

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

To: CABINET - 30 November 2015

Subject:

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

Classification: **Unrestricted**

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## 1. SUMMARY

- 1.1 This report provides the budget monitoring position for September 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 September 2015 compared to 31 March 2015 and 30 June 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 reduction in the Public Health cash limits as identified in annex 4, in response to the in-year government funding cut confirmed on 4 November.
- 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 £6.609m, before management action, but management action is expected to reduce this to £5.009m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2016-17 to fulfil our legal obligations, detailed in section 3.7, therefore this changes the position to an overspend of £5.301m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.8, which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. However, this will only be possible if the Authority as a whole is sufficiently underspending by year end. If we allow for this, then this changes the position to an **underlying overspend of £6.586m**. 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 £1.1m within Adult Social Care. The annexes to this report provide the detail of the overall forecast position which is summarised in table 1 below.

3.2 This is a report of mixed messages. Although the position has improved significantly which is very good news, this improvement is largely in respect of an offer from the Home Office for increased weekly rates for Asylum seekers, but this is subject to a Home Office audit of our costs. However, the improvement in the position for the remaining services is not as great as we would usually have seen by this point in the year and the underlying pressures on adult social care, particularly domiciliary care and supported living have continued to increase (although further management action and the release of funding provided in the budget for price increases following the conclusion of the prices review, are offsetting this increase this month). In terms of a residual forecast overspend after management action and roll forward requirements of £6.586m, this is still a significant problem to resolve and should not be under-estimated especially as we are now almost 8 months into the financial year and we have not had a forecast residual pressure (including Asylum) of this magnitude (£6.586m) at this point in the year in, at least, any of the last 21 years.

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 £6.561m reduction in the forecast overspend (excluding schools), as shown in table 1. This is mainly due to:

**E&YP** - the position has deteriorated by £0.1m since the last report but within this there are some larger offsetting movements: mainly a £1m increase in the combined position for SEN and mainstream home to school transport now that the pupil numbers requiring transport for the new term are known; +£0.3m Youth Offending Service, as staffing levels have not reduced in line with funding streams, and +£0.1m school premises maintenance costs being in excess of the capital maintenance grant available; but these are almost entirely offset by -£0.7m underspending across the area and district Early Help & Preventative Services teams; a -£0.2m improvement in the position for Children's Centres; -£0.2m increased income for non statutory psychology traded services and -£0.2m reimbursement from the Asylum Service for the shortfall in income at the Swattenden Centre associated with the change in use of the Appledore Unit to a reception centre for unaccompanied asylum seeking children. The pressure on the high needs education budgets has increased (+£1m) and there are other schools related pressures (+£2.9m) reported this month, but these will be met by a drawdown from the schools unallocated DSG reserve.

**SCH&W (SCS - Asylum)** - a further increase in the Asylum costs of £0.739m following a continuation of the recent increase in migrant activity, with provisional figures for October showing 211 referrals, however we have recently received an offer of higher weekly rates from the Home Office which based on our calculations should equate to an additional £5.077m of grant (subject to Home Office audit of our costs), leaving a residual pressure of £2.237m on the Asylum service.

**SCH&W (SCS)** - Within the other Specialist Children's Services (excluding Asylum) demand for family support services has increased and there is an increased pressure on social care staffing due to appointment of agency staff as a result of difficulties in recruiting to salaried posts. This is partly linked to the increase in Asylum activity but is partially offset by an increased recharge to the Asylum Service. These additional pressures are more than offset by vacancy management and an appropriate recharge of overheads within strategic management and directorate support budgets to the Asylum service; an increased underspend on adoption and other permanent care arrangements due to fewer adoption arrangements being made; and a reduction in safeguarding staffing costs as a result of staff being appointed at below the budget assumption of mid point of grade, together with a re-phasing of Kent Safeguarding Children Board costs into 2016-17, which will need to roll forward to meet our obligation to the board under the terms of the multi agency agreement.

**SCH&W (Adults)** - the overall Adult Social Care position has reduced by £0.3m but this reflects an increase in the underlying pressures of +£0.2m offset by the identification of further management action of -£0.5m. Within the £0.2m increase in the underlying pressure there are some significant offsetting movements: there are increased pressures on domiciliary care for older people and physically disabled clients; supporting living for physically disabled and mental health clients; and day care for learning disability clients, which have all led to a small increase in income from non residential charging helping to partially offset these increased pressures. In addition, there is an increase in social support for carers and a reduction in the underspend on older people nursing care. These increases in the position are more than offset by reductions in the positions for direct payments, mainly older people and physical disability clients; lower than anticipated demand for adaptive and assistive technology; staff vacancies within operational support and social care staffing; and the release of funding provided in the budget for social care price increases following completion of the prices review.

**GE&T** - the position has improved mainly as a result of a lower than budgeted price increase for streetlight energy; a reduction in early retirement costs; re-phasing of works at closed landfill sites into 2016-17 and capitalisation of costs relating to two collapsed roads. These improvements have been partially offset by a net write-back to revenue of old balances as part of an ongoing review of the balance sheet.

**S&CS** - the position has improved mainly due to an underspend on the Corporate Landlord budgets. The previously reported increased maintenance charge for data storage has transferred from the Business Services Centre to the ICT client commissioning budget. The centrally held procurement and commissioning saving has now transferred from Finance & Procurement to the Financing Items budget, which has also led to a reduction in the Strategic & Corporate Services management action.

**FI** - a small increase this month in the forecast interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends. In addition, transformation costs have increased but this will be met by an increased drawdown from reserves.

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
<b>Directorate Totals</b>	+930,028	+6,609	-1,600	+5,009	+11,570	-6,561
Adjustments: - Legally committed roll fwd (see section 3.7 for detail)		+292	-	+292	+136	+156
<b>Underlying position (incl. legally committed roll fwd requirements only)</b>	<b>+930,028</b>	<b>+6,901</b>	<b>-1,600</b>	<b>+5,301</b>	+11,706	-6,405
- Roll fwd / re-phasing required to continue / complete existing initiatives (see section 3.8 for detail)		+1,285	-	+1,285	+1,252	+33
<b>Underlying position (incl. ALL roll fwd requirements)</b>	<b>+930,028</b>	<b>+8,186</b>	<b>-1,600</b>	<b>+6,586</b>	+12,958	-6,372

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

Annex	Directorate	Budget	Net Variance (before mgmt action)	Management Action already in place	Net Variance (after mgmt action)	Last Report	Movement
		£'000	£'000	£'000	£'000	£'000	£'000
1	Education & Young People's Services	72,134.9	-184	-500	-684	-789	+105
2	Social Care, Health & Wellbeing - Specialist Children's Services	133,046.1	-360	-	-360	+664	-1,024
	Social Care, Health & Wellbeing - Asylum	280.0	+2,237	-	+2,237	+6,575	-4,338
	<i>Sub Total SCH&amp;W - Specialist Children's Services</i>	<i>133,326.1</i>	<i>+1,877</i>	<i>-</i>	<i>+1,877</i>	<i>+7,239</i>	<i>-5,362</i>
3	Social Care, Health & Wellbeing - Adults	350,459.3	+8,279	-1,100	+7,179	+7,437	-258
4	Social Care, Health & Wellbeing - Public Health	-193.2	-	-	-	-	-
5	Growth, Environment & Transport	173,893.5	-37	-	-37	+789	-826
6	Strategic & Corporate Services	71,512.3	-177	-	-177	-	-177
7	Financing Items	128,895.0	-3,149	-	-3,149	-3,106	-43
	<b>TOTAL (excl Schools)</b>	<b>930,027.9</b>	<b>+6,609</b>	<b>-1,600</b>	<b>+5,009</b>	<b>+11,570</b>	<b>-6,561</b>
1	<i>Schools (E&amp;YP Directorate)</i>	-	+6,758	-	+6,758	+2,867	+3,891
	<b>TOTAL</b>	<b>930,027.9</b>	<b>+13,367</b>	<b>-1,600</b>	<b>+11,767</b>	<b>+14,437</b>	<b>-2,670</b>

