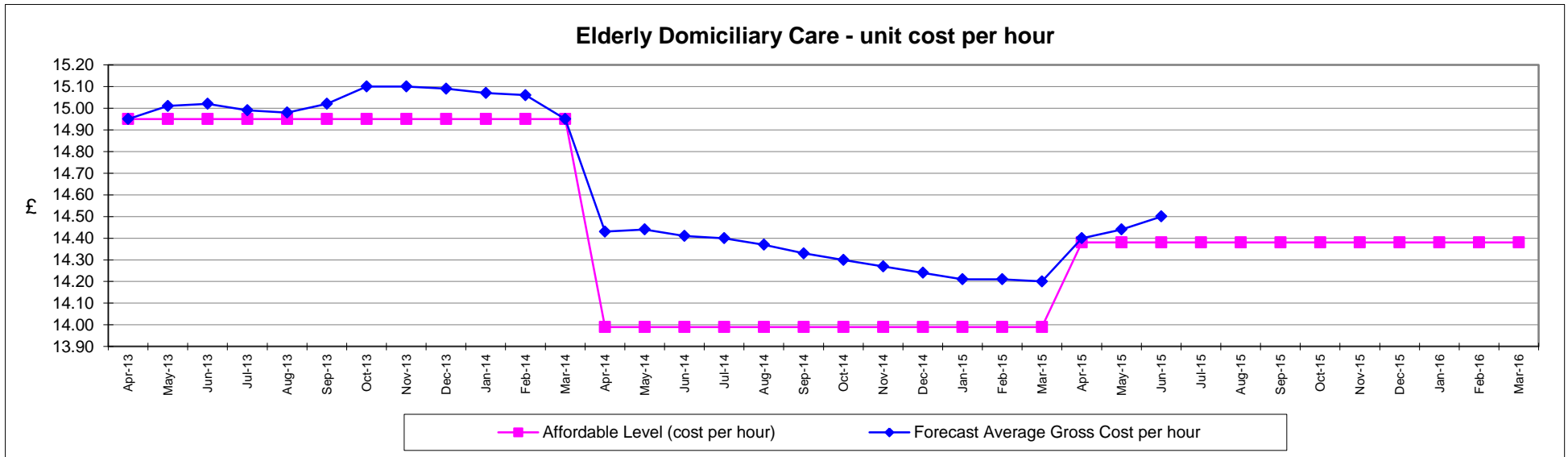
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,576,185 hours of care against an affordable level of 1,168,456, a difference of +407,729 hours. Using the forecast unit cost of £14.50 this increase in activity increases the forecast by +£5,912k, as shown in table 1b.
- The affordable level for 2015-16 reflects both the full year effect of phase 1 transformation changes, along with further reductions in relation to the phase 2 transformation programme based on the revised savings plans agreed with our transformation partners. Due to the revised phasing of the second tranche of savings, a separate pressure of £1,597k is being reported in table 1b.
- To the end of June 424,666 hours of care have been delivered against an affordable level of 366,994, a difference of +57,672 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and the general trend experienced in recent years. Current activity suggests that the forecast should be lower on this service when compared to the budgeted profile, however the forecast reflects the continuation of the higher levels of activity experienced in 2014-15 and quarter 1 of 2015-16, which have offset the effect of the transformation savings.
- 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 2012-2013 average hours per client per week was 8.0, whereas the average figure for 2013-14 was 8.3 and 8.7 for 2014-15. For 2015-16, the current actual average hours per client per week is 8.7.

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

	2013-14		2014-15		2015-16	
	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	14.95	14.95	13.99	14.43	14.38	14.40
May	14.95	15.01	13.99	14.44	14.38	14.44
Jun	14.95	15.02	13.99	14.41	14.38	14.50
Jul	14.95	14.99	13.99	14.40	14.38	
Aug	14.95	14.98	13.99	14.37	14.38	
Sep	14.95	15.02	13.99	14.33	14.38	
Oct	14.95	15.10	13.99	14.30	14.38	
Nov	14.95	15.10	13.99	14.27	14.38	
Dec	14.95	15.09	13.99	14.24	14.38	
Jan	14.95	15.07	13.99	14.21	14.38	
Feb	14.95	15.06	13.99	14.21	14.38	
Mar	14.95	14.95	13.99	14.20	14.38	

Comments:

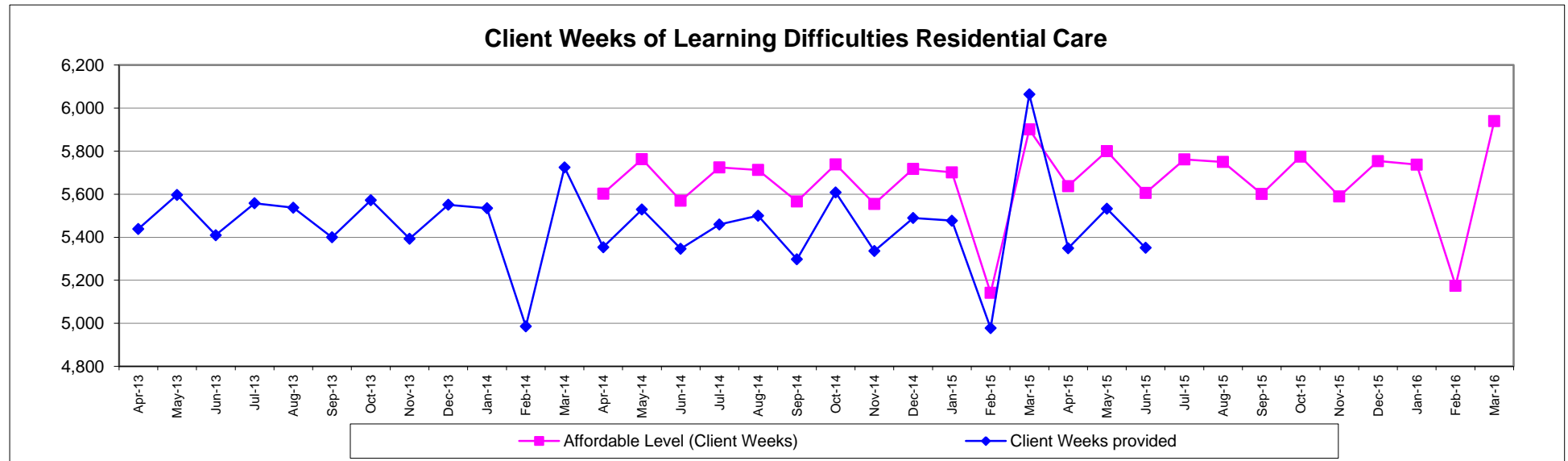
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.50 is higher than the affordable cost of +£14.38 and this difference of +£0.12 adds +£140k to the position when multiplied by the affordable weeks, as shown in table 1b.
- The affordable level for 2015-16 reflects the result of the domiciliary re-let during 2014-15, along with an estimated price uplift. This affordable level will be updated once the actual 2015-16 price uplift has been agreed.



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

	2013-14	2014-15		2014-15	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,439	5,603	5,354	5,638	5,349
May	5,597	5,763	5,529	5,800	5,533
Jun	5,410	5,570	5,347	5,606	5,351
Jul	5,558	5,725	5,460	5,762	
Aug	5,538	5,713	5,500	5,750	
Sep	5,400	5,566	5,298	5,601	
Oct	5,572	5,739	5,608	5,775	
Nov	5,393	5,555	5,336	5,590	
Dec	5,551	5,718	5,490	5,754	
Jan	5,535	5,702	5,477	5,738	
Feb	4,986	5,142	4,978	5,175	
Mar	5,724	5,901	6,064	5,940	
	<b>65,703</b>	<b>67,697</b>	<b>65,441</b>	<b>68,129</b>	<b>16,233</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 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 provide 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.



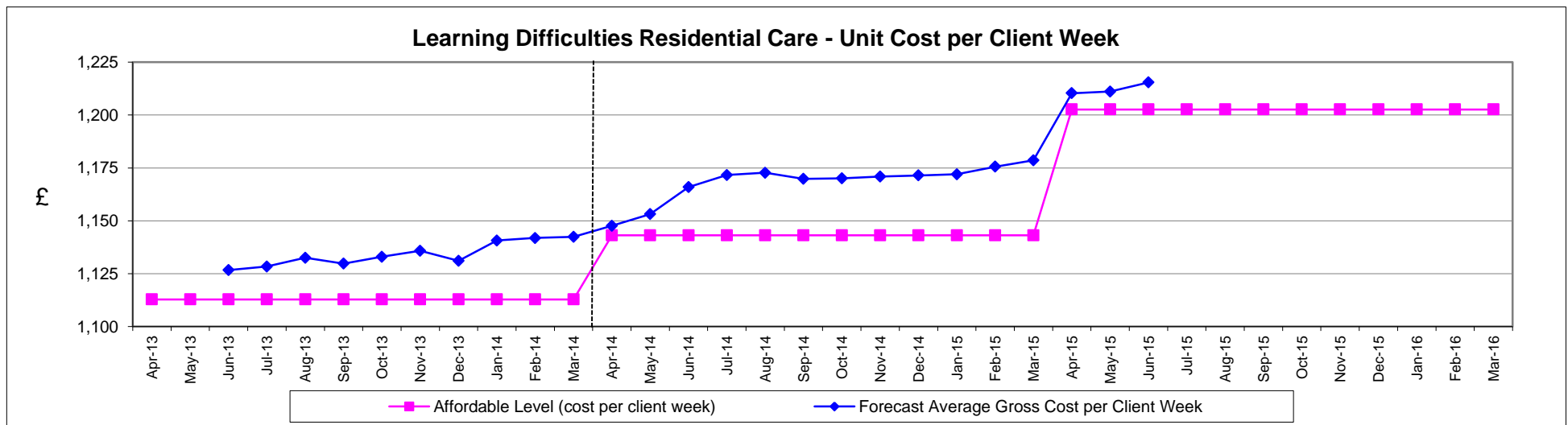
## Comments:

- 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 2013-14 was 1,254, at the end of 2014-15 it was 1,258 and at the end of June 2015 it was 1,241. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 66,257 weeks of care against an affordable level of 68,129, a difference of -1,872 weeks. Using the forecast unit cost of £1,215.42, this reduced activity decreases the forecast by -£2,275k, as shown in table 1b.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of June 16,233 weeks of care have been delivered against an affordable level of 17,044, a difference of -811 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

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

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	1,112.86		1,143.16	1,147.62	1,202.66	1,210.33
May	1,112.86		1,143.16	1,153.21	1,202.66	1,211.12
Jun	1,112.86	1,126.76	1,143.16	1,165.91	1,202.66	1,215.42
Jul	1,112.86	1,128.39	1,143.16	1,171.61	1,202.66	
Aug	1,112.86	1,132.54	1,143.16	1,172.74	1,202.66	
Sep	1,112.86	1,129.75	1,143.16	1,169.82	1,202.66	
Oct	1,112.86	1,133.04	1,143.16	1,170.10	1,202.66	
Nov	1,112.86	1,135.86	1,143.16	1,170.90	1,202.66	
Dec	1,112.86	1,131.13	1,143.16	1,171.47	1,202.66	
Jan	1,112.86	1,140.70	1,143.16	1,171.99	1,202.66	
Feb	1,112.86	1,141.90	1,143.16	1,175.62	1,202.66	
Mar	1,112.86	1,142.45	1,143.16	1,178.59	1,202.66	

- From April 2014 there was 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 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.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the actual 2015-16 price uplift has been agreed.



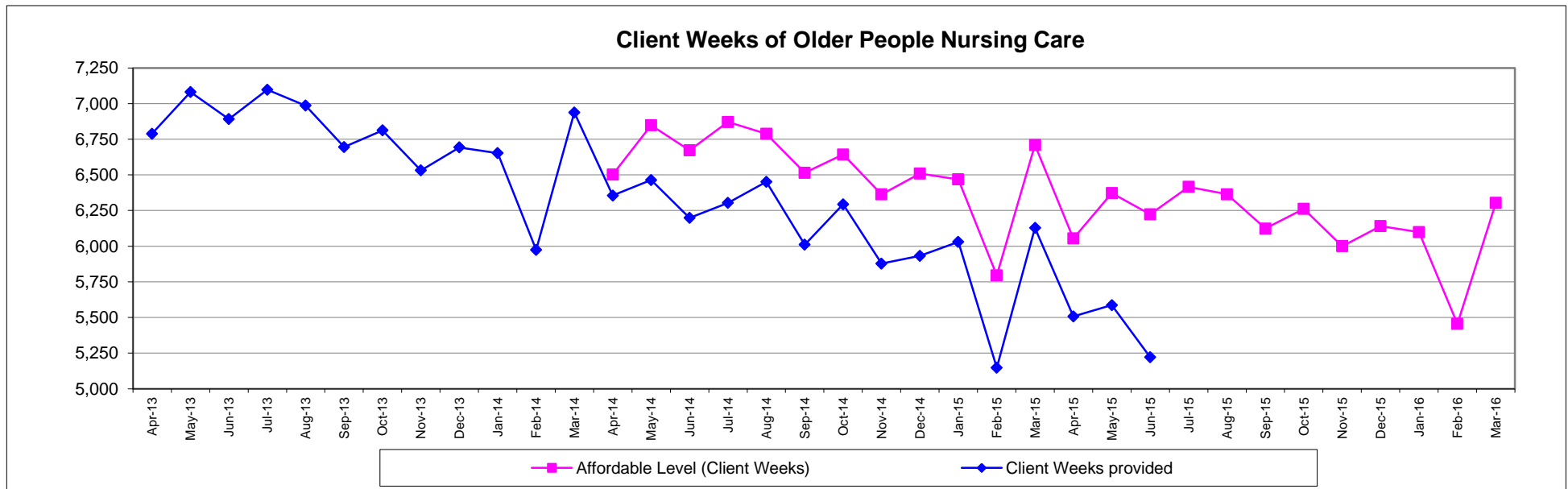
## Comments:

- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of +£1,215.42 is higher than the affordable cost of +£1,202.66 and this difference of +£12.76 adds +£869k to the position when multiplied by the affordable weeks, as shown in table 1b.

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

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,789	6,502	6,355	6,054	5,507
May	7,081	6,848	6,464	6,372	5,587
Jun	6,891	6,673	6,199	6,224	5,222
Jul	7,097	6,871	6,304	6,416	
Aug	6,986	6,788	6,452	6,364	
Sep	6,695	6,515	6,011	6,124	
Oct	6,812	6,643	6,294	6,261	
Nov	6,532	6,363	5,878	6,000	
Dec	6,693	6,510	5,932	6,141	
Jan	6,653	6,468	6,030	6,099	
Feb	5,975	5,795	5,147	5,456	
Mar	6,937	6,710	6,129	6,304	
	<b>81,141</b>	<b>78,686</b>	<b>73,195</b>	<b>73,815</b>	<b>16,316</b>

From April 2014 there was 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 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 provide 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:

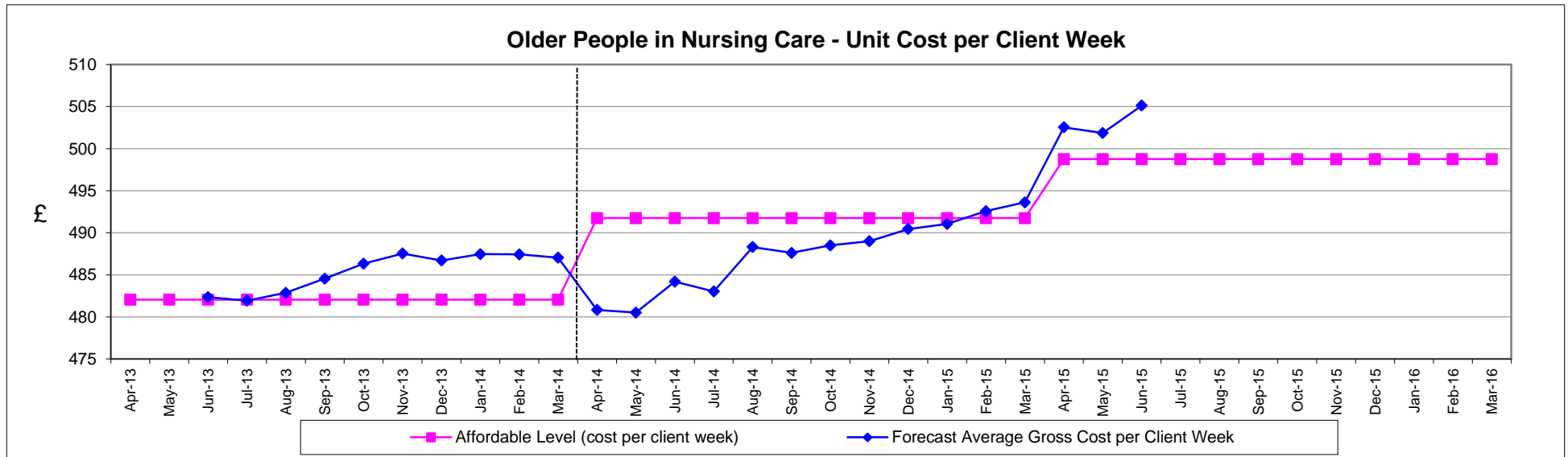
- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2013-14 was 1,423, at the end of 2014-15 it was 1,253 and at the end of June 2015 it was 1,265.
- The current forecast is 68,285 weeks of care against an affordable level of 73,815, a difference of -5,530 weeks. Using the forecast unit cost of £505.11, this reduced activity decreases the forecast by -£2,793k, as shown in table 1b.
- To the end of June 16,316 weeks of care have been delivered against an affordable level of 18,650, a difference of -2,334 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast. However, it is believed the activity reported is understated due to delays in updating 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:

	2013-14		2014-15		2015-16	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	482.05		491.75	480.83	498.75	502.53
May	482.05		491.75	480.53	498.75	501.86
Jun	482.05	482.37	491.75	484.21	498.75	505.11
Jul	482.05	481.93	491.75	483.04	498.75	
Aug	482.05	482.87	491.75	488.31	498.75	
Sep	482.05	484.55	491.75	487.62	498.75	
Oct	482.05	486.34	491.75	488.50	498.75	
Nov	482.05	487.54	491.75	489.00	498.75	
Dec	482.05	486.72	491.75	490.45	498.75	
Jan	482.05	487.46	491.75	491.06	498.75	
Feb	482.05	487.44	491.75	492.57	498.75	
Mar	482.05	487.05	491.75	493.62	498.75	

From April 2014 there was 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 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.