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

- a) We have recently received confirmation of in year government funding cuts in relation to Public Health grant of £4.033m and Youth Justice Board grant of £0.139m. See section 3.10 below for further details.
- b) The position included in this report for Asylum is a pressure of £2.237m, and this reflects the latest grant offer from the Home Office - we have recently received an offer from the Home Office. This proposes new weekly rates of £200 for age 18 and over (currently £150), £700 for 16 and 17 year olds (currently £637) and £1,050 for under 16's (currently £798). Our initial calculations suggest that these increased rates equate to additional grant income of £5.077m, which is reflected in this forecast, but this is subject to a Home Office audit of our costs. The position also reflects the impact of the increase in migrant activity up to the end of September and assumes 200 new referrals for October, 100 new referrals for November and then 75 per month for the remainder of the financial year. Provisional figures show that there were 211 referrals in October, however at the time of writing this report, migrant activity had slowed significantly during the last week of October and the first half of November. Also included within the forecast is the fit out costs for a new temporary reception centre. We are seeking to recoup these one-off costs from Government.
- c) There is now a small forecast underspend 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 underspend of £0.360m includes the requirement to roll forward £0.125m of re-phasing of the Kent Safeguarding Children Board costs into 2016-17, in order to meet our obligation to the board under the terms of the multi agency agreement. The remaining £0.235m underspend mainly relates to underspending on adoption, residential care, fostering, safeguarding and strategic management & directorate support budgets, reflecting a reduction in the number of non asylum looked after children and the recharging of overheads, staff time and related costs to the asylum service. These underspends are largely offset by pressures on children's social care staffing as a result of increased costs of agency social workers due to the ongoing difficulties in recruiting to posts and the establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within the early weeks of care, together with pressures on Care Leavers and Family Support Services.
- d) The pressure of £8.279m 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 residential care for mental health clients, the supported living service for learning disabled and physically disabled clients, day care for learning disability clients and support for carers. In addition, revised phasing of the anticipated delivery of phase 2 transformation savings is adding to this pressure in the current year. These pressures are partially offset by further delivery of phase 1 transformation savings, increased non residential charging income as a result of the pressures on domiciliary care, supported living and day care, staff vacancy savings, underspending on learning disability residential care and older people nursing care, and the use of so-far uncommitted funding held within Other Adult Services and Adult Social Care Staffing, including the release of some of the funding provided in the budget for social care prices following completion of the prices review. Management action within older people and physical disability services of £1.1m is now forecast which is expected to reduce the pressure to £7.179m (see Annex 3 for further information).

- e) Within Education & Young People's Services, the pressure on the SEN Home to School Transport budget has increased to a forecast overspend of £1.425m but this is partially offset by a continuation from last year of the reduced demand for mainstream home to school transport (-£0.868m). In addition, the Directorate is showing a net pressure in relation to costs associated with the new Early Help Module; refurbishment costs for Youth Centres and costs of cabling and wireless routers in Children's Centres; a staffing pressure with the Youth Offending Service partly due to staffing levels not reducing in line with reductions in income streams; shortfalls against income targets for nursery provision, early years training 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; an underspend across the area and district Early Help & Preventative Services teams due to vacancies and staff appointed below the budget assumption of mid point of grade; increased income from non statutory psychology traded services, and savings on commissioned services and legal fees. In addition, significant underspending is now forecast relating to the Kent Employment Programme and the Troubled Families Programme but, if possible, roll forward is required to continue these schemes in 2016-17. As a result, the directorate as a whole is forecasting a net underspend excluding schools of £0.184m, with management action of £0.5m estimated to improve this to an underspend of £0.684m. However, in order to fund the roll forward requirements, an underspend of £1.375m is required, so the directorate is investigating options to cover the shortfall of £0.691m in order to achieve this position, particularly from maximising trading income from schools and academies through aggressive marketing campaigns as well as reviewing all discretionary non staffing expenditure.
- f) A net pressure on the high needs education budgets (+£2.612m) and other schools related pressures (+£2.958m) will be met by a drawdown from the schools unallocated DSG reserve. School reserves are also forecast to reduce by £1.188m as a result of an expected 12 schools converting to academies. Overall the school reserves are therefore currently forecast to reduce by £6.758m to £47.251m. However this does not yet include any change to the reserves of the remaining Kent schools as we are in the process of reviewing their first monitoring returns for the year and the impact of these returns on their reserves will be reflected in the next monitoring report to Cabinet.
- g) The Growth, Environment and Transport Directorate is forecasting a small underspend of £0.037m. Within this position are some larger offsetting variances, the most significant a pressure on Concessionary Fares (£0.403m) due to increased usage, a net pressure on the waste budget of £0.169m (*see item (i) below for further details*), a pressure on general highway maintenance and emergency response (£0.206m) mainly due to increased grass cutting/weed control at junctions on high speed roads, and a pressure on streetlight maintenance (£0.338m) mainly as a result of a net write-back to revenue following a review of the balance sheet. These pressures are more than offset by an underspend on streetlight energy (-£0.531m) due to a rebate following a reconciliation of winter 2014-15 usage and a lower than budgeted electricity price increase for 2015-16; additional registration income mainly from ceremonies (-£0.162m) and underspends within the strategic management & directorate support budgets (-£0.3m) mainly as a result of an underspend on early retirement costs; together with a number of other smaller variances across the other service units.