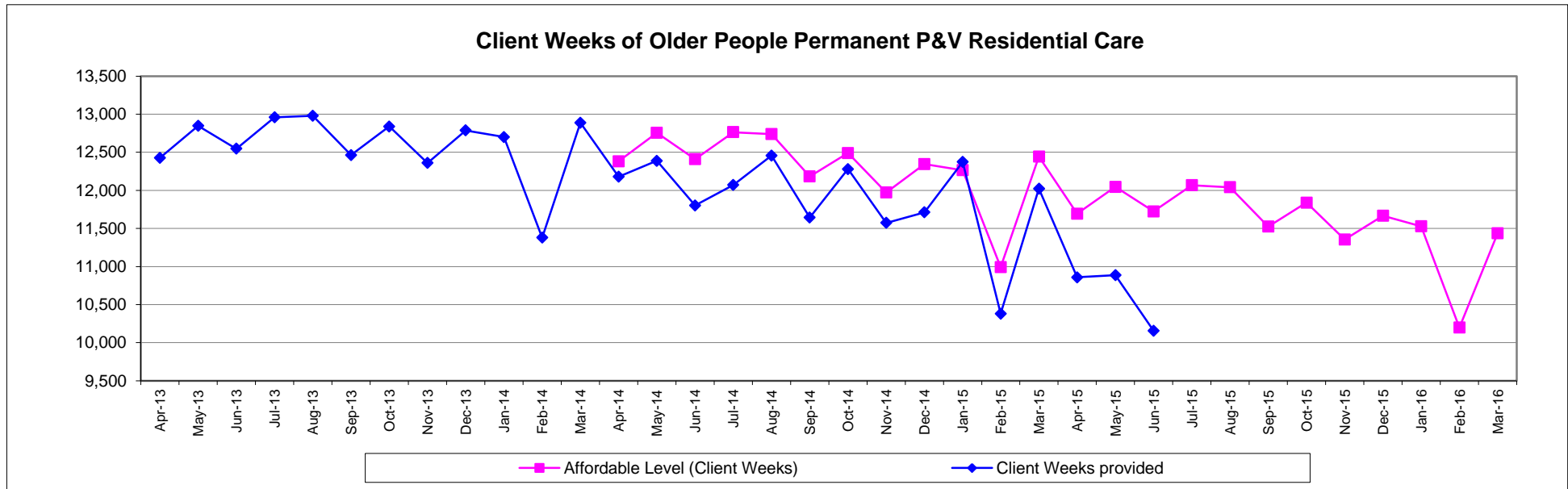
## Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of +£505.11 is higher than the affordable cost of +£498.75 and this difference of +£6.36 increases the position by +£470k when multiplied by the affordable weeks, as shown in table 1b.
- The unit cost for 2015-16 includes the full year effect of the price increase which took effect from October 2014, whereas the unit cost in 2014-15 is an average for the year and therefore only includes a part year effect of this price uplift.

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

	2013-14	2014-15		2015-16	
	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,427	12,381	12,179	11,693	10,858
May	12,849	12,757	12,388	12,046	10,888
Jun	12,547	12,409	11,802	11,723	10,157
Jul	12,959	12,764	12,071	12,068	
Aug	12,978	12,739	12,456	12,041	
Sep	12,463	12,184	11,644	11,524	
Oct	12,839	12,490	12,279	11,839	
Nov	12,360	11,972	11,573	11,355	
Dec	12,787	12,345	11,712	11,667	
Jan	12,701	12,264	12,373	11,527	
Feb	11,380	10,991	10,381	10,199	
Mar	12,887	12,443	12,022	11,437	
	<b>151,177</b>	<b>147,739</b>	<b>142,880</b>	<b>139,119</b>	<b>31,903</b>

From April 2014 there was 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 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.



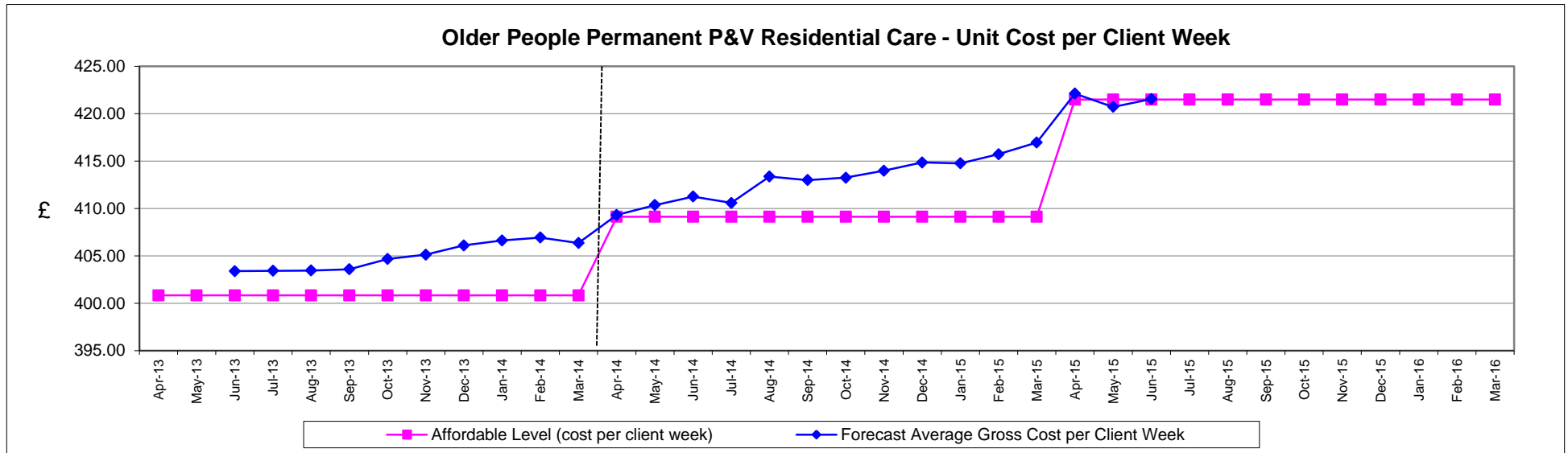
## Comments:

- 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 2013-14 was 2,704, at the end of 2014-15 it was 2,480 and at the end of June 2015 it was 2,367 . 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 128,630 weeks of care against an affordable level of 139,119, a difference of -10,489 weeks. Using the forecast unit cost of £421.54, this reduced activity decreases the forecast by -£4,422k, as shown in table 1b.
- To the end of June 31,903 weeks of care have been delivered against an affordable level of 35,462 a difference of -3,559 weeks. The quarter 1 year to date activity suggests a lower level of activity than currently forecast. However, it is believed the activity reported is understated due to delays in updating 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:

	2013-14		2014-15		2015-16	
	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	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	400.83		409.12	409.31	421.49	422.12
May	400.83		409.12	410.36	421.49	420.72
Jun	400.83	403.38	409.12	411.25	421.49	421.54
Jul	400.83	403.43	409.12	410.59	421.49	
Aug	400.83	403.46	409.12	413.36	421.49	
Sep	400.83	403.59	409.12	413.00	421.49	
Oct	400.83	404.67	409.12	413.25	421.49	
Nov	400.83	405.12	409.12	413.99	421.49	
Dec	400.83	406.10	409.12	414.86	421.49	
Jan	400.83	406.62	409.12	414.76	421.49	
Feb	400.83	406.94	409.12	415.73	421.49	
Mar	400.83	406.35	409.12	416.97	421.49	

From April 2014 there was 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 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.

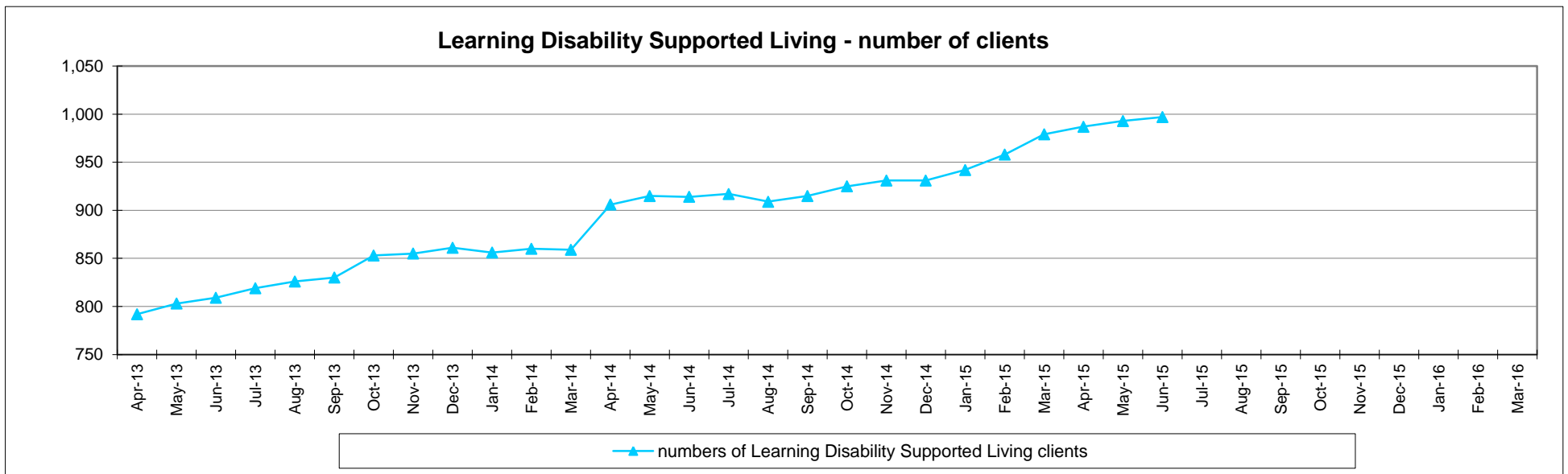


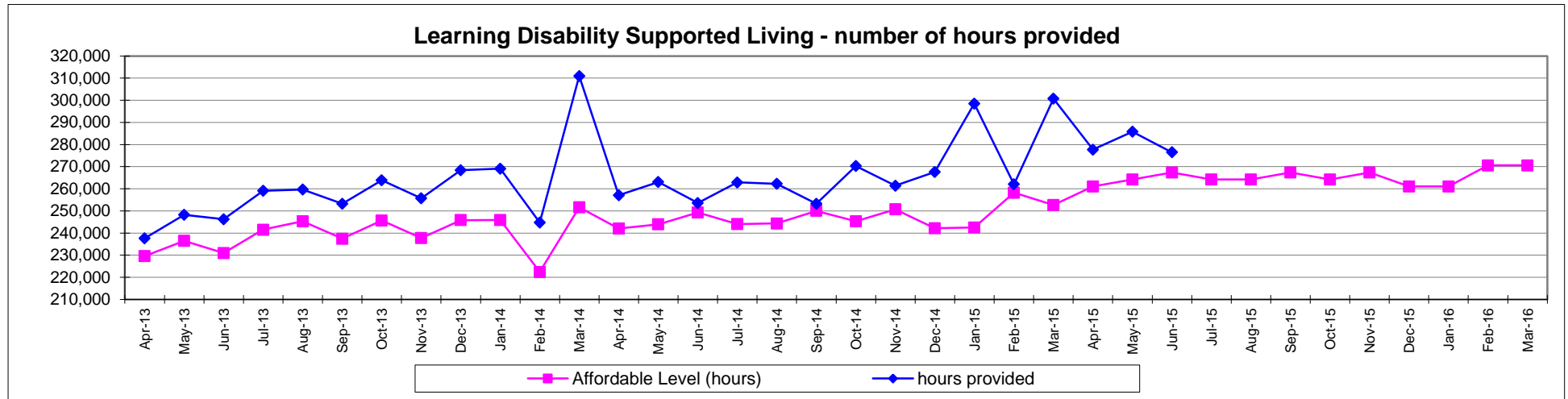
## Comments:

- The forecast unit cost of +£421.54 is higher than the affordable cost of +£421.49 and this difference of +£0.05 adds +£7k to the position when multiplied by the affordable weeks, as shown in table 1b.
- This general increasing trend in average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. New cases are likely to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

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

	2013-14			2014-15			2015-16		
	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	229,595	237,586	792	242,016	257,102	906	261,050	277,711	987
May	236,463	248,239	803	243,920	263,101	915	264,234	285,786	993
Jun	230,924	246,245	809	249,306	253,552	914	267,418	276,507	997
Jul	241,526	259,125	819	244,064	262,906	917	264,234		
Aug	245,366	259,688	826	244,360	262,245	909	264,234		
Sep	237,459	253,230	830	250,030	253,263	915	267,418		
Oct	245,710	263,849	853	245,304	270,298	925	264,234		
Nov	237,732	255,747	855	250,730	261,412	931	267,418		
Dec	245,833	268,439	861	242,207	267,598	931	261,050		
Jan	245,925	269,112	856	242,547	298,520	942	261,050		
Feb	222,397	244,716	860	258,264	262,038	958	270,601		
Mar	251,616	310,965	859	252,712	300,749	979	270,601		
	<b>2,870,543</b>	<b>3,116,941</b>		<b>2,965,460</b>	<b>3,212,783</b>		<b>3,183,542</b>	<b>840,004</b>	





#### Comments:

- This indicator has changed for 2015-16 and now excludes activity relating the adult placement scheme as this is now reported within a separate budget line. This measure continues to incorporate 2 different supported living arrangements; supported accommodation (mainly S256 clients) and Supporting Independence Service. Services for individual clients are commissioned in either sessions or hours, however for the purposes of this report, sessions are converted into hours on a standard basis. In addition, the details of the number of clients in receipt of these services is given on a monthly basis. Activity for 2013-14 and 2014-15 has also been restated to exclude the adult placement scheme to ensure data is directly comparable.
- The current forecast is 3,487,650 hours of care against an affordable level of 3,183,542, a difference of +304,108 hours. Using the forecast unit cost of £9.85, this increased activity increases the forecast by +£2,996k, as shown in table 1b.
- To the end of June 840,004 hours of care have been delivered against an affordable level of 792,702, a difference of +47,302 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. However, the quarter 1 year to date activity still suggests a lower level of activity than currently forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database. Such delays are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.

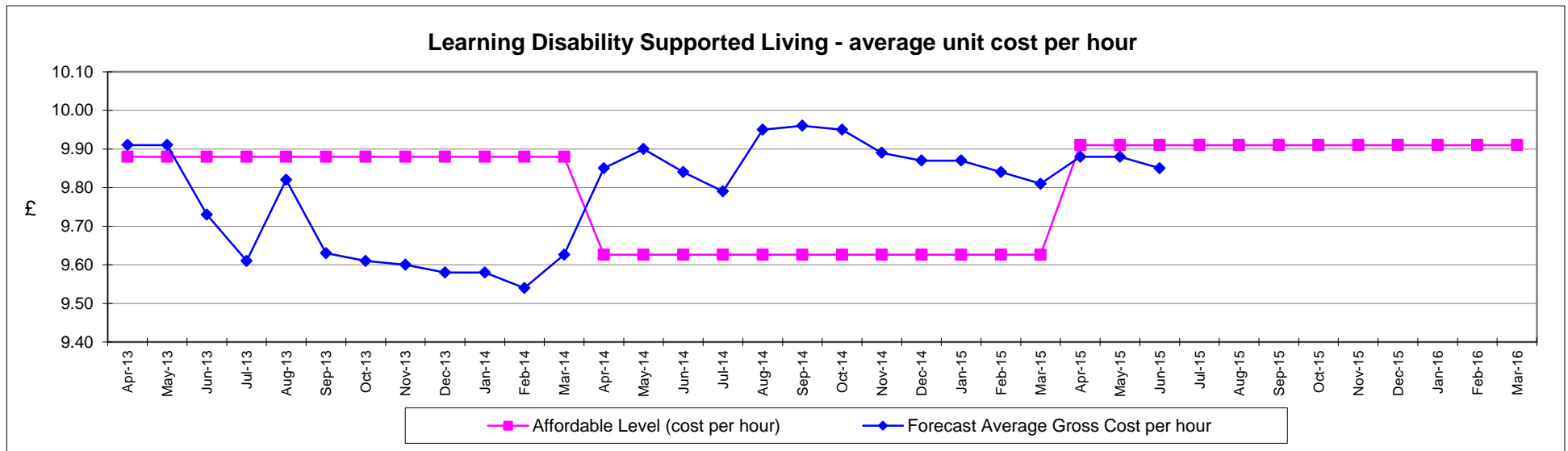


2.11 Average gross cost per hour of Supported Living service compared with affordable level:

	2013-14		2014-15		2015-16	
	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	9.88	9.91	9.63	9.85	9.91	9.88
May	9.88	9.91	9.63	9.90	9.91	9.88
Jun	9.88	9.73	9.63	9.84	9.91	9.85
Jul	9.88	9.61	9.63	9.79	9.91	
Aug	9.88	9.82	9.63	9.95	9.91	
Sep	9.88	9.63	9.63	9.96	9.91	
Oct	9.88	9.61	9.63	9.95	9.91	
Nov	9.88	9.60	9.63	9.89	9.91	
Dec	9.88	9.58	9.63	9.87	9.91	
Jan	9.88	9.58	9.63	9.87	9.91	
Feb	9.88	9.54	9.63	9.84	9.91	
Mar	9.88	9.63	9.63	9.81	9.91	

Comments:

- This measure comprises 2 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 +£9.85 is lower than the affordable cost of +£9.91 and this difference of -£0.06 reduces the position by -£191k when multiplied by the affordable hours, as shown in table 1b.



## 2.12 SOCIAL CARE DEBT MONITORING

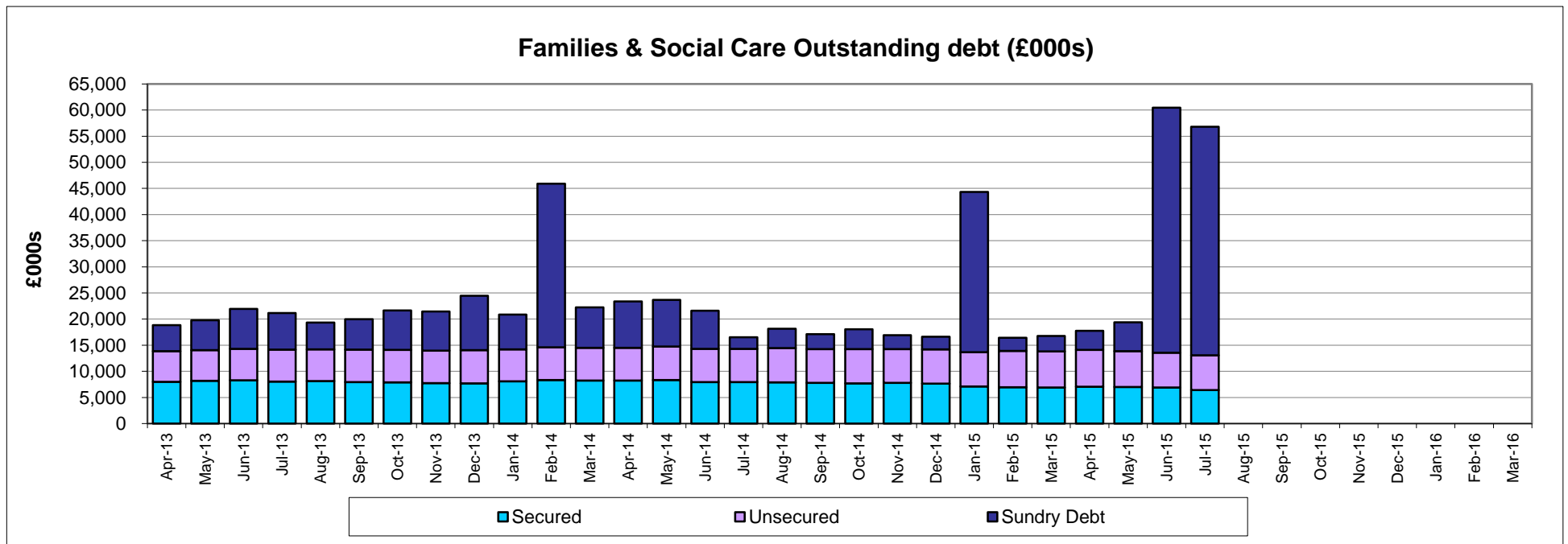
The outstanding debt as at the end of July was £56.795m compared with March's figure of £16.757m (reported to Cabinet in July) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £43.741m of sundry debt compared to £2.955m in March. It is not unusual for sundry debt to fluctuate for large invoices to Health - the major contributing factor to this increase is a number of invoices raised early in this financial year across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. **There is minimal risk around this £43m debt** as it is secured by a signed Section 75 agreement, meaning that the CCGs are legally obliged to pay. Payments are being received monthly, so this debt will gradually reduce over the remaining months of the financial year. Also within the outstanding debt is £13.054m relating to Social Care (client) debt which is a reduction of £0.748m from the last reported position to Cabinet in July. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