- h) The high waste volumes experienced during 2014-15 have continued into the first six months of 2015-16 with a forecast overspend of £1.911m currently reported. This is partially offset by savings on management fees at waste facilities sites, in-vessel composting, higher than anticipated income from recyclables, lower cost of waste to energy disposal, contract savings at HWRCs and transfer stations and a re-phasing of works at closed landfill sites into 2016-17, giving an overall net waste pressure of £0.169m. The tonnage for the first six months of 2015-16 was 4,700 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £1.911m assumes tonnage will be 711,700 tonnes for the full year, 21,200 tonnes above the budgeted level of 690,500 tonnes. 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.
- i) It should be noted that we are awaiting the quarter 2 reconciliation of journey numbers for both the Young Person's Travel Pass and Concessionary Fares from our external travel partners. Once this is received this could impact on our current forecasts for these budgets.
- j) The forecast for Public Health currently shows an underspend on £4.543m, of which £4.033m is in response to the in year government funding cut resulting from the Government's austerity measures, which following a consultation exercise in the summer, was confirmed on 4 November. Please see section 3.10 (i) for further details. The cash limits will be reduced accordingly for future reports. The remaining £0.510m of the underspend will be transferred to the Public Health reserve in line with government guidelines, for use in future years.
- k) Within Strategic & Corporate Services a small underspend is now reported with pressures within the Contact Centre, Gateways & Customer Relationship and ICT being more than offset by underspending mainly within Property & Infrastructure, Communications & Consultation, Business Services Centre and Human Resources.
- l) Within Financing Items, increased interest on cash balances; a forecast increase in Education Services Grant as fewer schools are anticipated to convert to academy status this financial year than assumed at the time the budget was set; 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 £3.149m. 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 be able to calculate the magnitude of this retained levy until the precise membership of the business rate pool is agreed, which will not be known until December.
- m) The centrally held procurement and commissioning saving has been transferred from Finance & Procurement, within Strategic & Corporate Services (annex 6) to Financing Items (annex 7). The detailed action plan from our project partner (KPMG) on how this will be delivered has now been finalised. This contains a number of proposals for delivering these savings in future years, but for the current year the recommendation is that this be delivered from tactical savings across the authority. The impact of these savings is also currently being reported within Financing Items.

- n) Many of the pressures and savings highlighted in the headlines above have implications for the 2016-19 MTFP, as they are expected to be ongoing. The 2016-17 budget proposals which are currently out to consultation, include an element of budget re-basing for these pressures and savings but based on a point in time much earlier in the financial year, therefore further re-basing of the 2016-17 budget is required to align with the latest position. The net effect of this is likely to be in the region of a further £3m to £4m. The budget consultation shows a budget gap in 2016-17 of £7m before this additional re-basing, therefore this is expected to increase the budget gap to approximately £10m to £11m.

### 3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 4 shows that within the current forecast revenue position there is a requirement to roll forward £0.292m to 2016-17, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

▪ re-phasing of Kent Youth Employment programme in to 2016-17 (see annex 1)	+90 k
▪ re-phasing of Kent Children's Safeguarding Board in to 2016-17. This represents KCC's share of the underspend of the KCSB. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund (see annex 2)	+125 k
▪ re-phasing of Kent & Medway Safeguarding Vulnerable Adults Committee in to 2016-17. This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions is held in a Fund (see annex 3)	+77 k
	+292 k

These roll forward requirements are only included as we have a legal obligation. All the time that we are in a overspend position for the authority, roll forwards **will not** be considered unless legally we have no choice.

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

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2016-17. The Authority as a whole would need to achieve an underspending position at year end of at least -£1.577m in order to fund all of these (£1.285m as detailed below and +£0.292m per section 3.7 above). We are currently forecasting an overspend of £5.009m even after the anticipated delivery of £1.6m of management action, so we have a shortfall of £6.586m as highlighted in the headline table on page 5, which will need to be addressed before roll forward for these initiatives can be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+704 k
▪ Tackling Troubled Families (see annex 1)	+581 k
	+1,285 k

In line with usual practice, if an underspending position is achieved by the end of the financial year, **all** roll forward proposals will be subject to Cabinet approval in the summer, in view of the overall outturn position and the pressures facing the authority over the medium term.

### 3.9 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/divisions.

### 3.10 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 in the current year and, potentially, future years. 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 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 included:
  - (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.

The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service has identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels.

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

On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remains their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving will be implemented through a reduction to the fourth quarterly instalment of the PH grant. Annex 4 identifies the services we are proposing to reduce as a result of this in year grant cut and has been agreed in conjunction with the Cabinet Member for Adult Social Care & Public Health. **Cabinet is asked to agree** these proposals so that the cash limits can be reduced and reflected accordingly in future reports.

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 E&YP directorate forecast reflected in this report.

iii) **Youth Offending Service**

- The formal consultation regarding a 14% (£12m) in year government cut in Youth Offending Team grant from Youth Justice Board (YJB) concluded in September. We, and other local authorities, responded to YJB stating that an in year cut in grant would be too detrimental to the service and suggested that the reduction should be taken from the central YJB budget. The YJB met on 28 October to consider the consultation responses and to make a decision on how to achieve the reduction. On 5 November the YJB announced that £9m of the required reduction will need to be taken from the 2015-16 grant, which equates to a 10.6% reduction in the annual allocation. At the time of writing this report we have not yet been notified of the precise amount of our grant reduction but a 10.6% reduction equates to approximately a £0.139m reduction in our YJB funding. The Youth Offending Service are now considering options to manage this reduction and whether it will have any adverse impact on their current forecast outturn position.

#### 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2015-16 Capital Programme is £374.675m (£336.897m excluding PFI). The forecast outturn against this budget is £277.124m (£273.381m excluding PFI) giving a variance of -£97.551m (-£63.516m 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	2015-16 Cash Limit per Budget Book £'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	168,423	-41,133	54	-41,187	1
Social Care, Health & Wellbeing - Specialist Children's Services	902	1,959	-100	-	-100	2
Social Care, Health & Wellbeing - Adults	30,049	51,070	-40,138	-408	-39,730	3
Social Care, Health & Wellbeing - Public Health	-	360	-180	-	-180	4
Growth, Environment & Transport	101,707	125,205	-15,644	738	-16,382	5
Strategic & Corporate Services	20,582	27,658	-356	529	-885	6
Financing Items	-	-	-	-	-	7
<b>TOTAL</b>	<b>298,024</b>	<b>374,675</b>	<b>-97,551</b>	913	-98,464	

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

- a) The majority of schemes are within budget and on time.
- b) +£0.913m of the -£97.551m variance is due to **real** variances as follows:

Home Support Fund & Equipment (SCH&W Adults) -£0.341m. This reflects the lower than anticipated demand for telecare equipment resulting in a reduction in the anticipated revenue contribution to capital.

Highway Major Enhancement (GET) +£0.792m reflects in the main an additional footway scheme at Bank Street, Ashford (+£0.290k) and enhancement works at Star Lane, Thanet (+£0.500k), both to be funded by additional developer contributions.

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 +£0.064m 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) -£98.464m of the -£97.551m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Special School Review Phase 2 (EYP) -£20.963m. Rephasing following significant delays at the planning and contract execution stages of a number of complicated projects which has impacted on start dates.

Grammar School annex at Sevenoaks (EYP) -£9.177m. Works had halted pending the outcome of the Secretary of State decision. Following approval on 15th October 2015, contract documentation will now be worked through prior to any construction contract being agreed.

Basic Need Programme (EYP) -£7.600m. The curriculum analysis and pre-construction work for Secondary school expansions has taken considerable time which has resulted in a delay to design work and preparing planning applications. No delivery delays are expected.

Modernisation Programme (EYP) -£1.544m. A programme of works has now been finalised with some projects due to complete in the next financial year. The budget is being reprofiled accordingly.

Early Help Single System (EYP) -£1.100m. This project is now progressing following the outcome of the back office procurement decision with the original budget allocation being re-profiled to reflect the revised project plan.

Pupil Referral Units (EYP) -£0.803m. Projects have been halted whilst a review of the North West Kent premises is undertaken and works for West Kent PRU will now commence in April 2016 when new premises can be accessed.