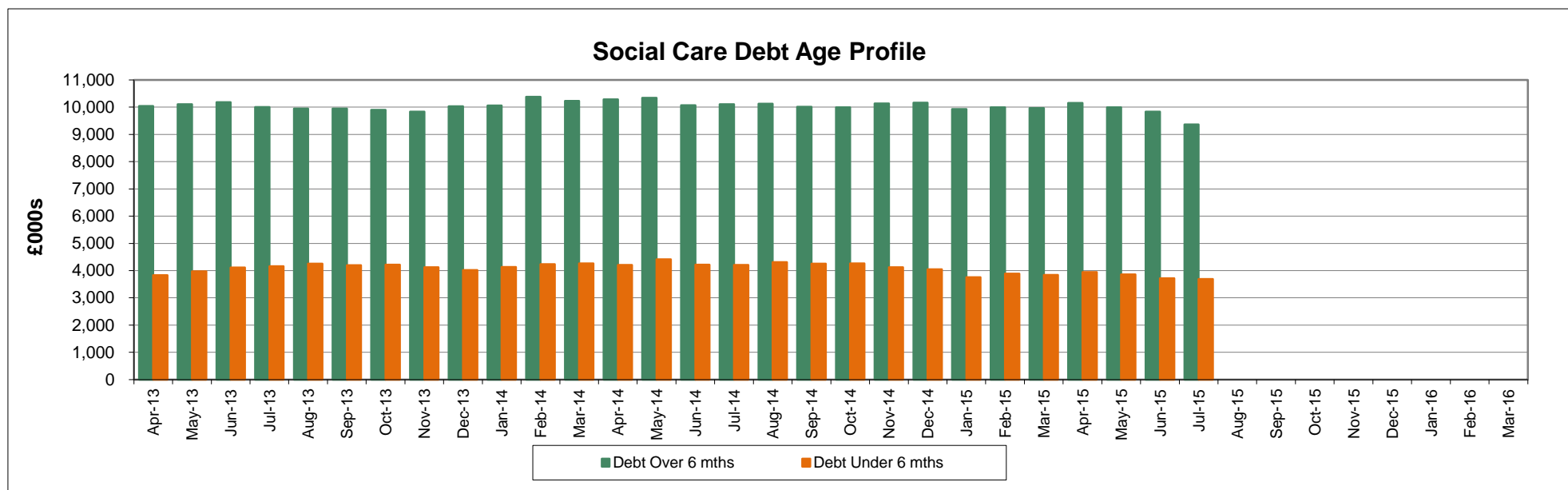
	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549
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	16,425	2,538	13,887	9,996	3,891	6,973	6,914
Mar-15	16,757	2,955	13,802	9,962	3,840	6,915	6,887
Apr-15	17,764	3,669	14,095	10,155	3,940	7,069	7,026
May-15	19,391	5,534	13,857	9,994	3,863	7,009	6,848
Jun-15	60,443	* 46,885	13,558	9,837	3,721	6,885	6,673

\* incl. BCF debt of £42,867k

	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Jul-15	56,795	* 43,741	13,054	9,366	3,688	6,417	6,637
Aug-15							
Sep-15							
Oct-15							
Nov-15							
Dec-15							
Jan-16							
Feb-16							
Mar-16							

\* incl. BCF debt of £39,295k





With regard to Social Care debt, the tables below show the current breakdown and movement since the 2014-15 outturn report to Cabinet in July 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>March</b> £000s	<b>July</b> £000s	<b>Movement</b> £000s
Secured	6,915	6,417	-498
Unsecured - Deceased/Terminated Service	1,813	1,828	15
Unsecured - Ongoing	5,037	4,735	-302
Caution/Restriction (Unsecured)	36	70	34
Health (Unsecured)	1	4	3
<b>TOTAL</b>	<b>13,802</b>	<b>13,054</b>	<b>-748</b>

<b>Unsecured debt by Client Group</b>	<b>March</b> £000s	<b>July</b> £000s	<b>Movement</b> £000s
Older People/Physical Disability	6,437	6,191	-246
Learning Disability	338	323	-15
Mental Health	112	123	11
<b>TOTAL</b>	<b>6,887</b>	<b>6,637</b>	<b>-250</b>

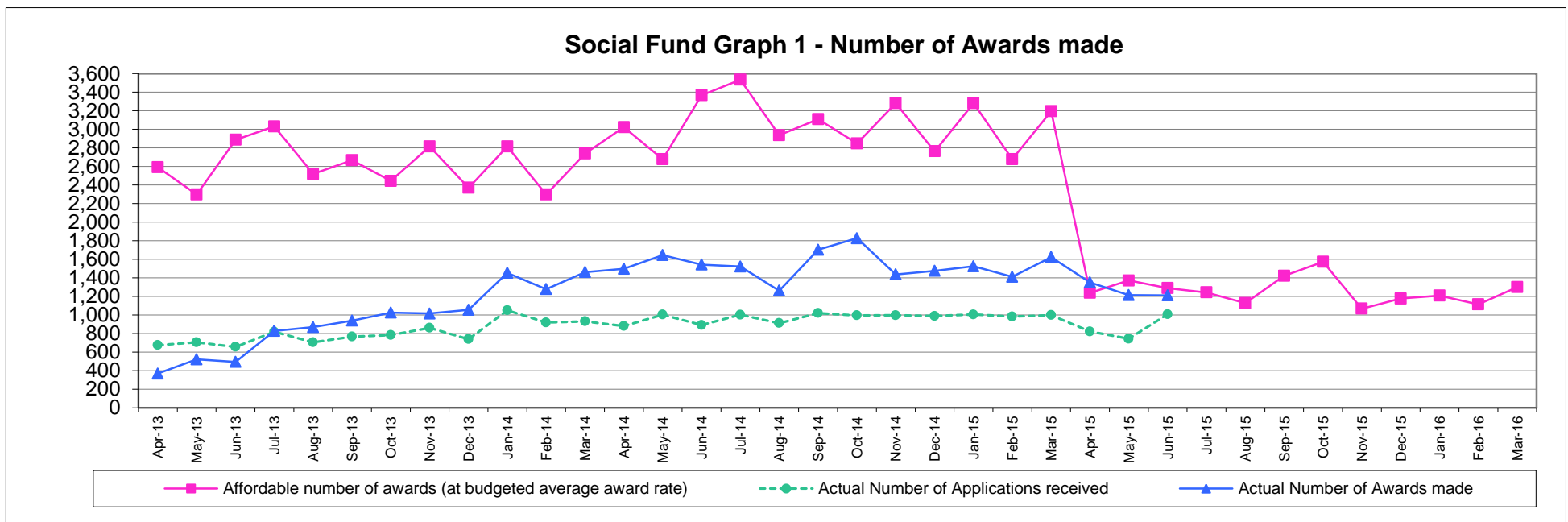
## 2.13 Number and Value of Social Fund awards made

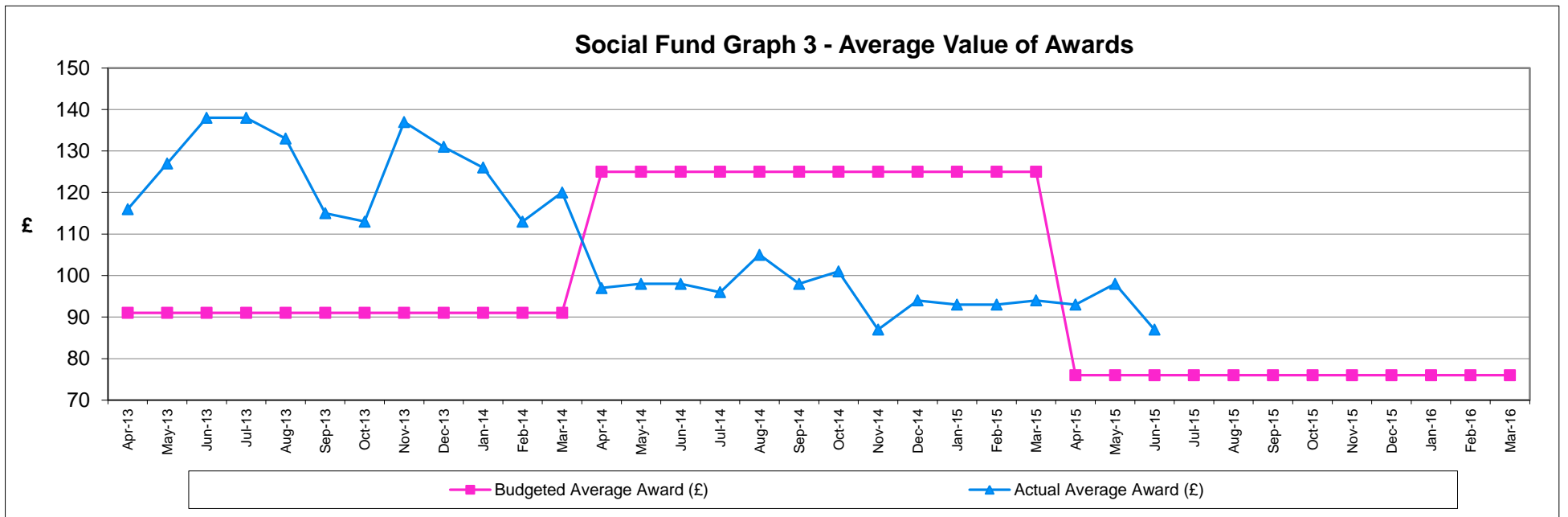
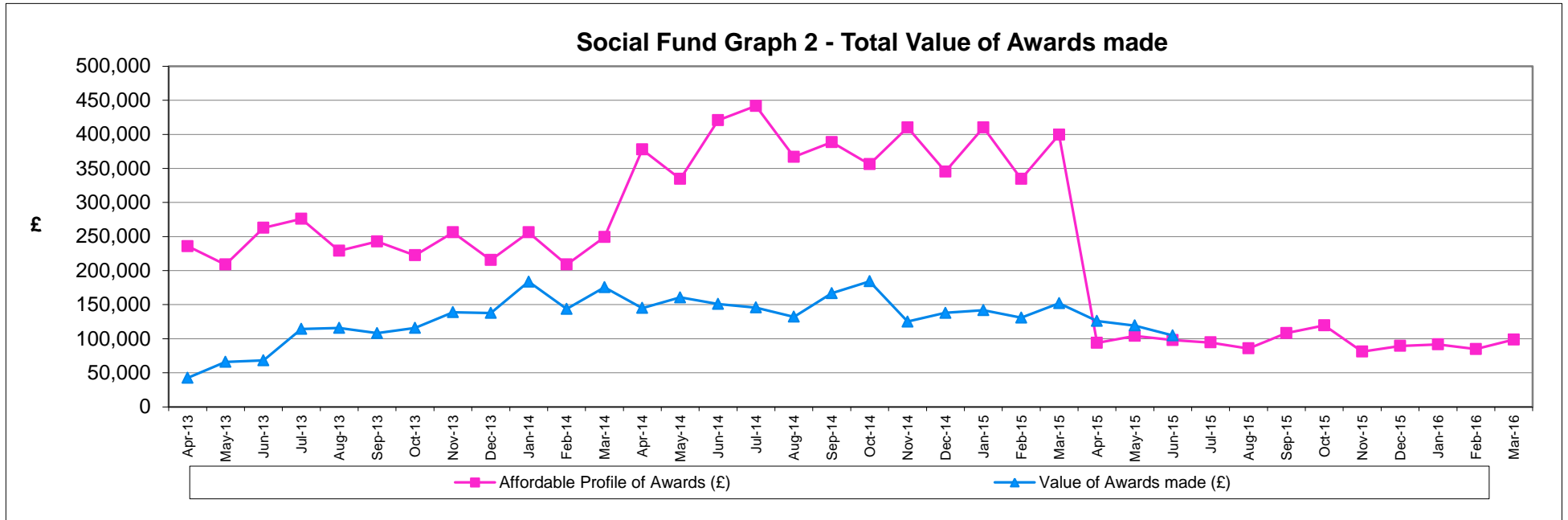
		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2013-14	Apr	2,591	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	1,004	1,523	410,000	141,708	125	93
	Feb	2,677	981	1,410	334,600	130,743	125	93
	Mar	3,194	997	1,622	399,300	152,114	125	94
			<b>36,682</b>	<b>11,664</b>	<b>18,454</b>	<b>4,585,200</b>	<b>1,773,358</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 the scheme differ to the DWP scheme, this does not represent the anticipated demand for the scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. *Please note as the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it is not considered to represent a typical year.*

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).

		(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 (£)
<b>2015-16</b>	Apr	1,237	821	1,350	94,000	125,979	76	93
	May	1,370	742	1,214	104,100	119,356	76	98
	Jun	1,288	1,007	1,210	97,900	104,865	76	87
	Jul	1,242			94,400		76	
	Aug	1,128			85,700		76	
	Sep	1,422			108,100		76	
	Oct	1,571			119,400		76	
	Nov	1,067			81,100		76	
	Dec	1,176			89,400		76	
	Jan	1,208			91,800		76	
	Feb	1,114			84,700		76	
	Mar	1,299			98,700		76	
			<b>15,122</b>	<b>2,570</b>	<b>3,774</b>	<b>1,149,300</b>	<b>350,200</b>	<b>76</b>





## Comments:

- The pilot scheme commenced in Kent on 1 April 2013 and differed from the previous cash-based Social Fund scheme, previously administered by DWP. The Kent Local Welfare Scheme offers emergency help to those experiencing a crisis; a disaster; or who are in need of help to make the transition into or remain within the local community. This scheme offers 4 types of award including food & clothing, furniture & white goods, energy vouchers and advice & guidance. In addition, all applicants, regardless of whether they receive an award or not, are signposted to the appropriate service to address any causal or underlying needs. This is an emergency fund and is targeted towards 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.
- All applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. Medium and low priority applications are assessed within a longer timeframe e.g. applications for furniture from low risk households. 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.
- From April 2013 to March 2015, the scheme was funded from a Government grant. Due to uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service and this roll forward is reflected in the 2014-15 affordable level as shown in the table above. Following the Government announcement to incorporate the Local Welfare Assistance Grant within the Revenue Support Grant (RSG) from 2015-16, the budget for this service as shown in table 1 is now £1,481.5k in line with the amount identified by Government as being included within our RSG for welfare provision. Within this £332.2k is the cost of administering the scheme, including signposting applicants to alternative appropriate services, and £1,149.3k is available to award where appropriate (column d in the table 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 the Kent Local Welfare 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 a greater proportion of relevant applications are being received along with some applications resulting in more than one award e.g. an award for food and clothing and an award for energy vouchers.



- **Graph 2** represents the value of awards made against the maximum profiled funding available. In the first quarter of the year, the number and value of the awards made has been higher than the affordable level, as the service adjusts to the reduction in budget. The graph illustrates the rise in total monthly award values as the scheme matured during the first year and as the service has successfully signposted applicants to support and advice in their own communities. Changes to welfare reform may impact on the number and overall value of awards in future months.

The number and value of awards shown in the table above represents the number and value of awards approved. Although awards are approved for individuals in dire need, not all approved awards are taken up for a variety of reasons. The financial outturn will reflect the value of awards actually paid, therefore will not necessarily match the value of awards approved as shown in the table above.
- **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 scheme 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 reflected a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value. In line with the revised funding arrangement from 2015-16 the overall cash limit for awards has been reduced to £1,149.3k. Accordingly, the affordable average award value has been reduced to £76 (from the previously reported figure of £96 included in the Outturn report presented to Cabinet in July) to reflect recently agreed changes to the scheme aimed at reducing the overall value of individual awards.

In the first quarter of 2015-16, 28% of the number of awards have been for food & clothing representing 33% of the value of awards (the percentages were 36% and 32% respectively in 2014-15). Whilst, Furniture & equipment (incl white goods) accounts for 30% of the number of awards but 56% of the value of awards (the percentages were 39% and 57% respectively in 2014-15). These ratios are largely unchanged from the same period in 2014. Changes to the scheme have only recently been agreed therefore the actual average award value of £93 in the first quarter of 2015-16 does not yet reflect any impact of these changes and it is anticipated that the average award value will reduce in future months, along with a reduction in the percentage of total value of awards for higher cost items such as white goods and furniture, hence a balanced position is currently forecast for this service, as reflected in table 1b. However, this will be reviewed for quarter 2 once the impact of the recent changes to the scheme start to take effect on the activity data.

The awards figures across the Christmas periods include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to ensure continuity of provision. The scheme has responded to peaks in demand from civil emergencies such as the floods in December 2013 and more recently the Canterbury fire in July 2015.

### 3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2015-16 of £51,156k (£13,378k excluding PFI). The forecast outturn against the 2015-16 budget is £47,748k (£9,970k excluding PFI) giving a variance of -£3,408k (-£3,408k excluding PFI).

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	2,120	2,506	0	0			Green		
Telecare	1,000	1,451	-160	-160	Real: Revenue	Reduction in the projected capitalisation of telecare equipment.	Green		
<b>Individual Projects</b>									
<b>Kent Strategy for Services for Older People (OP):</b>									
Think Autism	0	2	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
OP Strategy - Specialist Care Facilities	4,089	3,218	-3,218	-3,218	-£3,162k Rephasing: Capital Receipt -£56k Real: Developer Contributions	The Accommodation Strategy has identified a need to incentivise the market in Swale, Thanet and Sandwich. Market engagement has commenced in Swale which will inform what capital investment is needed. However, a more formal exercise may be required which is unlikely to be complete by the end of the financial year and therefore the budget is being rephased into 2016-17. Removal of £56k developer contributions to amend budget.	Amber		Reduce Cash Limit -£56k Developer Contributions
<b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme Community Hubs	0	1,473	-30	-30	Real: Grant	Contribution towards a Minnis Day Centre project within Modernisation of Assets (S&CS).	Green		Reduce Cash Limit -£30k Grant
Learning Disability Good Day Programme Community Initiatives	0	651	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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>Active Care / Active Lives Strategy:</b>									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	19,071	37,778	0	0			Green		
<b>Developing Innovative and Modernising Services:</b>									
Information Technology Projects	0	300	0	0			Green		
Lowfield St (formerly Trinity Centre, Dartford)	968	976	0	0			Amber	Project on hold due to development of site not progressing. In further negotiations with all parties on how to proceed.	
Care Act ICT Implementation	1,312	1,312	0	0			Green	Project currently at Planning stage.	
Wheelchair Accessible Housing	600	600	0	0			Green		
Developer Funded Community Schemes	889	889	0	0			Green		
<b>Total</b>	<b>30,049</b>	<b>51,156</b>	<b>-3,408</b>	<b>-3,408</b>					

## 1. Status:

Green – on time &amp; within budget;

Amber – either delayed completion date or over budget;

Red – both delayed completion &amp; over budget.

**SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE**  
**PUBLIC HEALTH**  
**JUNE 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
<b>Total (£k)</b>	<b>-693</b>	<b>-144</b>	<b>+144</b>	<b>-</b>

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

- Public Health budgets have been realigned between A-Z lines in view of the 2014-15 outturn and activity levels whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£603.4k gross and -£603.4k income; this primarily relates to changes in the level of funding from NHS England for HIV related costs.

There are also a number corporate adjustments which total +£969.6k gross reflecting the commissioning of public health related services provided by Children's Centres (+£500.0k gross); and Adult Social Care in the areas of: Social Support - Information & Early Intervention (+£250.0k gross); Social Support - Social Isolation (+£189.0k gross); and Social Support - Carers - Commissioned service (+£30.6k gross).