PFI - Excellent Homes for All (SCH&W) -£34.035m. Unforeseen contamination of sites in the form of asbestos has impacted on the start of construction of the new buildings as the sites needed to be cleared and decontaminated.

OP Strategy - Specialist Care Facilities (SCH&W Adults) -£3.162m. The Accommodation Strategy has identified a need to incentivise the market in Swale and Sandwich alongside the consultation of the future of the KCC care homes in those areas. Market engagement has commenced in Swale and will commence on the Sandwich project in the next six months which will inform what capital investment is needed. However, a formal procurement exercise will be required for both projects. Therefore the budget is being rephased into 2016-17.

Care Act ICT Implementation (SCH&W Adults) -£1.312m. System reviews will start next month to ascertain what developments are required to support the Care Act implementation and changes to business processes. Extended Government deadlines have allowed more time to scope this project.

Learning Disability Good Day Programme - Community Hubs and Initiatives (SCH&W Adults) -£1.178m. The KCC Asset Management Strategy stipulates a requirement to review all KCC properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.

SELEP projects (GET):

Sittingbourne Town Centre Regeneration -£2.500m;  
M20 Junction 4 Eastern Over Bridge -£2.090m;  
Middle Deal Transport Improvements -£1.500m;  
A26 London Road/Staplehurst Road/Yew Tree Junction -£0.936m;  
Tonbridge Town Centre Regeneration -£0.670m;  
A28 Sturry Rural Integrated Transport Package -£0.519m;  
A28 Chart Road, Ashford -£0.380m;  
Kent Thameside LSTF -£0.310m;  
Rathmore Road Link -£0.294m;  
Kent Sustainable Intervention Programme for Growth -£0.106m; and  
Maidstone Gyratory Bypass: +£0.260m.

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.

LED Conversion (GET) -£2.400m rephasing as the tender invitation has been extended and therefore the start of works will not commence until the latter part of 2015-16.

Sittingbourne Northern Relief Road -£1.000m, East Kent Access Phase 2 -£0.799m and Rushenden Link Road -£0.542m (GET). Rephasing to cover land compensation payments in future years.

Empty Property Initiative (GET) -£1.268m rephasing to reflect realignment of the loan payment spend profile to match that of the expected loan repayments.

Integrated Transport Schemes (GET) -£0.674m reflects a scheme at the Bat & Ball junction, Sevenoaks which has been rephased to summer 2016-17 (-£0.250m) following other works being carried out by utility companies in the area this summer, plus rephasing across a number of other schemes within the programme.

No Use Empty Rented Affordable Homes Extension (GET) -£0.273m rephasing to reflect anticipated take up of loans in 2015-16.

Electronic Document Management Solution (S&CS) -£1.200m. Phase 1 has been delivered and completed. The project board has proposed the closure of the current project and to use the phase 1 assets and acquired knowledge to inform a re-scoped business requirement for a phase 2 EDMS delivery which will take place next financial year.

Property Investment & Acquisition Fund (S&CS) +£0.600m. A strategic acquisition approved in October will now complete in 2015-16.

The remaining -£0.989m 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	121.9	-46.4
Surplus on Trading Accounts	2.9	2.9	-
Schools Reserves *	54.0	47.2	-6.8

\* 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 £46.4m 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		-13.8
▪ Planned drawdown of Dedicated Schools Grant reserve		-4.0
▪ Planned drawdown of Kent Drug & Alcohol Service reserve		-3.9
▪ Planned drawdown of 2014-15 underspend from Public Health reserve		-2.1
▪ Forecast transfer to Public Health reserve of 2015-16 underspend (see annex 4)		+0.5
▪ Forecast transfer to (+ve) / from (-ve) Dedicated Schools Grant reserve (unbudgeted) (see annex 1)		+0.5
▪ Planned use of NHS Support for Social Care reserve		-0.7
▪ Forecast transfer to Insurance reserve (see annex 7)		+1.0
▪ Forecast transfer to Kingshill Smoothing reserve in respect of net profit distribution from partnership		+0.7
▪ Planned movement in IT Asset Maintenance reserve		-2.1
▪ Planned movement in Dilapidations reserve		-2.8
▪ Impact on rolling budget reserve of current forecast overspend		-5.0
▪ Other forecast movements in earmarked reserves		-4.3
		<b>-46.4</b>

6.3 The reduction of £6.8m in schools reserves is due to:		£m
▪ An assumed 12 schools converting to academy status this financial year and taking their accumulated reserves with them		-1.2
▪ The anticipated use of schools unallocated reserves to fund in year pressures on high needs education		-2.6
▪ The anticipated use of schools unallocated reserves to fund other in year schools related pressures		-3.0
		<b>-6.8</b>

## 7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 September 2015 compared to the numbers as at 31 March 2015 and 30 June 2015, based on active assignments. Between 31 March and 30 September 2015 there has been a reduction of 561.95 FTEs, of which 419.57 FTEs were in schools and 142.38 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to an academies.