In addition the revised budget includes increased spending plans to be funded by the draw down of £1,573.4k of the 2014-15 underspend held within the Public Health reserve as well as £3,904.3k of the KDAAT reserve to support investment in services (both of which have a nil impact on gross).

The overall movements are therefore an increase in gross of +£1,573.0k and income of -£603.4k. This is detailed in table 1a.

Table 1a shows:

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

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social Care, Health &amp; Wellbeing - Public Health</b>									
Strategic Management & Directorate Support Budgets	1,020.4	-1,020.4	0.0	1,095.0	-1,095.0	0.0	74.6	-74.6	0.0
<u>Public Health:</u>									
- Children's Public Health Programmes: 0-5 year olds Health Visiting Service	11,894.0	-11,894.0	0.0	11,894.0	-11,894.0	0.0	0.0	0.0	0.0
- Other Children's Public Health Programmes	8,780.2	-8,780.2	0.0	9,403.6	-9,403.6	0.0	623.4	-623.4	0.0
- Drug & Alcohol Services	15,477.6	-15,477.6	0.0	15,948.3	-15,948.3	0.0	470.7	-470.7	0.0
- Obesity & Physical Activity	2,577.3	-2,577.3	0.0	2,536.7	-2,536.7	0.0	-40.6	40.6	0.0
- Public Health - Mental Health Adults	2,374.3	-2,374.3	0.0	2,546.2	-3,046.2	-500.0	171.9	-671.9	-500.0
- Public Health Staffing, Advice & Monitoring	5,115.3	-5,115.3	0.0	4,221.3	-4,221.3	0.0	-894.0	894.0	0.0
- Sexual Health Services	12,600.0	-14,262.8	-1,662.8	13,750.1	-13,750.1	0.0	1,150.1	512.7	1,662.8
- Targeting Health Inequalities	5,274.0	-5,274.0	0.0	6,033.4	-6,226.6	-193.2	759.4	-952.6	-193.2
- Tobacco Control & Stop Smoking Services	4,192.5	-4,192.5	0.0	3,450.0	-3,450.0	0.0	-742.5	742.5	0.0
	68,285.2	-69,948.0	-1,662.8	69,783.6	-70,476.8	-693.2	1,498.4	-528.8	969.6
<b>Total SCH&amp;W (Public Health)</b>	<b>69,305.6</b>	<b>-70,968.4</b>	<b>-1,662.8</b>	<b>70,878.6</b>	<b>-71,571.8</b>	<b>-693.2</b>	<b>1,573.0</b>	<b>-603.4</b>	<b>969.6</b>

1.4.1 As previously reported to Cabinet on 6 July, the Government has announced that £200m of in year savings from the Department of Health are to come from public health budgets devolved to local authorities. National consultation setting out possible options on reducing Local Authority (LA) public health allocations ran from 31 July to 28 August. The options include:

- (1) take a larger share from LAs that are significantly above their target allocation;
- (2) take a larger share of the savings from LAs that carried forward unspent PH reserves into 2015-16;
- (3) apply a flat rate percentage reduction to all LAs allocations;
- (4) apply a standard percentage reduction to every LA unless an authority can show that this would result in particular hardship.

Although we do not expect to know the outcome of the consultation until early autumn, the Department of Health's stated preferred option is to apply a 6.2% reduction across the board (option 3 above), which for Kent would mean a cut in funding of £4.040m. On this basis, the service is considering options for dealing with an in-year 2015-16 budget reduction of this level, **but it should be noted that a reduction of this size would require cuts to service levels.**

Our response to the consultation is that option 1 above is our preferred option. Kent is currently below our target allocation.

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Social Care, Health &amp; Wellbeing - Public Health</b>						
Strategic Management & Directorate Support Budgets	1,095.0	-1,095.0	0.0	-22	-22	Public health grant variance: Other minor variances.
Public Health:						
- Children's Public Health Programmes: 0-5 year olds Health Visiting Service	11,894.0	-11,894.0	0.0	0		
- Other Children's Public Health Programmes	9,403.6	-9,403.6	0.0	0		
- Drug & Alcohol Services	15,948.3	-15,948.3	0.0	-12	-12	Public health grant variance: Other minor variances.
- Obesity & Physical Activity	2,536.7	-2,536.7	0.0	0		
- Public Health - Mental Health Adults	2,546.2	-3,046.2	-500.0	0		
- Public Health Staffing, Advice & Monitoring	4,221.3	-4,221.3	0.0	0		
- Sexual Health Services	13,750.1	-13,750.1	0.0	-46	-46	Public health grant variance: Other minor variances.

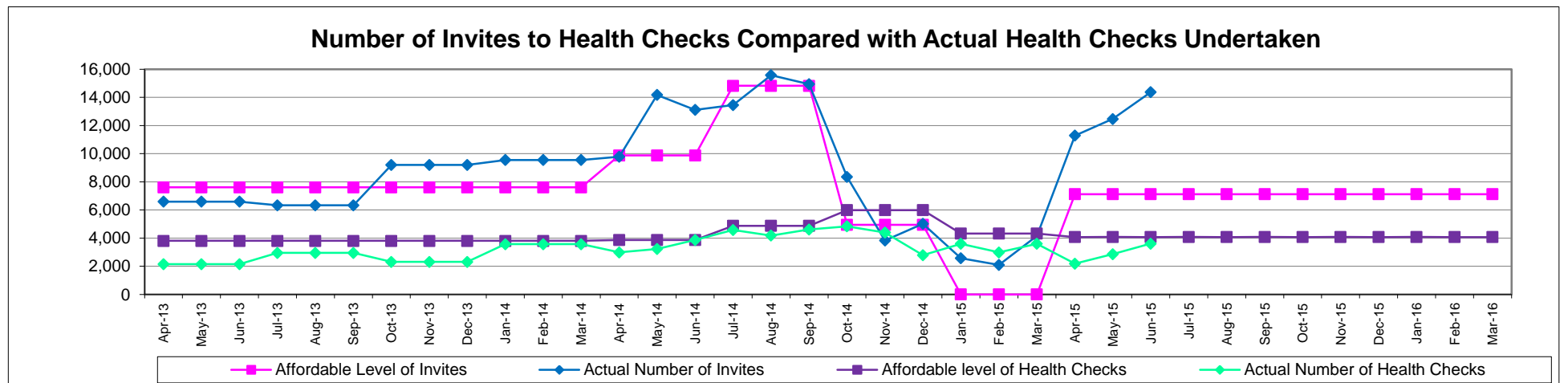
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Targeting Health Inequalities	6,033.4	-6,226.6	-193.2	-64	-64	<i>Public health grant variance: Other minor variances.</i>	
- Tobacco Control & Stop Smoking Services	3,450.0	-3,450.0	0.0	0			
	70,878.6	-71,571.8	-693.2	-144			
<i>- tfr to(+)/from(-) Public Health reserve</i>				<b>+144</b>	<b>+144</b>	<i>Net transfer to the Public Health reserve to offset the public health variances of -£144k shown above.</i>	
<b>Total SCH&amp;W (Public Health)</b>	<b>70,878.6</b>	<b>-71,571.8</b>	<b>-693.2</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				2015-16			
	Invites		Checks		Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984	7,121	11,287	4,074	2,189
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225	7,120	12,464	4,075	2,855
Jun					9,878	13,108	3,862	3,865	7,120	14,363	4,074	3,601
Jul					14,816	13,457	4,874	4,572	7,120		4,075	
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179	7,120		4,074	
Sep					14,816	14,933	4,876	4,613	7,120		4,075	
Oct					4,939	8,345	5,987	4,837	7,120		4,074	
Nov	22,810	27,608	11,405	6,924	4,939	3,831	5,988	4,389	7,120		4,075	
Dec					4,938	5,014	5,989	2,782	7,120		4,074	
Jan					0	2,568	4,324	3,594	7,120		4,075	
Feb	22,811	28,639	11,406	10,709	0	2,099	4,325	2,988	7,120		4,074	
Mar					0	4,153	4,325	3,595	7,120		4,074	
<b>TOTAL</b>	<b>91,241</b>	<b>95,004</b>	<b>45,621</b>	<b>32,924</b>	<b>88,896</b>	<b>107,030</b>	<b>57,145</b>	<b>45,623</b>	<b>85,441</b>	<b>38,114</b>	<b>48,893</b>	<b>8,645</b>

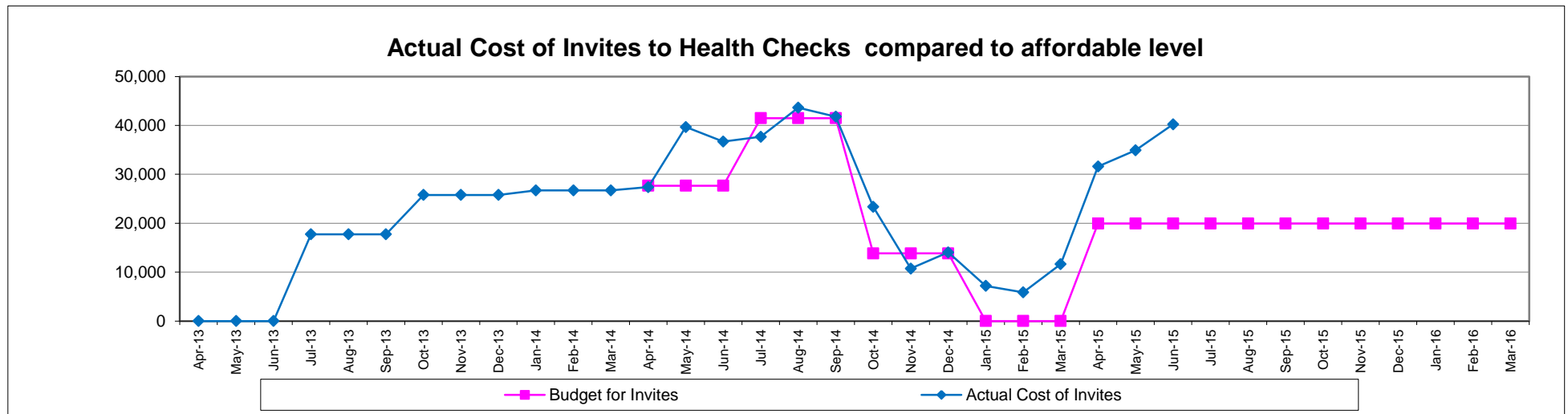


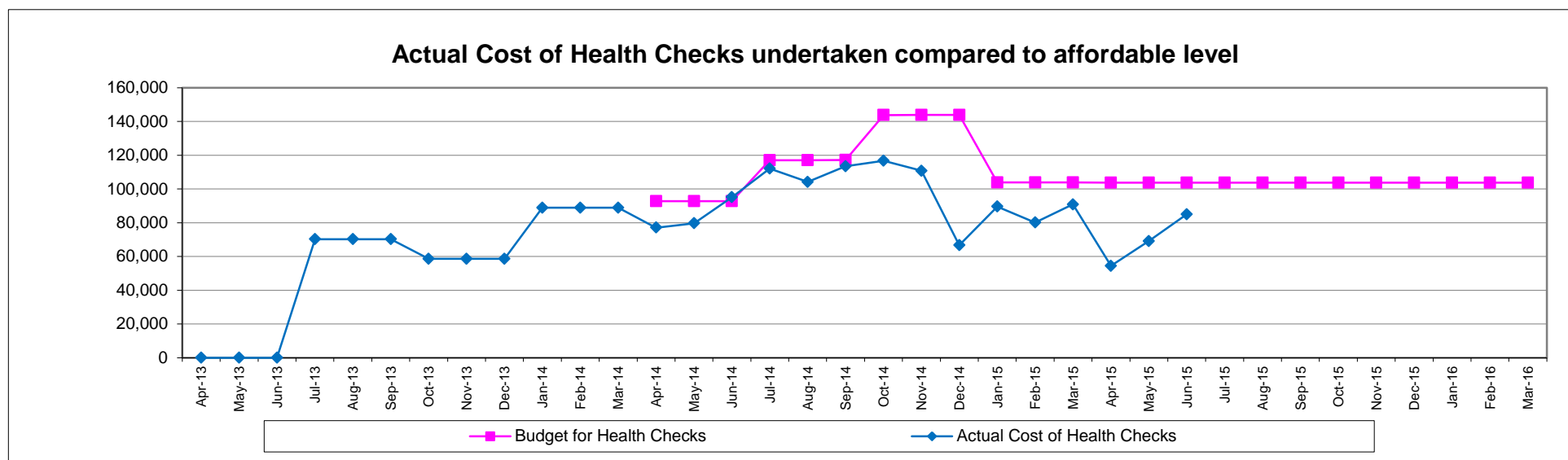
## Comments:

- 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.
- In 2014-15, the invites planned activity was 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 for 2014-15 was based on 20% of eligible population (as it is a 5 year programme) and was based on DoH estimates, but more recent GP data showed an increase in the eligible population. In 2014-15, this activity was therefore above budget for the year by 18,134 invites, as shown in the table above.
- For 2015-16 the budgeted level of invites and checks has been profiled equally across the months to give a more consistent approach and to reflect that this is a rolling programme across financial years, therefore invites sent out in March may result in checks being taken up in the following financial year. This revised approach will also enable the service to more accurately track progress against targets.
- The planned number of invites is lower than 2014-15 (and lower than the 91,000 invites stated in the 2015-16 budget book) because the eligible population based on the GP registered population is lower this year than last. The population can fluctuate because although everyone between the ages of 40 and 74 will be invited (once every five years) to have a check to assess their risk of heart disease, stroke, kidney disease and diabetes, individuals already diagnosed with any of these conditions become ineligible for a general invite. Also some residents are screened outside of their expected year due to targeted outreach programmes and therefore are removed from the invite list in their year.
- The affordable checks have increased from the figure of 45,000 in the budget book because some standard checks will now be carried out by Kent Community Health NHS Foundation Trust staff, rather than through GPs/Pharmacies, who are able to provide this service cheaper than GPs/Pharmacies.
- Although the actual number of invites is 16,753 is above the budgeted level for April to June, the service expect activity to even out over the remaining months to stay within the overall budgeted level for the year but any financial pressure, should there be one, is likely to be offset by a lower than budgeted number of checks, which is currently below the budgeted level by 3,578 checks. However, current expectations are that activity levels for health checks will increase, with a balanced budget position currently forecast.

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

	2013-14 *		2014-15				2015-16			
	Invites	Checks	Invites		Checks		Invites		Checks	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081	19,939	31,604	103,720	54,397
May	0	0	27,656	39,673	92,700	79,696	19,936	34,899	103,745	69,061
Jun			27,658	36,702	92,748	95,130	19,936	40,216	103,720	84,985
Jul			41,485	37,680	117,052	112,119	19,936	0	103,745	0
Aug	53,189	210,746	41,485	43,616	117,076	104,137	19,936	0	103,720	0
Sep			41,485	41,812	117,100	113,424	19,936	0	103,745	0
Oct			13,829	23,366	143,781	116,768	19,936	0	103,720	0
Nov	77,302	175,920	13,829	10,727	143,805	110,779	19,936	0	103,745	0
Dec			13,826	14,039	143,829	66,666	19,936	0	103,720	0
Jan			0	7,190	103,843	89,540	19,936	0	103,745	0
Feb	80,189	266,524	0	5,877	103,869	80,140	19,936	0	103,720	0
Mar			0	11,628	103,869	90,829	19,936	0	103,720	0
<b>TOTAL</b>	<b>210,680</b>	<b>653,190</b>	<b>248,909</b>	<b>299,683</b>	<b>1,372,372</b>	<b>1,136,309</b>	<b>239,235</b>	<b>106,719</b>	<b>1,244,765</b>	<b>208,443</b>





### Comments:

- \* 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.
- The 2014-15 budget for Health Checks was 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 was higher in 2014-15 than 2013-14 as the provider was expected to make up for the underperformance in the previous year. The number of health check invites was greater than budgeted in 2014-15 due to an increase in eligible population. The resulting pressure of £50,774 was more than offset by a saving on checks of £236,063 leaving an underspend of £185,289 within the Targeting Health Inequalities budget in 2014-15.
- The 2015-16 budget for Health Checks is made up of a fixed cost element £456,912 and a performance element £1,484,000. The performance element is shown in the activity data above, with a budget of £239,235 for invites and £1,244,765 for health checks (totalling £1,484,000).
- The increased invites in quarter 1 have generated a pressure of +£46,908 but this is more than offset by an underspend on checks in the first quarter of -£102,742. The pattern is similar to last year suggesting an overall underspend by the end of the financial year on the combined invites & checks activity, however the service expects that activity will even out over the remaining months and are therefore not forecasting a variance at this early stage of the year. This position will be monitored carefully and updates provided in future monitoring reports.

### 3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Public Health has a working budget for 2015-16 of £360k. The forecast outturn against the 2015-16 budget is £360k giving a variance of £0k.

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Community Sexual Health Services	0	360	0	0			Green		
<b>Total</b>	0	360	0	0					

#### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE**  
**JUNE 2015-16 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>+171,027</b>	<b>+741</b>	<b>-</b>	<b>+741</b>

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments between budget lines within Waste Management, totalling -£139.5k gross and +£139.5k income, as follows:

- Correction to Recycling Contracts and Composting budget where under new contract arrangements hardcore tonnages are part of the contract within Operation of Waste Facilities and should not be budgeted for separately (-£344.8k gross).
- Reduction in income in Operation of Waste Facilities to reflect new waste contract arrangements where we no longer receive income on some recyclables as they are now the property of the contractor under the terms of the new contract (+£139.5k income); unlike the similar technical adjustment below, there is no corresponding reduction in gross.
- Correction to Landfill Gate Fee budget within the Treatment and Disposal of Residual Waste A-Z budget line (+£238.4k gross).
- Correction to the budgeted price increase for landfill tax included within the cost of Allington Waste To Energy plant, within the Treatment and Disposal of Residual Waste A-Z budget line (-£23.2k gross).
- Correction to the budgeted price increase for landfill tax within the Landfill Tax A-Z budget line (-£9.9k gross).

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received and changes to grant levels, totalling -£925.2k gross and +£925.2k income. Significant changes included within this are:

- Maidstone Transfer Station Tonnes being moved to the Maidstone Bulk Haulage contract under the Operation of Waste Facilities A-Z budget line (+£1,961.7k gross) from the Treatment and Disposal of Residual Waste A-Z budget line (-£1,961.7k gross).
- Reduction in gross and income on the Operation of Waste Facilities A-Z budget line to reflect new waste contract arrangements where we no longer receive income on some recyclables as they are now the property of the contractor, but we pay less as a result under the terms of the new contract (-£518.0k gross and +£518.0k income).
- Reduction in textiles income within the Operation of Waste Facilities A-Z budget line (-£156.5k gross and +£156.5k income).
- Reduction in gross and income to reflect the TUPE of staff to Locate in Kent within the Regeneration & Economic Development A-Z budget line (-£196.1k gross and +£196.1k income).
- Other minor adjustments totalling -£54.6k gross and +£54.6k income.

There are also a number of other corporate adjustments which total +£884.0k gross and +£31.1k income, which are predominantly relate to the allocation of the single pay reward scheme funding and further centralisation of budgets. Also included within this is a virement from the Financing Items budget to Regeneration & Economic Development Services for +£500k gross to fund existing commitments against the Regeneration Fund now that the annual £1m budgeted contribution has ceased.