		31 Mar 15	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	Difference	
							Number	%
KCC	Assignment count	37,285	37,123	36,055			-1,230	-3.30%
	Headcount (inc. CRSS)	31,437	31,310	30,555			-882	-2.81%
	Headcount (excl. CRSS)	27,933	27,770	27,134			-799	-2.86%
	<b>FTE</b>	<b>20,915.93</b>	<b>20,758.33</b>	<b>20,353.98</b>			<b>-561.95</b>	<b>-2.69%</b>
KCC - Non Schools	Assignment count	11,667	11,471	11,401			-266	-2.28%
	Headcount (inc. CRSS)	10,785	10,587	10,541			-244	-2.26%
	Headcount (excl. CRSS)	9,296	9,134	9,111			-185	-1.99%
	<b>FTE</b>	<b>7,972.64</b>	<b>7,832.07</b>	<b>7,830.26</b>			<b>-142.38</b>	<b>-1.79%</b>
E&YP	Assignment count	2,903	2,843	2,755			-148	-5.10%
	Headcount (inc. CRSS)	2,678	2,598	2,536			-142	-5.30%
	Headcount (excl. CRSS)	1,903	1,849	1,841			-62	-3.26%
	<b>FTE</b>	<b>1,573.20</b>	<b>1,536.07</b>	<b>1,547.05</b>			<b>-26.15</b>	<b>-1.66%</b>
SCH&W	Assignment count	4,638	4,590	4,648			10	0.22%
	Headcount (inc. CRSS)	4,256	4,221	4,270			14	0.33%
	Headcount (excl. CRSS)	4,056	4,028	4,069			13	0.32%
	<b>FTE</b>	<b>3,483.83</b>	<b>3,459.75</b>	<b>3,504.37</b>			<b>20.54</b>	<b>0.59%</b>
GET	Assignment count	2,370	2,354	2,349			-21	-0.89%
	Headcount (inc. CRSS)	2,163	2,152	2,144			-19	-0.88%
	Headcount (excl. CRSS)	1,626	1,617	1,597			-29	-1.78%
	<b>FTE</b>	<b>1,314.51</b>	<b>1,305.26</b>	<b>1,283.96</b>			<b>-30.55</b>	<b>-2.32%</b>
S&CS	Assignment count	1,756	1,684	1,649			-107	-6.09%
	Headcount (inc. CRSS)	1,746	1,674	1,639			-107	-6.13%
	Headcount (excl. CRSS)	1,720	1,649	1,612			-108	-6.28%
	<b>FTE</b>	<b>1,601.10</b>	<b>1,530.99</b>	<b>1,494.88</b>			<b>-106.22</b>	<b>-6.63%</b>
Schools	Assignment count	25,618	25,652	24,654			-964	-3.76%
	Headcount (inc. CRSS)	20,718	20,785	20,065			-653	-3.15%
	Headcount (excl. CRSS)	18,667	18,665	18,047			-620	-3.32%
	<b>FTE</b>	<b>12,943.29</b>	<b>12,926.26</b>	<b>12,523.72</b>			<b>-419.57</b>	<b>-3.24%</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, after taking into account the requirements to roll forward, has reduced by -£8.168m from +£16.354m to +£8.186m since the July monitoring position provided to Cabinet in October. Management action of £1.6m is proposed, which is expected to reduce this position to +£6.586m, a reduction of £6.372m since the last report. Within this position is a -£4.338m reduction in the Asylum forecast reflecting the net impact of the further increase in migrant activity up to the end of September (+£0.739m) and the latest grant offer from the Home Office estimated at an additional £5.077m. Migrant activity was slightly higher in October than our assumptions contained within this forecast but, at the time of writing this report, activity has slowed for the first few days of November, so we appear to be remaining on track against our latest forecast. Excluding Asylum, the position for all other services has therefore improved this month by £2.034m, which is encouraging. However, a £6.586m forecast pressure, £4.349m excluding Asylum, is still a very real cause for concern especially as:
- i) the delivery of the £1.6m management action is by no means certain,
  - ii) we may still have not reached the peak of our adult social care forecast, as the pressure on domiciliary care and supported living has consistently increased month on month throughout this financial year.
- 8.2 Although it is not unusual for the early forecasts in the financial year to be on the pessimistic side, usually by the Quarter 2 monitoring report the position has improved significantly. Although our position this year, excluding Asylum and roll forward issues, has improved by £4.4m since the initial forecast for the year presented to Cabinet in July, the scale of improvement is not as high as we would have hoped, and we have not had a forecast residual pressure (including Asylum) of this magnitude (£6.586m) at this point in the year in, at least, any of the last 21 years. This all therefore paints a 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. By the time Cabinet considers this report we only have four months left of the financial year in which to turn this position around. Corporate Directors have urged their Directorate Management Teams to limit spend wherever possible. Managers have, and will continue to be, posted on KNet. We have, so far, resisted any moratorium on specific activity, but this will be kept under constant review.
- 8.3 If we do not resolve this residual £6.586m underlying pressure before the year end, then roll forward to continue with the re-phasing of the Kent Youth Employment Programme and the Troubled Families Programme in to 2016-17, as identified in section 3.8, may not be possible.
- 8.4 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 reduction in the Public Health cash limits as identified in annex 4, in response to the in-year government funding cut confirmed on 4 November.
- ii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 3.

## 10. BACKGROUND DOCUMENTS

None

## 11. CONTACT DETAILS

Report Authors:

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

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

Director:

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

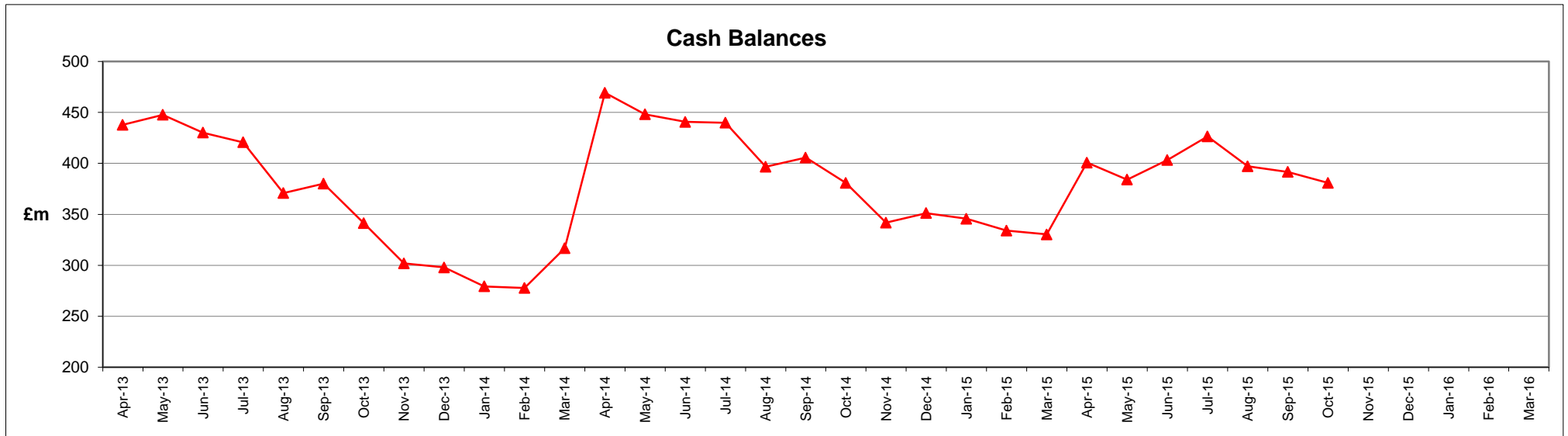
## FINANCIAL HEALTH INDICATORS

### 1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£7.353m), balances of schools in the corporate scheme (£53.3m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Central Government Departments (particularly DCLG) 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	397.2	391.7	380.8					



2. LONG TERM MATURITY

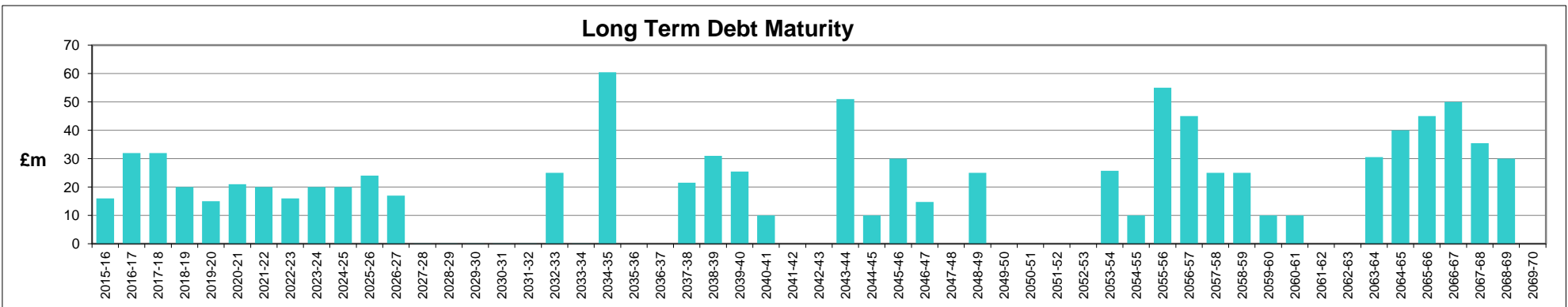
The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £39.09m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) 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 was repaid in August and £15m is to be repaid in February), and £2.001m of equal instalment of principal loans (mainly relating to £1m which was repaid in September and £1m is to be repaid in March). Following the repayment of debt in August and September, the remaining outstanding debt still to be repaid this financial year is £16m.