The overall movements are therefore a decrease in gross of -£180.7k and income of +£1,095.8k, giving an overall net increase of +£915.1k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Growth, Environment &amp; Transport</b>									
Strategic Management & Directorate Support budgets	4,246.6	-93.6	4,153.0	4,171.9	-93.6	4,078.3	-74.7	0.0	-74.7
<b>Children's Services - Education &amp; Personal</b>									
- 14 - 24 year olds (Kent Foundation)	111.9	-59.3	52.6	111.9	-59.3	52.6	0.0	0.0	0.0
<b>Community Services:</b>									
- Arts Development (incl. grant to Turner Contemporary)	1,981.8	0.0	1,981.8	1,986.8	0.0	1,986.8	5.0	0.0	5.0
- Gypsies & Travellers	560.3	-424.4	135.9	563.0	-424.4	138.6	2.7	0.0	2.7
- Libraries, Registration & Archives	17,706.8	-5,549.7	12,157.1	17,648.2	-5,500.3	12,147.9	-58.6	49.4	-9.2

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Sports Development	1,713.5	-1,094.0	619.5	1,720.5	-1,094.0	626.5	7.0	0.0	7.0
	21,962.4	-7,068.1	14,894.3	21,918.5	-7,018.7	14,899.8	-43.9	49.4	5.5
<u>Environment:</u>									
- Country Parks & Countryside Access	2,402.2	-1,801.6	600.6	2,406.8	-1,801.6	605.2	4.6	0.0	4.6
- Environmental Management (incl Coastal Protection)	3,147.2	-1,725.8	1,421.4	3,297.0	-1,855.3	1,441.7	149.8	-129.5	20.3
- Public Rights of Way	1,705.3	-89.0	1,616.3	1,727.5	-89.0	1,638.5	22.2	0.0	22.2
	7,254.7	-3,616.4	3,638.3	7,431.3	-3,745.9	3,685.4	176.6	-129.5	47.1
<u>Highways:</u>									
- Highways Maintenance									
- Adverse Weather	3,230.8	0.0	3,230.8	3,230.8	0.0	3,230.8	0.0	0.0	0.0
- Bridges & Other Structures	2,247.0	-221.9	2,025.1	2,252.5	-221.9	2,030.6	5.5	0.0	5.5
- General maintenance & emergency response	10,022.6	-475.8	9,546.8	10,081.3	-475.8	9,605.5	58.7	0.0	58.7
- Highway drainage	2,977.9	0.0	2,977.9	2,983.1	0.0	2,983.1	5.2	0.0	5.2
- Streetlight maintenance	3,189.2	-154.0	3,035.2	3,195.5	-154.0	3,041.5	6.3	0.0	6.3
	21,667.5	-851.7	20,815.8	21,743.2	-851.7	20,891.5	75.7	0.0	75.7
- Highways Management:									
- Development Planning	2,117.5	-2,135.2	-17.7	2,142.8	-2,135.2	7.6	25.3	0.0	25.3
- Highways Improvements	1,596.2	-33.3	1,562.9	1,601.3	-33.3	1,568.0	5.1	0.0	5.1
- Road Safety	2,803.6	-2,140.2	663.4	2,814.8	-2,140.2	674.6	11.2	0.0	11.2
- Streetlight energy	6,007.7	0.0	6,007.7	6,007.7	0.0	6,007.7	0.0	0.0	0.0
- Traffic management	5,243.3	-3,363.2	1,880.1	5,290.1	-3,363.2	1,926.9	46.8	0.0	46.8
- Tree maintenance, grass cutting & weed control	3,241.5	0.0	3,241.5	3,253.1	0.0	3,253.1	11.6	0.0	11.6
	21,009.8	-7,671.9	13,337.9	21,109.8	-7,671.9	13,437.9	100.0	0.0	100.0
<u>Planning &amp; Transport Strategy:</u>									
- Planning & Transport Policy	1,250.6	0.0	1,250.6	1,259.0	0.0	1,259.0	8.4	0.0	8.4
- Planning Applications	1,094.4	-650.0	444.4	1,112.7	-650.0	462.7	18.3	0.0	18.3
	2,345.0	-650.0	1,695.0	2,371.7	-650.0	1,721.7	26.7	0.0	26.7
<u>Public Protection</u>									
- Community Safety (incl Community Wardens)	2,353.7	-68.8	2,284.9	2,399.0	-68.8	2,330.2	45.3	0.0	45.3



Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Coroners	3,552.7	-892.7	2,660.0	3,574.0	-892.7	2,681.3	21.3	0.0	21.3
- Emergency Response & Resilience (incl Flood Risk Management)	1,325.3	-167.2	1,158.1	1,347.6	-180.7	1,166.9	22.3	-13.5	8.8
- Trading Standards (incl. Kent Scientific Services)	3,764.7	-1,014.8	2,749.9	3,817.4	-1,014.8	2,802.6	52.7	0.0	52.7
	10,996.4	-2,143.5	8,852.9	11,138.0	-2,157.0	8,981.0	141.6	-13.5	128.1
<u>Regeneration &amp; Economic</u>									
- Regeneration & Economic Development Services	4,859.6	-1,765.8	3,093.8	5,235.7	-1,578.1	3,657.6	376.1	187.7	563.8
<u>Schools Services</u>									
- Other Schools Services (road crossing patrols)	445.4	0.0	445.4	453.3	0.0	453.3	7.9	0.0	7.9
<u>Transport Services:</u>									
- Concessionary Fares	16,206.0	-27.0	16,179.0	16,206.0	-27.0	16,179.0	0.0	0.0	0.0
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,077.0	-2,185.7	6,891.3	9,036.1	-2,246.8	6,789.3	-40.9	-61.1	-102.0
- Transport Operations	1,486.2	-214.5	1,271.7	1,502.7	-77.5	1,425.2	16.5	137.0	153.5
- Transport Planning	1,252.2	-918.8	333.4	1,257.3	-918.8	338.5	5.1	0.0	5.1
- Young Person's Travel Pass	13,436.5	-4,596.0	8,840.5	13,437.5	-4,640.0	8,797.5	1.0	-44.0	-43.0
	41,457.9	-7,942.0	33,515.9	41,439.6	-7,910.1	33,529.5	-18.3	31.9	13.6
<u>Waste Management</u>									
- Waste Compliance, Commissioning & Contract Management	906.1	0.0	906.1	916.9	0.0	916.9	10.8	0.0	10.8
- Partnership & development	771.7	-168.0	603.7	726.9	-114.2	612.7	-44.8	53.8	9.0
- Closed Landfill Sites	757.0	-16.0	741.0	758.6	-16.0	742.6	1.6	0.0	1.6
- Waste Processing									
- Landfill Tax	4,755.2	0.0	4,755.2	4,745.3	0.0	4,745.3	-9.9	0.0	-9.9
- Operation of Waste Facilities	15,606.5	-1,560.4	14,046.1	16,893.7	-746.4	16,147.3	1,287.2	814.0	2,101.2
- Payments to Waste Collection Authorities (District Councils)	6,280.9	-102.0	6,178.9	6,178.9	0.0	6,178.9	-102.0	102.0	0.0

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Recycling Contracts & Composting	7,556.4	-1,149.9	6,406.5	7,211.6	-1,149.9	6,061.7	-344.8	0.0	-344.8
- Treatment & Disposal of Residual Waste	32,459.8	-480.2	31,979.6	30,713.3	-480.2	30,233.1	-1,746.5	0.0	-1,746.5
	69,093.6	-3,476.5	65,617.1	68,145.2	-2,506.7	65,638.5	-948.4	969.8	21.4
<b>Total GE&amp;T</b>	<b>205,450.8</b>	<b>-35,338.8</b>	<b>170,112.0</b>	<b>205,270.1</b>	<b>-34,243.0</b>	<b>171,027.1</b>	<b>-180.7</b>	<b>1,095.8</b>	<b>915.1</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000		
<b>Growth, Environment &amp; Transport</b>						
Strategic Management & Directorate Support budgets	4,171.9	-93.6	4,078.3	-46		
<u>Children's Services - Education &amp; Personal</u>						
- 14 - 24 year olds (Kent Foundation)	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	1,986.8	0.0	1,986.8	-9		
- Gypsies & Travellers	563.0	-424.4	138.6	-4		
- Libraries, Registration & Archives	17,648.2	-5,500.3	12,147.9	-124	-150 Second and final rebate received in respect of costs incurred in prior years related to the cash management system. -137 Additional registration income, mostly from ceremonies. +150 Unachievable saving on rates +13 Other minor variances.	This is expected to be ongoing and will be reflected in the 2016-19 MTFP.  This is expected to be ongoing and will be reflected in the 2016-19 MTFP.
- Sports Development	1,720.5	-1,094.0	626.5	+15		
	21,918.5	-7,018.7	14,899.8	-122		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<u>Environment:</u>						
- Country Parks & Countryside Access	2,406.8	-1,801.6	605.2	-27		
- Environmental Management (incl Coastal Protection)	3,297.0	-1,855.3	1,441.7	-1		
- Public Rights of Way	1,727.5	-89.0	1,638.5	-1		
	7,431.3	-3,745.9	3,685.4	-29		
<u>Highways:</u>						
- Highways Maintenance						
- Adverse Weather	3,230.8	0.0	3,230.8	0		
- Bridges & Other Structures	2,252.5	-221.9	2,030.6	-31		
- General maintenance & emergency response	10,081.3	-475.8	9,605.5	+85		
- Highway drainage	2,983.1	0.0	2,983.1	+86		
- Streetlight maintenance	3,195.5	-154.0	3,041.5	+76		
	21,743.2	-851.7	20,891.5	+216		
- Highways Management:						
- Development Planning	2,142.8	-2,135.2	7.6	-82		
- Highways Improvements	1,601.3	-33.3	1,568.0	+18		
- Road Safety	2,814.8	-2,140.2	674.6	+9		
- Streetlight energy	6,007.7	0.0	6,007.7	-142	-142	Rebate from LASER following price reconciliation of Winter 2014-15 usage.
- Traffic management	5,290.1	-3,363.2	1,926.9	-65		
- Tree maintenance, grass cutting & weed control	3,253.1	0.0	3,253.1	+20		
	21,109.8	-7,671.9	13,437.9	-242		
<u>Planning &amp; Transport Strategy:</u>						
- Planning & Transport Policy	1,259.0	0.0	1,259.0	0		
- Planning Applications	1,112.7	-650.0	462.7	-1		
	2,371.7	-650.0	1,721.7	-1		
<u>Public Protection</u>						
- Community Safety (incl Community Wardens)	2,399.0	-68.8	2,330.2	0		
- Coroners	3,574.0	-892.7	2,681.3	+2		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Emergency Response & Resilience (incl Flood Risk Management)	1,347.6	-180.7	1,166.9	+1		
- Trading Standards (incl. Kent Scientific Services)	3,817.4	-1,014.8	2,802.6	+7		
	11,138.0	-2,157.0	8,981.0	+10		
<u>Regeneration &amp; Economic</u>						
- Regeneration & Economic Development Services	5,235.7	-1,578.1	3,657.6	+3		
<u>Schools Services</u>						
- Other Schools Services (road crossing patrols)	453.3	0.0	453.3	-12		
<u>Transport Services:</u>						
- Concessionary Fares	16,206.0	-27.0	16,179.0	+621	+621	Increased bus operator costs due to increased journeys being taken and fare increases.
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,036.1	-2,246.8	6,789.3	0		
- Transport Operations	1,502.7	-77.5	1,425.2	+3		
- Transport Planning	1,257.3	-918.8	338.5	-49		
- Young Person's Travel Pass	13,437.5	-4,640.0	8,797.5	0		This breakeven position reflects the impact of the price increase of £50 from September (from £200 to £250). Gross and income cash limits will be realigned in the quarter 2 report to reflect this increase.
	41,439.6	-7,910.1	33,529.5	+575		Gross and income budgets will need to be increased in the 2016-17 budget build to reflect the impact of the £50 increased charge per pass.
<u>Waste Management</u>						
- Waste Compliance, Commissioning & Contract Management	916.9	0.0	916.9	+35		
- Partnership & development	726.9	-114.2	612.7	-9		
- Closed Landfill Sites	758.6	-16.0	742.6	+10		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Waste Processing						
- Landfill Tax	4,745.3	0.0	4,745.3	+470	+426 An additional +5,200 tonnes of residual waste sent to landfill.  +44 Budgeted price increase is below actual requirements	The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP  This will need to be addressed in the 2016-17 budget build.
- Operation of Waste Facilities	16,893.7	-746.4	16,147.3	-114	-107 Underspend due to contract changes at household waste recycling centres and transfer stations.  +57 Pressure resulting from increased volume of waste.  -64 Other minor variances.	This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP  The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP
- Payments to Waste Collection Authorities (District Councils)	6,178.9	0.0	6,178.9	-8	-18 Small reduction in the volume of waste on which recycling credits are paid.  +10 Other minor variances.	
- Recycling Contracts & Composting	7,211.6	-1,149.9	6,061.7	-351	+131 Volume variance resulting from +9,400 tonnes of additional waste.  -41 Extra income generated from the higher volumes of waste.  -293 Underspend where price paid is below budgeted estimate; this relates primarily to in-vessel composting.  -136 Additional income as the price received for recyclables, especially for paper and card, is greater than budgeted.  -12 Other minor variances.	The net pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP  This underspend is ongoing and will be reflected in the 2016-19 MTFP

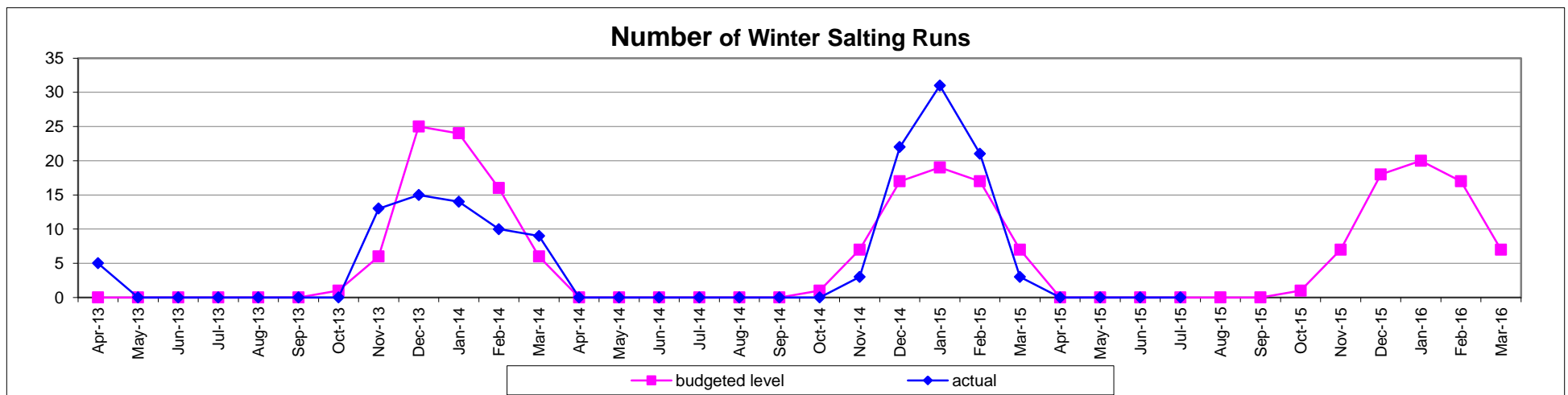
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Treatment & Disposal of Residual Waste	30,713.3	-480.2	30,233.1	+356	+447 An additional +4,500 tonnes of residual waste dealt with at Allington Waste to Energy plant.	The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP
					-248 Price variance on Waste to Energy tonnage.	This saving is expected to be ongoing and will need to be addressed in the 2016-17 budget build.
					+117 An additional +5,200 tonnes of residual waste sent to landfill.	The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP
					+20 Budgeted price increase for landfill tax is below actual requirements	This will need to be addressed in the 2016-17 budget build.
					+20 Other minor variances.	
	68,145.2	-2,506.7	65,638.5	+389		
<b>Total GE&amp;T</b>	<b>205,270.1</b>	<b>-34,243.0</b>	<b>171,027.1</b>	<b>+741</b>		
<b>Assumed Mgmt Action</b>					The current forecast pressure relates entirely to the demand led areas of waste and concessionary fares. GE&T Directors have been tasked with investigating options for offsetting these pressures and balancing the overall position for the directorate. Details of these proposed management actions will be included in a future report.	
<b>Total Forecast <u>after</u> mgmt action</b>	<b>205,270.1</b>	<b>-34,243.0</b>	<b>171,027.1</b>	<b>+741</b>		

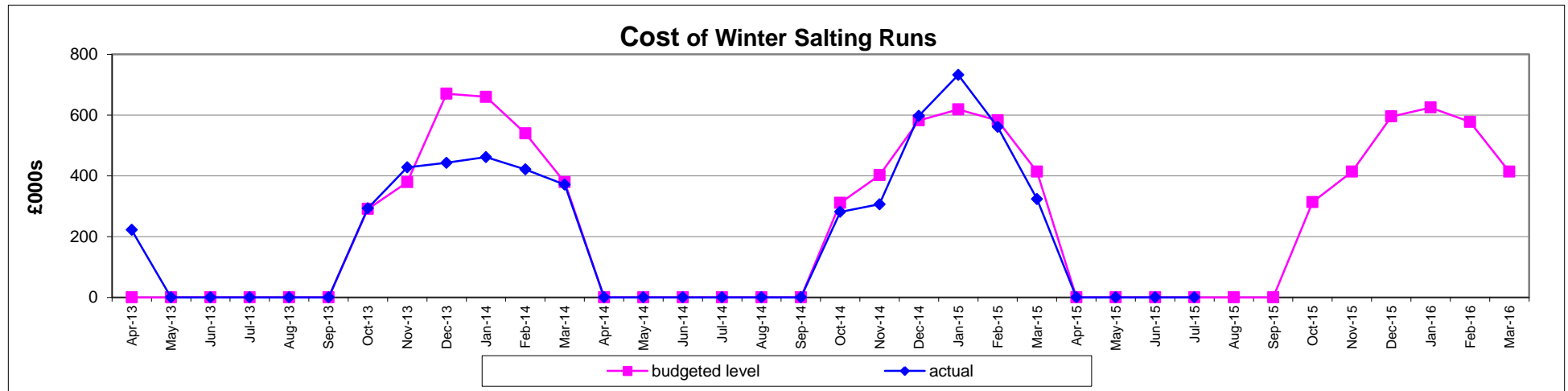
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	2013-14				2014-15				2015-16			
	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	-	5	-	222	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	291	293	1	-	311	281	1	-	314	-
Nov	6	13	379	428	7	3	402	306	7	-	413	-
Dec	25	15	670	443	17	22	583	597	18	-	595	-
Jan	24	14	660	462	19	31	619	732	20	-	625	-
Feb	16	10	540	421	17	21	583	561	17	-	578	-
Mar	6	9	379	371	7	3	414	324	7	-	413	-
	<b>78</b>	<b>66</b>	<b>2,919</b>	<b>2,639</b>	<b>68</b>	<b>80</b>	<b>2,911</b>	<b>2,801</b>	<b>70</b>	<b>-</b>	<b>2,938</b>	<b>-</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.





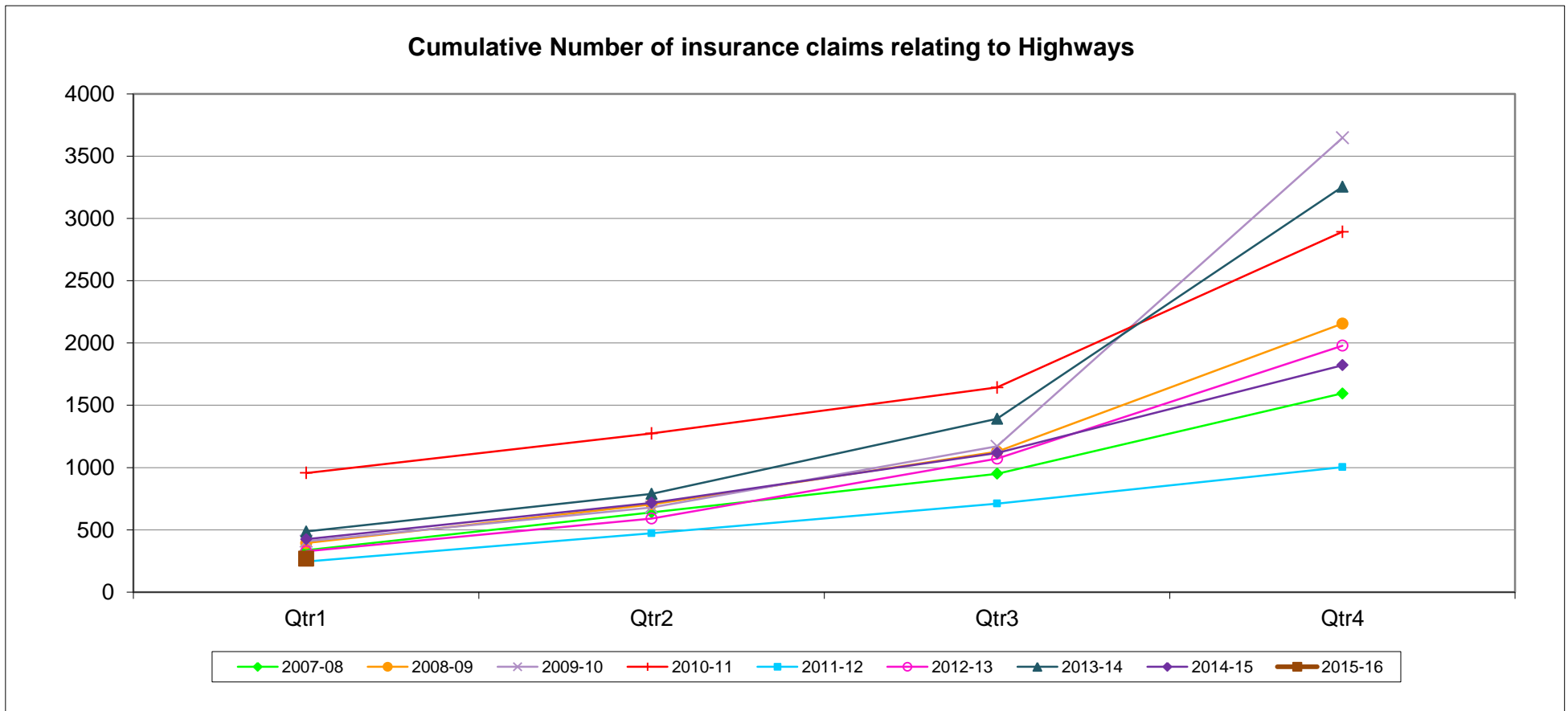
**Comments:**

- As a result of the prolonged hard winter in 2012-13 which extended into April 2013, unbudgeted salting runs were required at the start of 2013-14 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 2015-16 budgeted level looks low in comparison with the 2014-15 actual runs (but in line with 2014-15 budget) due to the greater proportion of fixed cost to the total cost per run; this results in fewer overall runs being affordable.
- The final activity for 2014-15 was 12 salting runs above the affordable level but £110k below budget. Many of the runs required a lower spread of salt than assumed in the budget and also on a number of occasions the whole county had not been treated, which again resulted in reduced costs. Together, this resulted in the costs of salting runs not being as high as the number of runs may suggest. Overall there was a net underspend of -£309k on the adverse weather budget in 2014-15 due to an underspend on salting runs of £110k, as reflected in the activity table above, together with an underspend of £199k on other costs associated with adverse weather, not directly attributed to salting runs, such as supply and maintenance of salt bins.



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	2015-16
	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	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	327	487	424	267
Jul to Sep	640	704	680	1,273	473	590	788	717	
Oct to Dec	950	1,128	1,170	1,643	710	1,072	1,391	1,117	
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,978	3,254	1,822	



## Comments:

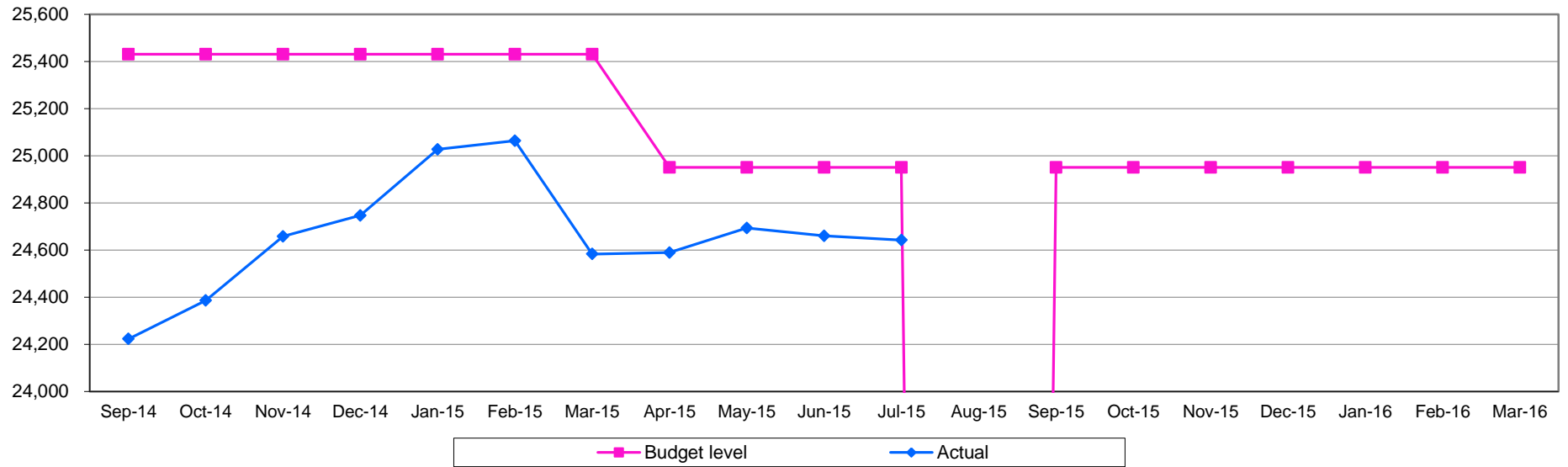
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 June 2015.
- 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. Claim numbers for 2009-10 and 2010-11 could still increase further if 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. Additional funding was made available from the severe weather recovery funding to address this.
- Claims were lower again in 2014-15, probably due to the reasonably mild winter and a continuation of the find and fix programmes of repair and repairs to the highway funded from the severe weather recovery funding referred to above, although claims continue to be received relating to this period.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on claims received over the past 12 months where it is considered that we do not have any liability, of about 89%.

## 2.3 Young Person's Travel Pass - Number of Passes in Issue

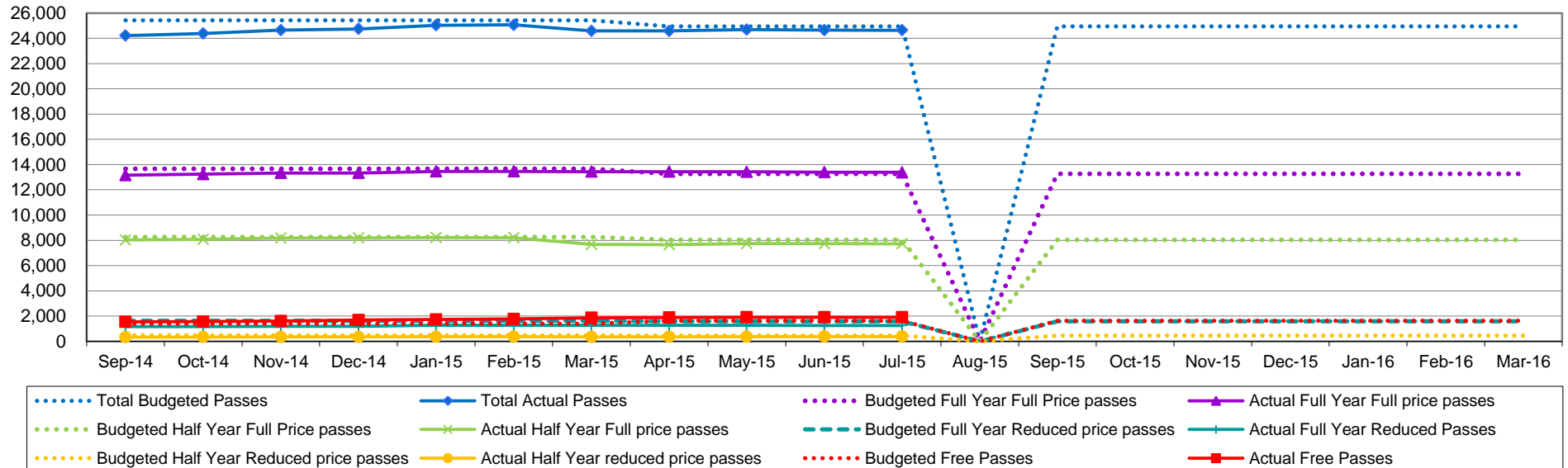
		Full Year, Full price passes		Half Year, Full price passes		Full Year, Reduced price passes		Half Year, Reduced price passes		Free passes		TOTAL passes	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
2014-15	Sept	13,662	13,159	8,268	8,023	1,630	1,159	470	333	1,400	1,549	25,430	24,223
	Oct	13,662	13,248	8,268	8,077	1,630	1,167	470	335	1,400	1,559	25,430	24,386
	Nov	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,601	25,430	24,658
	Dec	13,662	13,336	8,268	8,175	1,630	1,194	470	352	1,400	1,690	25,430	24,747
	Jan	13,662	13,454	8,268	8,214	1,630	1,263	470	368	1,400	1,728	25,430	25,027
	Feb	13,662	13,457	8,268	8,208	1,630	1,267	470	366	1,400	1,766	25,430	25,064
	Mar	13,662	13,438	8,268	7,675	1,630	1,263	470	346	1,400	1,861	25,430	24,583
2015-16	Apr	13,262	13,434	8,025	7,657	1,578	1,263	455	356	1,630	1,879	24,950	24,589
	May	13,262	13,430	8,025	7,737	1,578	1,263	455	366	1,630	1,897	24,950	24,693
	Jun	13,262	13,391	8,025	7,730	1,578	1,259	455	374	1,630	1,906	24,950	24,660
	Jul	13,262	13,382	8,025	7,725	1,578	1,257	455	374	1,630	1,904	24,950	24,642
	Aug	0		0		0		0		0		0	
	Sept	13,262		8,025		1,578		455		1,630		24,950	
	Oct	13,262		8,025		1,578		455		1,630		24,950	
	Nov	13,262		8,025		1,578		455		1,630		24,950	
Dec	13,262		8,025		1,578		455		1,630		24,950		
Jan	13,262		8,025		1,578		455		1,630		24,950		
Feb	13,262		8,025		1,578		455		1,630		24,950		
Mar	13,262		8,025		1,578		455		1,630		24,950		

- Pass numbers are shown on a monthly basis from September 2014 when the new Young Person's Travel Pass (YPTP) scheme was introduced.
- YPTP pass numbers remained short of budgeted levels in 2014-15: 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, but the figure as at 31 March 2015 reduced to 24,583. This reduction was as a result of a number of half year passes not being renewed for the second half of the academic year.
- As the academic year runs from September to July and passes are no longer valid during the school summer holidays, no passes are recorded for August.

**Total Number of Young Person's Travel Passes in issue**



**Number of Young Person's Travel Passes in issue by type**



## Comments:

- Passes can either be purchased for the academic year (£250 September 2015 to July 2016) or half yearly (£125 for terms 1-3, or terms 4-6). Reduced price passes for young people in receipt of free school meals are available (£100 for the full year or £50 for terms 1-3 or terms 4-6). Passes are free for young carers, young people in care or care leavers. Additional passes are also free for households applying for more than two full cost passes.
  
- The cost per pass in calculating the 2014-15 affordable level was £537, the fee for a pass was £200, meaning that on average KCC was subsidising the cost of each pass by £337.  
The 2015-16 budgeted number of passes of 22,900, as reported to Cabinet in July, was originally based on the number that could be afforded within the budget at the latest cost to KCC per pass of £581 (a subsidy per pass of £381). However, on 1 June 2015 Cabinet approved a reduction in subsidy of £50, raising the price of a standard pass to the user by £50, from £200 to £250, with effect from September 2015. As a result of this additional income, the affordable number of passes has increased to a level more in line with actual demand and this is reflected in the table above. Realignment of gross and income cash limits to reflect this increased charge will be reflected in the Quarter 2 report and is therefore not currently shown in Tables 1a and 1b.
  
- The above figures show that the current number of passes in issue is below the budgeted number, however there is a higher than budgeted number of journeys being travelled (see section 2.4 below), so a balanced position overall is currently forecast in table 1b.

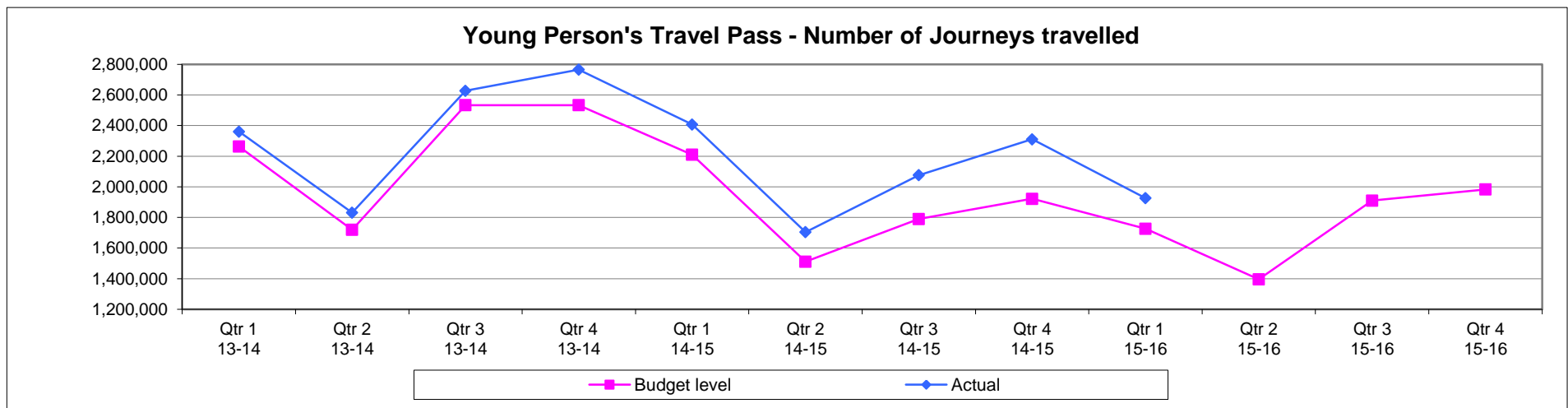
## 2.4 Young Person's Travel Pass (formerly Freedom Pass until September 2014) - Number of Journeys Travelled

	2013-14		2014-15		2015-16	
	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)	Budget level (000's)	Actual (000's)
Qtr 1	2,263	2,361	2,210	2,407	1,726	1,927
Qtr 2	1,719	1,832	1,512	1,705	1,395	
Qtr 3	2,534	2,627	1,789	2,076	1,910	
Qtr 4	2,534	2,765	1,922	2,311	1,983	
	<b>9,050</b>	<b>9,585</b>	<b>7,433</b>	<b>8,499</b>	<b>7,014</b>	<b>1,927</b>

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

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.

Journey numbers are lower in quarter 2 as, since September 2014, the pass is no longer valid during the school summer holidays.



### Comments:

- The reduction in the budgeted number of journeys for 2014-15 was as a result of the introduction of the Young Persons Travel Pass, 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 was no longer valid during the school summer holidays or at weekends.
- The additional funding resulting from the increase in income from September 2015 referred to in section 2.3 above has resulted in the affordable number of journeys increasing from 6,569,000 to 7,014,000.
- Journey numbers in quarter 1 2015-16 are in excess of the budgeted level but any potential variance is offset as the number of passes in issue is currently below the budget level.
- This data does 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

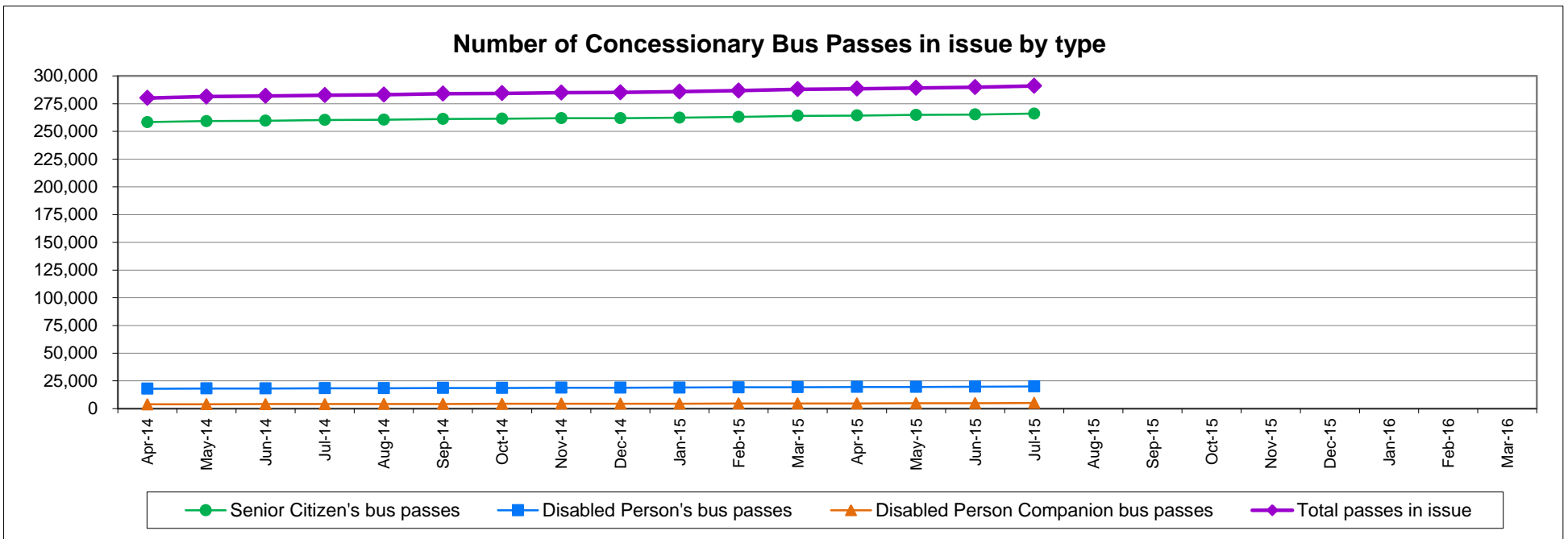
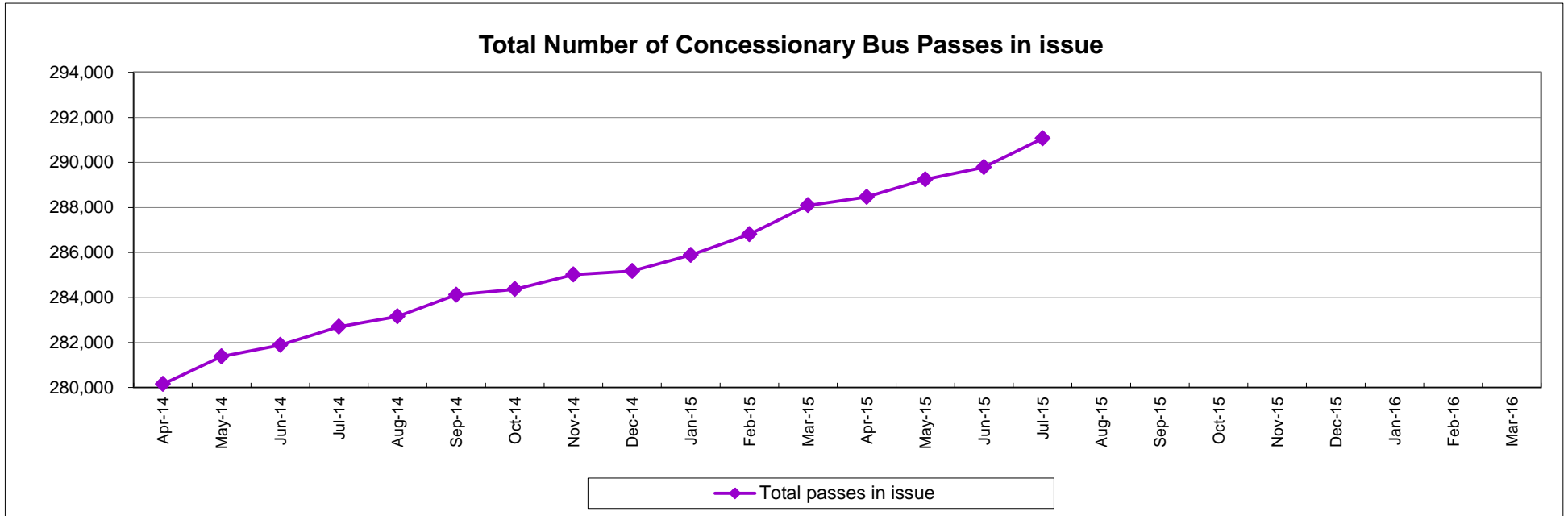
## 2.5 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Passes in Issue