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	16.000	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>994.079</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 has reduced each month. From September, the remaining BCF debt has been moved onto a payment plan and therefore will only show in the table below if a monthly instalment is not received on time.

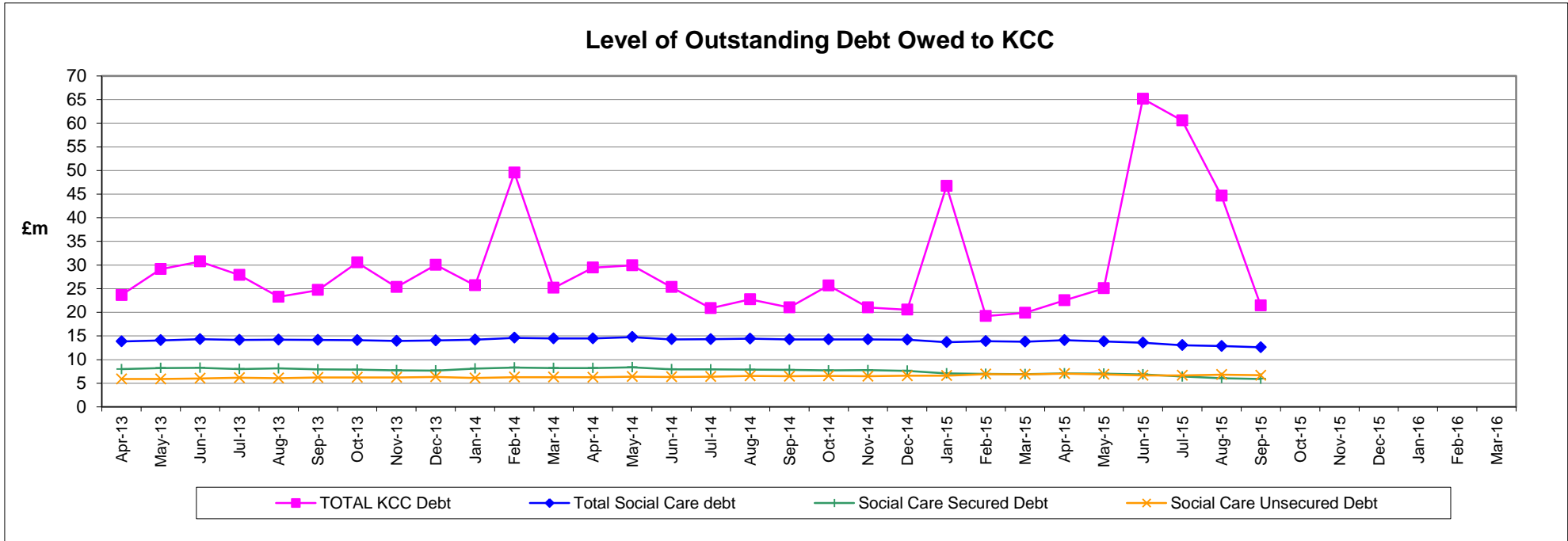
	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	SCH&W Sundry Debt £m	TOTAL SCH&W Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 14	8.220	6.270	14.490	8.884	<b>23.374</b>	6.060	<b>29.434</b>
May 14	8.353	6.402	14.755	8.899	<b>23.654</b>	6.276	<b>29.930</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	6.075	6.791	12.866	* 28.648	<b>41.514</b>	3.115	<b>44.629</b>
Sep 15	5.913	6.684	12.597	4.794	<b>17.391</b>	4.022	<b>21.413</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

\* incl. BCF debt of £25.006m

From Sept 15, the remaining BCF debt has been moved onto a payment plan and will only show in these figures if a monthly instalment is not received on time.



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

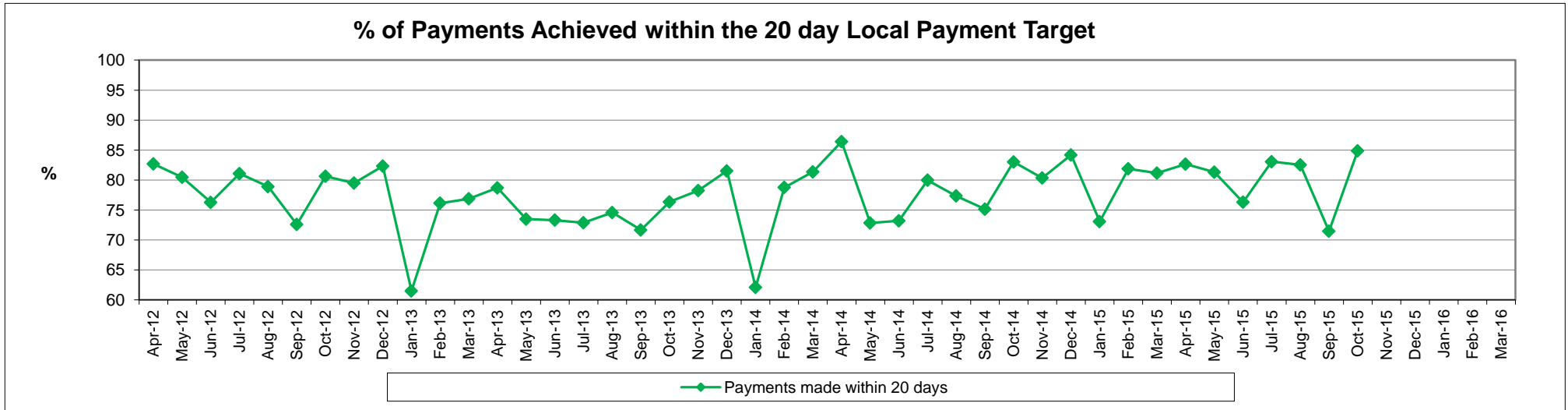
The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions. 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	71.5
Oct	80.6	76.4	83.0	84.9
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 80.3%. This compares to overall performance in previous years as follows:

	<b>20 days</b>
	%
2012-13	77.3
2013-14	75.3
2014-15	79.2
2015-16 to date	80.3

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

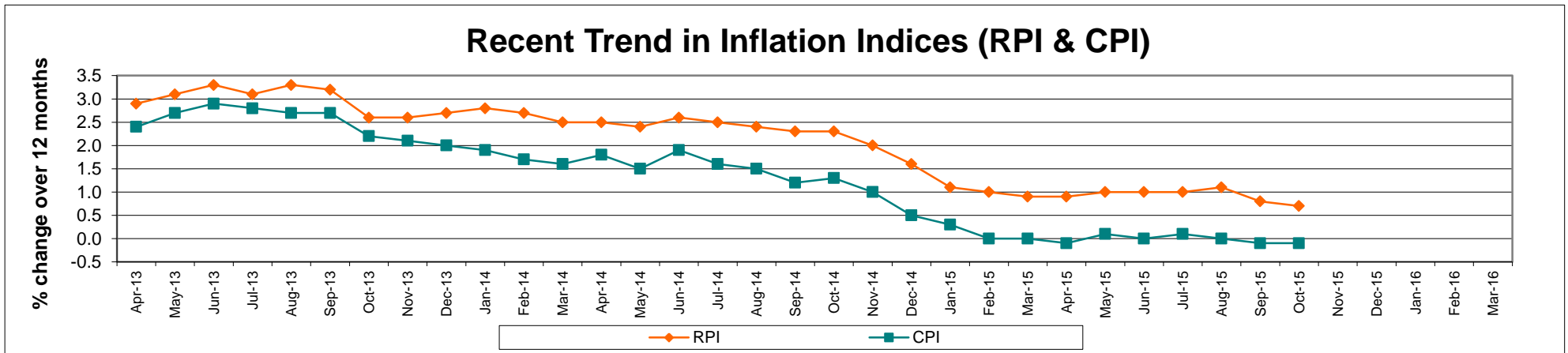


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments, 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	1.1	0.0
Sep	3.2	2.7	2.3	1.2	0.8	-0.1
Oct	2.6	2.2	2.3	1.3	0.7	-0.1
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 2 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	£277.815m

**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 30-09-15	Forecast as at 30-09-15	Forecast as at 30-09-15
	£m	£m	£m	£m	£m
Capital Financing requirement	1,382.856	1,382.620	1,374.698	1,347.369	1,306.975
Annual increase/reduction in underlying need to borrow	-52.407	-9.053	-8.158	-27.329	-40.394

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	13.71%

**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 30.09.15
	£m	£m
Borrowing	983	955
Other Long Term Liabilities	254	248
	<u>1,237</u>	<u>1,203</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 30.09.15
	£m	£m
Borrowing	1,024	994
Other Long Term Liabilities	254	248
	<u>1,278</u>	<u>1,242</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 30.09.15	Authorised limit for total debt managed by KCC	Position as at 30.09.15
	£m	£m	£m	£m
Borrowing	1,023	955	1,064	994
Other long term liabilities	254	248	254	248
	<u>1,277</u>	<u>1,203</u>	<u>1,318</u>	<u>1,242</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 30.09.15
	%	%	%
Upper 12 months	10	0	1.61
12 months and within 24 months	10	0	3.22
24 months and within 5 years	15	0	6.74
5 years and within 10 years	15	0	9.76
10 years and within 20 years	20	5	12.72
20 years and within 30 years	20	5	14.99
30 years and within 40 years	25	10	10.61
40 years and within 50 years	25	10	24.20
50 years and within 60 years	30	10	16.15

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

Indicator	£175m
Actual	£126m

**2015-16 QUARTER 2 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	Dartford Library Plus	120			Developer Contributions	Banked contributions to replace virement of prudential to Swanley Gateway
S&CS	Swanley Gateway	4			Other External Funding	
<b>Cash limit change due to virement of funding between projects:</b>						
S&CS	Swanley Gateway	120			Prudential	Virement from Dartford Library Plus.
GET	Dartford Library Plus	-120			Prudential	Virement to Swanley Gateway.

**EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
<b>Total (excl Schools) (£k)</b>	+72,135	-184	-500	-684	+90	+1,285	+691
<b>Schools (£k)</b>	-	+6,758	-	+6,758	-	-	+6,758
<b>Directorate Total (£k)</b>	<b>+72,135</b>	<b>+6,574</b>	<b>-500</b>	<b>+6,074</b>	<b>+90</b>	<b>+1,285</b>	<b>+7,449</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
<b>Education &amp; Young People's Services</b>							
<b>Delegated Budget:</b>							
Schools & Pupil Referral Units Delegated Budgets	674,374.7	-674,374.7	0.0	+6,758	+1,188	Drawdown from school reserves for 12 expected academy converters	
					+2,958	Expected drawdown from the schools unallocated reserve to fund other in year schools related pressures	
					+2,612	Expected drawdown from the schools unallocated reserve to fund in year High Needs pressures	
<b>TOTAL DELEGATED</b>	<b>674,374.7</b>	<b>-674,374.7</b>	<b>0.0</b>	<b>+6,758</b>			
<b>Non Delegated Budget:</b>							
E&YP Strategic Management & directorate support budgets	9,772.8	-8,679.2	1,093.6	+268	+264	Pressure on the Information and Intelligence team including £220k of costs associated with the new Early Help Module ( <i>includes a DSG variance of +£92k</i> )	The Early Help Module pressure is expected to be ongoing and will be reflected in the 2016-19 MTFP
					+239	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 +£220k</i> )	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					-211	Underspend on legal fees	Part of this saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
					-24	Other minor variances	
<u>Children's Services - Early Help</u>							
- Children's Centres	8,389.1	-2,076.5	6,312.6	+2	+129	Underachievement of savings on commissioned contracts due to only a part year effect being delivered in 2015-16 and the percentage saving applied being lower than anticipated	
					-127	Other minor variances across a number of centres, all less than £100k in value	
- Early Intervention & Prevention	20,447.9	-5,353.1	15,094.8	-553	-673	Underspend across area and district EH&PS teams, mainly due to staffing vacancies and staff budgeted to be at mid point of scale but appointed at the bottom of scale <i>(includes a DSG variance of -£206k)</i>	
					+150	Refurbishment costs for Youth Centres including Whitstable and Tunbridge Wells	
					+125	ICT costs for wireless routers, cabling etc in Children's Centres	
					-187	Net savings on commissioned services <i>(includes a DSG variance of -£11k)</i>	
					+32	Other minor variances	
	28,837.0	-7,429.6	21,407.4	-551			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Children's Services - Education &amp; Personal</b>						
- 14 - 24 year olds	2,986.0	-941.0	2,045.0	-794	-794	Kent Youth Employment programme placements; £90k of this underspend will need to be rolled forward to fund our legal obligation to continue with the current placements. If required, the remaining £704k of the underspend could be used to help with achieving an overall balanced outturn position for the authority as a whole, but this would mean that no further placements can be made.
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	-248	-116	Staff savings due to vacancies and staff budgeted at mid point of scale but appointed at the bottom of scale <i>(includes a DSG variance of -£106k)</i> -95 DSG variance - underspend on individual tuition due to staff vacancies and fewer tutors being used -37 Other minor underspends
- Early Years & Childcare	6,369.7	-4,939.8	1,429.9	+469	+316	Shortfall in the budgeted surplus for the 3 nursery provisions  +297 Under recovery of Early Years Training income -211 Underspend on Sufficiency and Sustainability staff <i>(includes a DSG variance of -£181k)</i> +67 Other minor variances
- Early Years Education	56,493.0	-56,493.0	0.0	0		A management action plan has been put in place to improve the premises through building renovation work, alongside a marketing campaign, which should increase the level of income in 2016-17.
- Education Psychology Service	2,966.8	-675.0	2,291.8	-179	-147	Increased income for non statutory psychology traded services  -32 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	
- Individual Learner Support	7,151.5	-6,671.4	480.1	+25		
- Statemented Pupils	4,809.8	-4,809.8	0.0	-453	<p><i>-245 DSG variance - reduced therapy statemented support costs</i></p> <p><i>-192 DSG variance - recoupment income received for other local authority pupils in Kent schools</i></p> <p><i>-173 DSG variance - reduction in general statemented support costs</i></p> <p><i>-125 DSG variance - an increase in places in SEN provision has led to a reduction in Individual Tuition costs</i></p> <p><i>+300 DSG variance - increase in Severe Complex Accessibility Funding agreements for 2 year old nursery pupils</i></p> <p><i>-18 DSG variance - Other minor variances</i></p>	
- Youth Service	2,962.2	-1,726.2	1,236.0	+59	<p>+77 Net shortfall in the budgeted surplus for the outdoor education sites. A marketing campaign for Bewl and Kent Mountain Centre may help to improve this position. The previously reported shortfall associated with the change of use of the Appledore Unit at the Swattenden Centre to a reception centre for unaccompanied asylum seeking children, is now being fully reimbursed from the Asylum service.</p> <p>-18 Other minor variances</p>	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Youth Offending Service	2,202.7	-1,771.1	431.6	+340	+329 Staffing pressure, due partly to staff being budgeted at mid point of scale but existing staff are being paid above this, and partly as staffing levels have not reduced in line with reduced income streams. This position could deteriorate further once the full implications of the recently announced in year Youth Justice Board grant reduction have been assessed	
					+11 Other minor variances	
	88,529.6	-80,476.6	8,053.0	-781		
<u>Children's Services -Other Children's Services</u>						
- Safeguarding	512.1	-150.0	362.1	-68		
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,826.4	-15,366.1	-1,539.7	+731	+632 Pressure due to costs associated with the service redesign, a reduction in contract income with no corresponding reduction in costs and a requirement to fund the 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.	
					-1 Other minor variances	
- Supporting Employment	806.6	-335.0	471.6	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Troubled Families Programme	4,783.2	-2,514.9	2,268.3	-581	-581	Underspend due to projects supporting families spanning financial years. In addition, due to the payment by results element of the programme, the grant has increased in year but the projects associated with this increase do not begin until the income is received. If the directorate and the authority as a whole achieve an underspending position sufficient to allow it, roll forward of this £581k will be requested in order to continue supporting families, in 2016-17, as part of the Tackling Troubled Families government initiative.
	19,416.2	-18,216.0	1,200.2	+150		
<b>School &amp; High Needs Education Budgets</b>						
- Exclusion Services	2,495.4	-2,495.4	0.0	0		
- High Needs Further Education Colleges - Post 16 year olds	2,338.0	-2,338.0	0.0	+673	+673	<i>Schools unallocated DSG variance - increased costs of high needs placements for post 16 students in colleges</i>
- High Needs Independent Sector Providers - Post 16 year olds	4,591.0	-4,591.0	0.0	-590	-590	<i>Schools unallocated DSG variance - reduction in costs of independent sector placements for post 16 students</i>
- High Needs Independent Special School placements	19,650.4	-19,650.4	0.0	+2,781	+2,781	<i>Schools unallocated DSG variance - increase in costs of independent special school places</i>
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0		
	52,884.8	-52,884.8	0.0	+2,864		
<b>Schools Services:</b>						
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	-252	+281	<i>Schools unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools</i>