		Senior Citizen's bus passes	Disabled person's bus passes	Disabled Person Companion bus passes	TOTAL passes
		Actual	Actual	Actual	Actual
2014-15	April	258,342	17,961	3,849	280,152
	May	259,299	18,102	3,978	281,379
	June	259,623	18,212	4,055	281,890
	July	260,263	18,352	4,084	282,699
	Aug	260,558	18,438	4,164	283,160
	Sept	261,284	18,586	4,248	284,118
	Oct	261,352	18,701	4,313	284,366
	Nov	261,826	18,800	4,387	285,013
	Dec	261,879	18,868	4,427	285,174
	Jan	262,434	18,964	4,490	285,888
	Feb	263,062	19,176	4,564	286,802
	Mar	264,108	19,341	4,645	288,094
2015-16	April	264,314	19,459	4,692	288,465
	May	264,856	19,594	4,792	289,242
	June	265,180	19,715	4,894	289,789
	July	266,023	20,020	5,028	291,071
	Aug				
	Sept				
	Oct				
	Nov				
	Dec				
	Jan				
	Feb				
	Mar				

- The number of affordable passes is not calculated because the primary driver of cost is the number of journeys people travel.
- Also a passholder in England and Wales can use the pass anywhere in those two countries. The Transport Co-ordinating Authority for that area picks up the cost of any ENCTS pass used for boarding a bus, within its area. Therefore KCC will not only be re-imbursing passes for Kent residents but also any Medway holders boarding in Kent or in fact any ENCTS visitor to Kent using a bus.

There are three types of passes available to Kent residents:

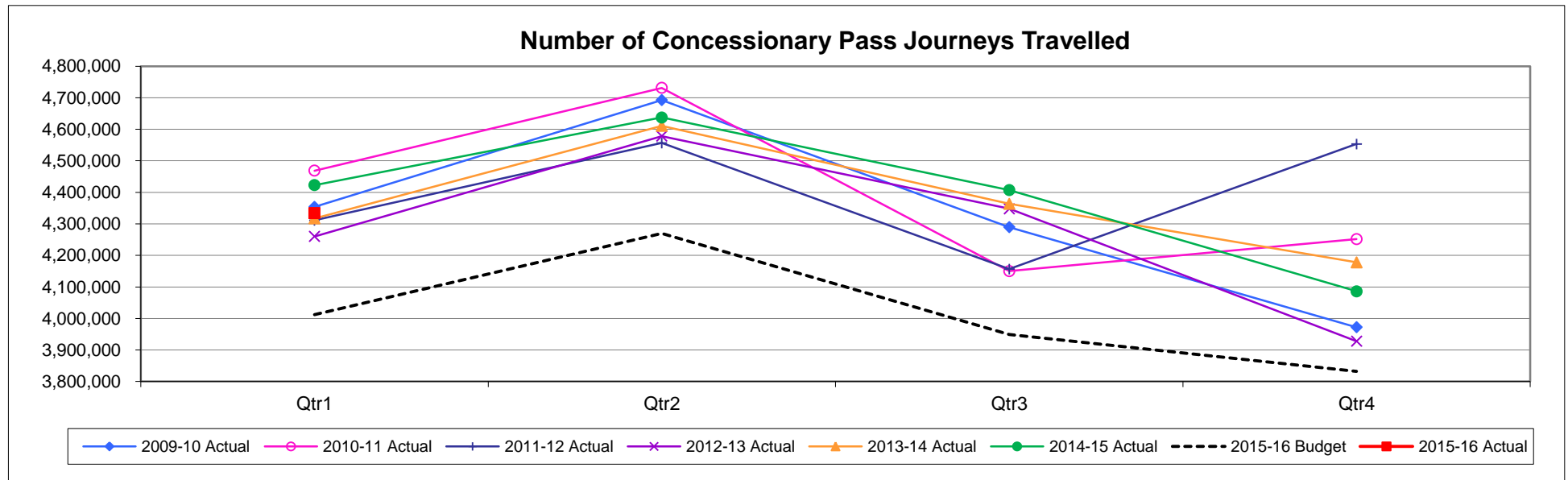
- A Senior Citizen's bus pass if you are of state pension age or older.
- A Disabled Person's bus pass for people with certain disabilities, for example for people who are blind or partially sighted, profoundly or severely deaf, or have a learning disability. There is no age restriction for the disabled person's bus pass.
- A Disabled Person Companion bus pass is available in cases where a Disabled Person bus pass user is unable to travel alone.





## 2.6 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Journeys Travelled

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Actual (000's)	Budget level (000's)	Actual (000's)
Qtr 1	4,354	4,469	4,311	4,260	4,317	4,423	4,012	4,334
Qtr 2	4,693	4,731	4,557	4,578	4,611	4,637	4,270	
Qtr 3	4,289	4,150	4,157	4,348	4,364	4,407	3,949	
Qtr 4	3,972	4,251	4,553	3,928	4,178	4,086	3,833	
	<b>17,308</b>	<b>17,601</b>	<b>17,578</b>	<b>17,114</b>	<b>17,470</b>	<b>17,553</b>	<b>16,064</b>	<b>4,334</b>



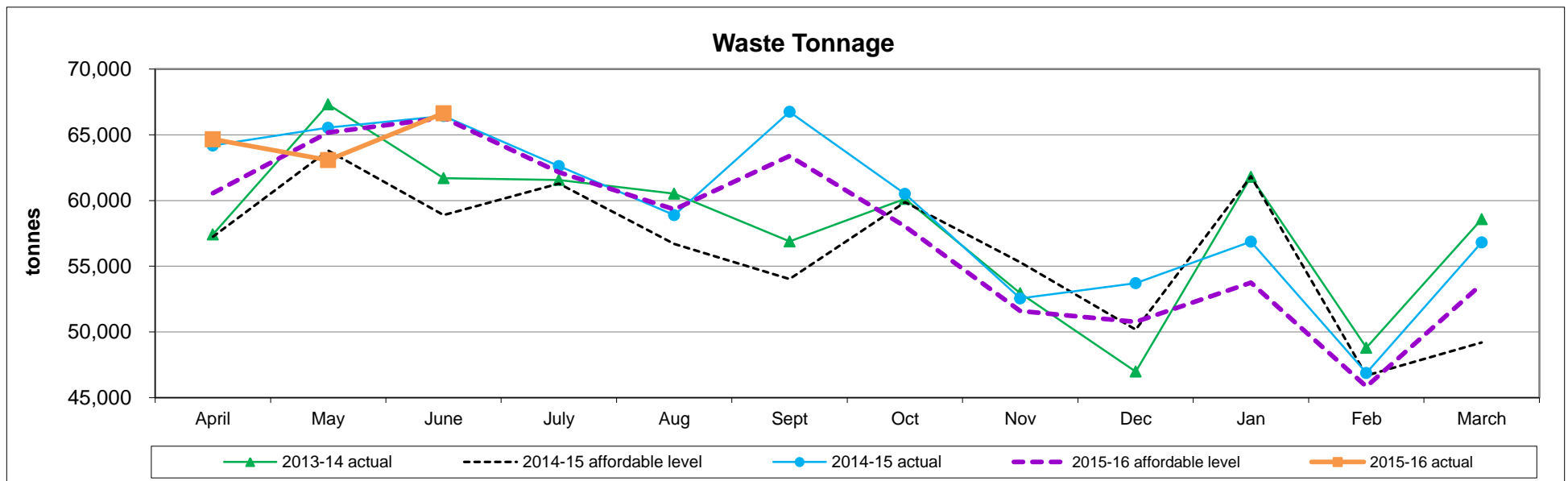
- As with the Young Persons Travel Pass the figures for actual concessionary journeys travelled are regularly reviewed and updated as further information is received from the bus companies or our concessionary travel consultant, MCL Transport Services, so may be subject to change.
- Journey numbers for quarter 1 are in excess of the budgeted level and as a result a financial pressure of +£621k is being forecast in Table 1b. The reconciliation of quarter 1 journeys by MCL is not yet complete and so this forecast will be reviewed once the reconciliation is received and any changes will be reflected in the quarter 2 report.

2.7 Waste Tonnage

	2013-14	2014-15		2015-16	
	Waste Tonnage	Affordable Level	Waste Tonnage	Affordable Level	* Waste Tonnage
Apr	57,423	57,246	64,189	60,559	64,666
May	67,314	63,802	65,539	65,181	63,070
Jun	61,701	58,899	66,435	66,290	66,640
Jul	61,563	61,282	62,620	62,147	
Aug	60,519	56,684	58,888	59,324	
Sep	56,884	54,032	66,748	63,391	
Oct	60,127	59,881	60,497	58,037	
Nov	52,934	55,294	52,545	51,585	
Dec	46,979	50,167	53,704	50,768	
Jan	61,791	61,844	56,872	53,742	
Feb	48,801	46,682	46,870	45,841	
Mar	58,583	49,187	56,814	53,635	
	<b>694,619</b>	<b>675,000</b>	<b>711,721</b>	<b>690,500</b>	<b>194,376</b>

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

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



## Comments:

**General**

- 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.

**2013-14**

- The overall volume of waste managed in 2013-14 was 694,619 tonnes, which was 20,381 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m.
- The actual tonnage in 2013-14 of 694,619 tonnes was far higher than the forecast figure of 676,900 tonnes based on actuals to January and reported to Cabinet in April. This unexpected increase in volume in the final quarter of 2013-14 continued into 2014-15, with actual tonnage for 2014-15 ending up at 36,721 tonnes more than the affordable level for the year, as the 2014-15 affordable level was based on the actual activity of the first three quarters of 2013-14. These increased volumes are also continuing into 2015-16.

**2014-15**

- The actual waste tonnage in 2014-15 of 711,721 tonnes was 36,721 tonnes above the affordable level and equated to a pressure of £2.972m. 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 was largely offset by other savings within the service giving an overall net pressure against the waste management budget for 2014-15 of +£0.543m. The service believes that the increase in waste tonnage experienced over much of 2014 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, resulting in 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 overall volume of waste was 2.5% higher in 2014-15 than 2013-14.

## **2015-16**

- Based on the actual waste tonnage for April and May and forecasts for June to March, the overall volume of waste to be managed this financial year is expected to be approximately 709,600 tonnes, which is 19,100 tonnes above the affordable level and equates to a pressure of £1.119m. The vast majority (c.£1m) of this results from residual waste that cannot be recycled and ends up in landfill or burned to generate electricity at the Allington Waste to Energy plant. The pressure on waste volumes is partially offset by favourable price variances and other savings within the service, as detailed in table 1b, giving an overall pressure against the waste management budget of £0.389m.
- The figures in Table 1b of section 1.4 are based on actual activity for April to May, with estimates for the remaining months; the division has recently received figures for June and early indications suggest a slightly revised forecast tonnage of 710,200 which may result in an increased financial pressure reported next month.
- Overall waste volumes are currently 0.9% lower for the first three months when compared with the same period for last year.
- Waste volumes, both in Kent and nationally, are impacted upon by changes in the economy and the improving economic climate continues to result in higher levels of waste.

### 3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2015-16 of £125,897k. The forecast against the 2015-16 budget is £117,352k giving a variance of -£8,545k.

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	60	84	0	0			Green	Rolling Programme	
Library Modernisation Programme	0	136	-136	-136	Real: Prudential - £41k, Capital Receipt -£95k.	-£136k underspend to cover overspend on Tunbridge Wells Library.	Green	Rolling Programme	
Management and Modernisation of Assets - Vehicles	110	223	-223	-223	Rephasing	There is no current need in this financial year to replace existing vehicles.	Amber		
Public Rights of Way	915	1,199	2	2	Real: Revenue +£2k.		Green	Rolling Programme	Increase 15-16 cash limit by £2k revenue.
Public Sports Facilities Improvement - Capital Grant	100	110	0	0			Green	Rolling Programme	
Village Halls and Community Centres - Capital Grants	300	446	0	0			Green	Rolling Programme	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	26,661	28,432	283	283	Real: +£58k grant, +£225k Developer Contributions.	Additional traffic management costs for the delivery of the resurfacing scheme at Northdown Road, Thanet funded by £58k grant. Additional footway scheme funded by £225k developer contributions for Bank Street.	Green	Rolling Programme	Increase 2015-16 cash limit +£58k grant
Integrated Transport Schemes under £1 million	3,968	4,443	189	189	Real: +£189k Revenue	Purchase of 5 buses to be funded from a revenue reserve.	Green	Rolling Programme	Increase 2015-16 cash limit +£189k revenue
Member Highway Fund	0	169	0	0			Green	Rolling Programme	
Land compensation and Part 1 claims arising from completed projects	0	265	0	0			Green	Rolling Programme	
Major Schemes - Preliminary Design Fees	100	779	0	0			Green	Rolling Programme	
<b>Individual Projects</b>									
Dartford Library Plus	434	434	0	0			Green	Timing and final costs still to be agreed.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	0	181	181	Real: Capital Receipt +£95k, Prudential +£41k, Dev Cons +£15k, External other +£30k.	Overspend due to additional works required to conform to Building Control regulations and to settle final account. To be funded from underspend on Library modernisation, additional external contribution from TWBC and additional banked developer contributions.	Red	Project completion has been delayed and final scheme costs being agreed with the contractor.	
New Community Facilities at Edenbridge	0	31	0	0			Green		
Southborough Hub	250	250	0	0			Amber	Scope of scheme under review.	
Tunbridge Wells Cultural Hub	0	0	0	0				Project to commence in later years but feasibility works currently being undertaken with revenue.	
Sustainable Access to Maidstone Employment Areas	820	805	0	0			Green		
Sustainable access to Education & employment	200	187	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Broadband	9,763	13,075	0	0			Green		
Superfast Extension Programme (SEP)	0	0	0	0				Project to commence in later years.	
Cyclopark	0	3	12	12	Real: prudential	From underspend on Swale Parklands	Green		
Empty Property Initiative	2,500	3,868	0	0			Green		
Eurokent Road (East Kent)	62	68	0	0			Green		
Folkestone Heritage Quarter	680	948	0	0			Green		
Incubator Development	0	165	-30	-30	Real: prudential	Refunded back to the Regeneration Fund	Green		
Marsh Million	0	467	400	400	Real: External other	Expected match funding from partners	Green		Increase 15-16 cash limit by +£50k external other (banked monies)
No Use Empty - Rented Affordable Homes	442	34	-34	-34	Real: External other	Will be used within the Extension Programme below	Green		



Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
No Use Empty - Rented Affordable Homes - Extension	673	673	34	34	Real: +£332k External other and - £298k grant	£298k switch from grant to external funding per business case to amend funding budget. £34k from the original programme above	Green		Increase 15-16 cash limit by +£298k external other and -£298k grant.
Old Town Hall, Gravesend	0	27	0	0			Green		
Regeneration Fund Projects	0	212	30	30	Real: prudential	Refunded back from Incubator Development projects.	Green		
Regional Growth Fund - Expansion East Kent	2,141	15,286	0	0			Green		
Regional Growth Fund - Journey Time Improvement (JTI)	3,577	3,554	0	0			Green		
Rural Broadband Demonstration Project	0	48	100	100	Real: prudential	Funding diverted from the Superfast Extension Programme to complete this project, original underspend from this project was used to fund SEP.	Amber	The rural project has been delayed due to State Aid clearance processes at BDUK. Contracts have now been signed.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	12	-12	-12	Real: prudential	To cover overspend on Cyclopark	Green		
TIGER	2,522	1,695	4	4	Real: grant		Green		Increase 15-16 cash limit by +£4k grant
Escalate	311	527	0	0			Green		
Rendezvous Hotel	0	0	0	0				Project to commence in later years.	
Energy and Water Efficiency Investment Fund - External	185	278	0	0			Green		
Energy Reduction and Water Efficiency Investment - KCC	138	256	0	0			Green		
Sandwich Sea Defences	435	435	0	0			Green		
Coldharbour Gypsy site	0	0	0	0			Green	Project complete except for clearance of remaining creditors	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):</b>									
Richborough Closed Landfill site- Emergency Works	200	400	0	0			Green		
Sturry Road Closed Landfill site- Emergency Works	150	199	0	0			Green		
TS/HWRC - Swale	2,780	3,050	0	0			Green		
<b>Kent Highway Services</b>									
East Kent Access Phase 2 - Major Road Scheme	2,524	2,298	0	0			Green		
Rathmore Road Link	1,530	2,034	0	0			Green		
Kent Thameside Strategic Transport Programme	430	428	0	0			Green		
Lorry Park	1,990	2,000	0	0				Location, scope and costs are under review.	
North Farm Longfield Road, Tunbridge Wells	1,021	3,232	0	0			Green		
Rushenden Link (Sheppey) - major road scheme	609	700	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Sandwich Highways Depot	0	0	0	0				Project to commence in later years.	
Sittingbourne Northern Relief Road - major road scheme	1,418	1,834	0	0			Green		
Street Lighting Column - Replacement Scheme	1,250	1,779	0	0			Green		
Street Lighting Timing - Invest to Save	0	0	0	0			Green	Project complete except for clearance of remaining creditors	
Thanet Park Way	1,000	2,100	0	0			Green		
Westwood Relief Strategy - Poorhole Lane Improvement	435	1,327	0	0			Amber	The revised completion date is now September 2015.	
LED Conversion	4,000	4,000	0	0			Green		
Sittingbourne Town centre regeneration	4,500	4,500	-4,500	-4,500	Real: External Other -£2.0m Rephasing: -£2.5m	This scheme will be delivered by a third party (Spirit of Sittingbourne) in 2016-17. The budget is being reduced by £2m as the match funding will be held by the third party. The remaining £2.5m budget will be rephased to 2016-17 to reflect revised timescales following submission of the final business case to SELEP.	Green*		Reduce Cash limit by - £2,000k External Other in 2015-16

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Middle Deal transport improvements	1,500	1,500	-1,500	-1,500	Rephasing	This scheme will be delivered by a third party in 2016-17 and the final business case is due to be submitted to SELEP in September 2015. The budget is being re-profiled to reflect revised timescales.	Green*		
A28 Chart Road, Ashford	1,340	1,776	0	0			Green		
Victoria Way	0	484	0	0			Green		
Drovers Roundabout junction	0	154	0	0			Green		
M20 Junction 4 Eastern Over bridge	2,800	2,799	-899	-899	Rephasing	The original budget was profiled on the initial business case submitted to SELEP for LGF funding. The business case has now been formalised and the budget is being re-profiled accordingly.	Green*		
A26 London Rd/Staplehurst Rd/Yew Tree Junction	1,200	1,192	-939	-939	Rephasing	The original budget was profiled on the initial business case submitted to SELEP for LGF funding. The business case has now been formalised and the budget is being re-profiled accordingly.	Green*		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
A28 Sturry Rural Integrated Transport Package - Canterbury	520	537	-509	-509	Rephasing	The original budget was profiled on the initial Business Case submitted to SELEP for LGF funding. The majority of spend will now be incurred in 16-17 so the budget is being re-profiled accordingly.	Green*		
Maidstone Gyratory Bypass	500	416	0	0			Green		
Folkestone Seafront	500	490	-156	-156	Rephasing:	The original budget was profiled on the initial business case submitted to SELEP for LGF funding. The business case has now been formalised and the budget is therefore being re-profiled accordingly.	Green*		
Tonbridge Town Centre Regeneration	2,220	2,181	-842	-842	Rephasing	The original budget was profiled on the initial business case submitted to SELEP for LGF funding. The business case has now been formalised and the budget is therefore being re-profiled accordingly.	Green*		
Sturry Link Road- Canterbury	250	238	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
West Kent Local Sustainable Transport- Tackling Congestion	965	946	0	0			Green		
Kent Strategic Congestion Management	800	787	0	0			Green		
Kent Sustainable Intervention programme for growth	500	484	0	0			Green		
Kent Thameside LSTF	2,428	2,408	0	0			Green		
M20 Junction 10a	5,000	0	0	0				Project removed from programme as there is no longer a direct role for KCC in promoting an interim scheme.	
<b>Total</b>	101,707	125,897	-8,545	-8,545					

\* SELEP scheme timeframes are dependent upon final business case submissions. These schemes are currently shown as green although some re-profiling will be required in line with the final business cases.

#### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**STRATEGIC & CORPORATE SERVICES DIRECTORATE**  
**JUNE 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+68,797</b>	<b>+2,105</b>	<b>-2,105</b>	<b>-</b>

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, reflect technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£1,926.8k gross and +£1,926.8k income. This also includes the realignment of budgets between the Business Services Centre (BSC), ICT and Human Resources A-Z service lines due to refinement of the services to be provided by the BSC.

There are also a number of other corporate adjustments which total +£1,759.4k gross and -£432.5k income, which are predominately related to the allocation of the single pay reward scheme funding, the transfer of the SILK team from GE&T Strategic Management & Directorate Support to S&CS Strategic Management & Directorate Support and some further centralisation of budgets.

In addition there have been two virements from the Financing Items budgets as detailed below:

- £570k to Property & Infrastructure to reflect latest delivery strategy proposed by Transformation Advisory Group (TAG).
- £155.5k to S&CS Business Strategy - Strategy, Policy, Relationships & Corporate Assurance to fund three posts transferring from the old Corporate Portfolio Office, for which there was no base budget funding (these posts have previously been funded from reserves).

The overall movements are therefore an increase in gross of £558.1k and a reduction in income of £1,494.3k, giving a net impact of +£2,052.4k. This is detailed in table 1a.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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



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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000	Gross £'000	Income £'000	Net £'000
<b>Strategic &amp; Corporate Services</b>									
Strategic Management & Directorate Support Budgets	2,973.7	-5,168.2	-2,194.5	3,059.7	-5,168.2	-2,108.5	86.0	0.0	86.0
<u>Community Services</u>									
- Contact Centre & Citizens Advice Help Line	2,373.6	-387.3	1,986.3	2,421.5	-387.3	2,034.2	47.9	0.0	47.9
- Gateways & Customer Relationship	1,298.2	-35.0	1,263.2	1,315.0	-35.0	1,280.0	16.8	0.0	16.8
	3,671.8	-422.3	3,249.5	3,736.5	-422.3	3,314.2	64.7	0.0	64.7
<u>Local Democracy</u>									
- Community Engagement	415.3	0.0	415.3	328.0	0.0	328.0	-87.3	0.0	-87.3
- County Council Elections	570.0	0.0	570.0	570.0	0.0	570.0	0.0	0.0	0.0
- Local Member Grants	2,100.0	0.0	2,100.0	2,100.0	0.0	2,100.0	0.0	0.0	0.0
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	2,163.2	0.0	2,163.2	0.0	0.0	0.0
	5,248.5	0.0	5,248.5	5,161.2	0.0	5,161.2	-87.3	0.0	-87.3
<u>Support to Frontline Services</u>									
- Business Services Centre	41,767.7	-41,767.7	0.0	40,819.4	-40,819.4	0.0	-948.3	948.3	0.0
- Business Strategy	2,979.1	-82.0	2,897.1	3,177.3	-82.0	3,095.3	198.2	0.0	198.2
- Communications & Consultation	2,996.0	-531.0	2,465.0	3,055.1	-531.0	2,524.1	59.1	0.0	59.1
- Democratic & Members	3,801.1	-178.7	3,622.4	3,793.1	-142.0	3,651.1	-8.0	36.7	28.7
- Finance & Procurement	15,684.4	-7,628.1	8,056.3	16,410.6	-8,148.5	8,262.1	726.2	-520.4	205.8
- Human Resources	8,799.2	-1,301.9	7,497.3	9,017.4	-1,301.9	7,715.5	218.2	0.0	218.2
- Information, Communications & Technology	16,346.4	-1,443.6	14,902.8	16,949.6	-1,845.0	15,104.6	603.2	-401.4	201.8
- Legal Services & Information Governance	9,574.3	-11,839.6	-2,265.3	8,688.5	-10,872.2	-2,183.7	-885.8	967.4	81.6
- Property & Infrastructure Support	30,165.3	-6,900.2	23,265.1	30,697.2	-6,436.5	24,260.7	531.9	463.7	995.6
- Transformation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	132,113.5	-71,672.8	60,440.7	132,608.2	-70,178.5	62,429.7	494.7	1,494.3	1,989.0
<b>Total S&amp;CS</b>	<b>144,007.5</b>	<b>-77,263.3</b>	<b>66,744.2</b>	<b>144,565.6</b>	<b>-75,769.0</b>	<b>68,796.6</b>	<b>558.1</b>	<b>1,494.3</b>	<b>2,052.4</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Strategic &amp; Corporate Services</b>						
Strategic Management & Directorate Support Budgets	3,059.7	-5,168.2	-2,108.5	0		
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	2,421.5	-387.3	2,034.2	+364	+303	A continuation from 2014-15 of the increased number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to maintain performance and delaying the ability to fully deliver savings.
					+138	Increased costs of Cloud telephony system and Workforce Management system
					-77	Other minor variances
- Gateways & Customer Relationship	1,315.0	-35.0	1,280.0	+163	+254	Delivery of the 2015-16 saving of £0.390m has been delayed pending the restructure of the Engagement, Organisation Design & Development division.
					-91	Minor variances
	3,736.5	-422.3	3,314.2	+527		
<u>Local Democracy</u>						
- Community Engagement	328.0	0.0	328.0	+44		
- County Council Elections	570.0	0.0	570.0	0		
- Local Member Grants	2,100.0	0.0	2,100.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	0		
	5,161.2	0.0	5,161.2	+44		
<u>Support to Frontline Services</u>						
- Business Services Centre	40,819.4	-40,819.4	0.0	-3		
- Business Strategy	3,177.3	-82.0	3,095.3	-9		
- Communications & Consultation	3,055.1	-531.0	2,524.1	-216	-108 Staffing vacancies held pending restructure of the Engagement, Organisation Design & Development division  -108 Other minor variances, each below £100k	
- Democratic & Members	3,793.1	-142.0	3,651.1	-40		
- Finance & Procurement	16,410.6	-8,148.5	8,262.1	+1,870	+2,071 This represents a Procurement & Commissioning saving which is being held centrally in Finance & Procurement. Although currently forecast as a pressure, this figure should reduce significantly once the detailed action plan from our project partner (KPMG) has been finalised.  -201 Other minor variances, each below £100k	
- Human Resources	9,017.4	-1,301.9	7,715.5	-92		
- Information, Communications & Technology	16,949.6	-1,845.0	15,104.6	+24		
- Legal Services & Information Governance	8,688.5	-10,872.2	-2,183.7	0	+128 Increased use of agency staff due to a number of unexpected vacancies and to provide cover for legal staff working on Facing the Challenge  -155 Anticipated increase in internal income based upon last year's income received.  +27 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Property & Infrastructure Support	30,697.2	-6,436.5	24,260.7	0		
- Transformation	0.0	0.0	0.0	0	see Financing Items (Annex 7) for details	Service transformation costs are held here as a holding position and it is anticipated that these transformation costs, together with the matching drawdown from reserves, will be transferred to the relevant services at the end of the financial year.
	132,608.2	-70,178.5	62,429.7	+1,534		
<b>Total S&amp;CS</b>	<b>144,565.6</b>	<b>-75,769.0</b>	<b>68,796.6</b>	<b>+2,105</b>		
<b>Assumed Management Action</b>				-2,105	-2,071 Anticipated reduction once the detailed action plan from our project partner (KPMG) has been finalised, regarding delivery of the £2m Procurement and Commissioning saving.  -34 Reduction of non-critical spend and other efficiencies across all Divisions	
<b>Total S&amp;CS Forecast <u>after</u> mgmt action</b>	<b>144,565.6</b>	<b>-75,769.0</b>	<b>68,796.6</b>	<b>0</b>		

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

### 2.1 Capital Receipts

The total forecast receipts expected to be banked during 2015-16 is £15.521m.

### 2.2 Capital Receipts Funding Capital Programme

	<b>2015-16</b>
	£'000
Banked capital receipts as at 31.03.15	21,974
Forecast receipts for 2015-16	15,521
Capital receipt funding required for capital programme in 2015-16	<u>40,660</u>
Potential Surplus / (Deficit) of Useable Capital Receipts	-3,165

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2015-16 totals £40.660m.

Taking into account receipts banked in previous years which are available for use, the assumption that the forecast receipts are achieved in 2015-16 and the assumption that the capital receipt funding required for the capital programme does not change, there is a forecast deficit of useable capital receipts of £3.165m at the end of the year. However, it should be noted that any further rephasing of the capital programme which is funded by capital receipts or any receipts received over and above £15.521m could reduce this deficit .

### 3. CAPITAL

3.1 The Strategic and Corporate Services working budget for 2015-16 is £27,748k. The forecast against the 2015-16 budget is £28,065k giving a variance of +£317k.

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

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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	2,650	2,650	-110	-110	Real: Grant	Budget adjustment to reflect use of grant within revenue.	Green		
Disposal Costs	250	250	400	400	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	3,152	3,928	30	30	Real: Grant		Green		Increase cash limit £30k grant
<b>Individual Projects</b>									
Building Information Modelling (BIM)	65	123	0	0			Green		
Connecting with Kent	0	97	0	0			Green		
Customer Relationship Management Solution	842	842	0	0			Amber	Amber until completion date agreed.	
Electronic Document Management Solution (EDMS) (known as Electronic Document & Records Management (EDRM))	1,276	1,400	0	0			Green		

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Property Asset Management System	0	54	73	73	Real: Capital receipts	£73k additional funding is required to complete phase 1 of this project. To be funded from the underspend on the Innovative Schemes Fund above.	Red	The red status reflects the need for additional funding which has had to be found from elsewhere within the S&CS capital programme and a revised completion date of 31st December 15 has now been set.	
Enterprise Resource Programme	0	62	0	0			Green		
Herne Bay Gateway	427	476	0	0			Green		
HR System Development	60	59	0	0			Amber	The Oracle Business Intelligence development has required some technical changes to specifications which has resulted in some re-phasing. Revised completion date 31st March 2016.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 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
Innovative Schemes Fund	0	242	24	24	Real: +£97k External funding and -£73k capital receipt	+£97k relates to the repayment of a loan; -£73k to be used to fund an overspend on the PAMS project below	Green		
LIVE Margate	4,032	5,125	0	0	0		Green		
New Ways of Working	4,200	8,627	0	0			Green		
Property Investment & Acquisition Fund	3,000	3,000	0	0			Green		
Swanley Gateway	308	502	0	0			Green		
Web Redevelopment Programme	320	311	-100	-100	Rephasing: -£55k prudential revenue and -£45k capital receipts	The programme had an ambitious design, development and build programme for new functionality on the website including a single online payments tool which integrates with Oracle. Some minor developments will need to be re-phased to 2016-17 due to focus on key deliverables.	Amber	Revised completion date is 31st March 2017.	
<b>S&amp;CS Directorate</b>	<b>20,582</b>	<b>27,748</b>	<b>317</b>	<b>317</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**  
**JUNE 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
<b>Total (£k)</b>	<b>+125,978</b>	<b>-2,507</b>	<b>-</b>	<b>-2,507</b>

1.2 The cash limits **upon which the variances in this report are based**, include technical adjustments where there is no change in policy including the allocation of £3,929.4k of the single pay reward scheme funding to directorates based on the 2014-15 performance assessments and increased spending power of £1,350.3k as a result of additional government funding awarded since the budget was set relating to reimbursement for the impact of tax changes incurred under the business rates retention scheme that were introduced in the 2012, 2013 & 2014 Autumn Statements. In addition there have been three virements from the Financing Items budget as detailed below:

- £500k to Regeneration & Economic Development Services to fund existing commitments against the Regeneration Fund now that the annual £1m budgeted contribution has ceased.
- £570k to Property & Infrastructure to reflect latest delivery strategy proposed by Transformation Advisory Group (TAG).
- £155.5k to S&CS Business Strategy - Strategy, Policy, Relationships & Corporate Assurance to fund three posts transferring from the old Corporate Portfolio Office, for which there was no base budget funding (these posts have previously been funded from reserves).

The overall movement is therefore a reduction in gross of £3,804.6k. The impact on the A-Z budgets is detailed in table 1a.

Table 1a shows:

- The published budget,
- The budget following adjustments for both formal virement and technical adjustments,
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 6 July regarding the roll forward of underspending from 2014-15 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

**Cabinet is asked to approve these revised cash limits.**

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

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

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financing Items</b>									
Audit Fees	314.0	0.0	314.0	314.0	0.0	314.0	0.0	0.0	0.0
Carbon Reduction Commitment Levy	800.0	0.0	800.0	800.0	0.0	800.0	0.0	0.0	0.0
Commercial Services (net contribution)	0.0	-6,700.0	-6,700.0	0.0	-6,700.0	-6,700.0	0.0	0.0	0.0
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	2,352.0	0.0	2,352.0	0.0	0.0	0.0
Contribution to/from Reserves	2,187.4	0.0	2,187.4	2,187.4	0.0	2,187.4	0.0	0.0	0.0
Insurance Fund	4,999.0	0.0	4,999.0	4,999.0	0.0	4,999.0	0.0	0.0	0.0
Modernisation of the Council	3,000.0	0.0	3,000.0	3,000.0	0.0	3,000.0	0.0	0.0	0.0
Net Debt Charges (incl Investment Income)	130,105.4	-8,178.0	121,927.4	128,879.9	-8,178.0	120,701.9	-1,225.5	0.0	-1,225.5
Other	939.0	-36.0	903.0	939.0	-36.0	903.0	0.0	0.0	0.0
Unallocated	4,000.0	0.0	4,000.0	1,420.9	0.0	1,420.9	-2,579.1	0.0	-2,579.1
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	-4,000.0	0.0	-4,000.0	0.0	0.0	0.0
<b>Total Financing Items</b>	<b>144,696.8</b>	<b>-14,914.0</b>	<b>129,782.8</b>	<b>140,892.2</b>	<b>-14,914.0</b>	<b>125,978.2</b>	<b>-3,804.6</b>	<b>0.0</b>	<b>-3,804.6</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Financing Items</b>							
Audit Fees	314.0	0.0	314.0	-157	-157	This reflects the agreed audit fees as notified by our external auditors	This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
Carbon Reduction Commitment Levy	800.0	0.0	800.0	0			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Commercial Services (net contribution)	0.0	-6,700.0	-6,700.0	0			
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Contribution to/from Reserves	2,187.4	0.0	2,187.4	+667	+667	Forecast transfer to Insurance reserve of surplus on Insurance Fund (see below)	
Insurance Fund	4,999.0	0.0	4,999.0	-667	-667	Forecast surplus on Insurance Fund due to a reduction in claim reserves following a review of claims by our current insurers in preparation for this year's insurance tender. However, current claims trends, particularly in relation to local authorities, mean the potential remains for liabilities and reserves on outstanding claims to increase in the future. They will also be adversely influenced in time by the increase in excess applied to Employers Liability & Public Liability claims for the 2015 policy year.	
Modernisation of the Council	3,000.0	0.0	3,000.0	0			
Net Debt Charges (incl Investment Income)	128,879.9	-8,178.0	120,701.9	0			
Other	939.0	-36.0	903.0	0			
Unallocated	1,420.9	0.0	1,420.9	-2,350	-1,350	Additional Business Rate compensation grant, above the budgeted level, relating to reimbursement for the impact of tax changes incurred under the business rates retention scheme that were introduced in the 2012, 2013 & 2014 Autumn Statements.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-1,000	Estimated retained levy as a result of being in a Business Rate pool with 10 of the Kent District Councils. We have only recently finalised the accounting treatment for this, via a sign off of the 2014-15 accounts, hence why this was not reflected in the 2015-16 budget build. The cash will not be received until 2016-17 but we need to accrue for the income this year. This is our best estimate, the final figure will not be known until year end.	If a business rate pool is agreed for 2016-17, we will need to reflect a retained levy in the 2016-17 budget build, but this will not be confirmed until the autumn.
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0			
Support to frontline services - Transformation	0.0	0.0	0.0	0	+5,319	0-25 Children's Services Transformation implementation	
					-5,319	Drawdown from reserves to meet the costs of 0-25 Children's Services Transformation implementation	
					+4,240	Adults Social Care Transformation Phase 2 implementation	
					-4,240	Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 implementation	
					+217	Facing the Challenge costs in excess of the budget of £2,264.8k, to be met by further drawdown from reserves	
					-217	Drawdown from reserves to meet the costs of Facing the Challenge in excess of the budgeted amount of £2,264.8k	
<b>Total Financing Items</b>	<b>140,892.2</b>	<b>-14,914.0</b>	<b>125,978.2</b>	<b>-2,507</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		
	2013-14	2014-15	2015-16
	\$	\$	\$
Apr	92.02	102.07	54.45
May	94.51	102.18	59.26
Jun	95.77	105.79	59.82
Jul	104.67	103.59	50.90
Aug	106.57	96.54	
Sep	106.29	93.21	
Oct	100.54	84.40	
Nov	93.86	75.79	
Dec	97.63	59.29	
Jan	94.62	47.22	
Feb	100.82	50.58	
Mar	100.80	47.82	

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.