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					-533	<i>Schools unallocated DSG variance - additional income from other local authorities with pupils in Kent schools</i>	<i>This saving is expected to be ongoing and will be included as part of the 2016-17 budget setting process</i>
- Other Schools Services	6,779.3	-6,885.5	-106.2	+415	+306	<i>DSG variance - Pressure on budget for mobile classrooms to fulfil basic need</i>	
					+137	Work in excess of capital maintenance funding on school premises including for asbestos, planned maintenance and tree surveys	
					-28	Other minor variances	
- Redundancy Costs	1,188.7	-1,188.7	0.0	0			
- School Improvement	8,909.1	-6,108.6	2,800.5	+222	+443	Shortfall in budgeted income targets for teams across the units	
					+108	Increased costs of moderation training and school visits	
					-224	Net underspend on advisor vacancies partially offset by the costs of consultants covering some of the vacant posts	
					-73	Support team staff vacancies	
					-32	Other minor variances	
- Schools Staff Services	2,617.6	-2,514.6	103.0	-18			
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	-917	-917	Reduced annual capitalisation costs	Part of this saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
	29,411.0	-20,881.4	8,529.6	-550			
<u>Transport Services</u>							
- Home to School/College Transport (SEN)	21,599.5	-900.0	20,699.5	+1,425	+1,384	Higher than budgeted numbers of pupils travelling	This pressure is expected to be ongoing and will be reflected in the 2016-19 MTFP
					+111	Lower than budgeted recoupment income from other local authorities	
					-70	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Mainstream HTST	8,795.0	-50.0	8,745.0	-868	-868	Fewer than budgeted numbers of pupils travelling	This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	-10			
	33,846.9	-3,525.0	30,321.9	+547			
<b>Assessment Services</b>							
- Assessment & Support of Children with Special Education Needs	8,503.1	-7,336.0	1,167.1	+89	+107	<i>DSG variance - additional Occupational Therapy and Communication equipment</i>	
					-103	Underspend on general non staffing costs to offset the pressure on Occupational Therapy and Communication equipment ( <i>includes a DSG variance of -£92k</i> )	
					+85	Other minor variances	
	8,503.1	-7,336.0	1,167.1	+89			
<b>TOTAL NON DELEGATED</b>	<b>271,713.5</b>	<b>-199,578.6</b>	<b>72,134.9</b>	<b>+1,968</b>			
- <i>Transfer to(+)/from(-) DSG reserve</i>				<i>-2,152</i>		<i>Net transfer to the Central DSG reserve to offset:</i>	
					+419	<i>DSG variances of -£419k explained above</i>	
					+41	<i>A number of other smaller DSG variances totalling -£41k</i>	
						<i>Net transfer from the Schools Unallocated DSG reserve to offset:</i>	
					-2,612	<i>DSG variances of +£2,612k on High Needs Education &amp; recoupment and Early Years</i>	
<b>TOTAL NON DELEGATED after tfr to/from DSG reserve</b>	<b>271,713.5</b>	<b>-199,578.6</b>	<b>72,134.9</b>	<b>-184</b>			
<b>Total E&amp;YPS</b>	<b>946,088.2</b>	<b>-873,953.3</b>	<b>72,134.9</b>	<b>+6,574</b>			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Assumed Mgmt Action</b>				-500	<p>Whilst the forecast at this stage is an underspend of £184k (excl. schools) and the £500k management action identified to date is expected to increase this underspend to £684k, roll forward of £90k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £704k underspend against this programme and £581k against the Troubled Families Programme is required for these schemes to continue into 2016-17. To enable this an underspending position of £1,375k for the directorate will need to be achieved, as well as an underspending position for the overall authority as a whole. The directorate is therefore now looking at options to cover the remaining £691k required to achieve this position and is committed to achieving this by the end of the financial year.</p> <p>Despite the improvements seen to the forecast within Early Help and Preventative Services, the Directorate remains committed to identifying management action which it estimates will deliver savings in the region of £500k. It believes that some of this will come from maximising trading income from schools and academies through aggressive marketing campaigns as well as reviewing all discretionary non staffing expenditure.</p> <p>The Directorate continues to look for further management action (in addition to the £500k) with a view to delivering a balanced budget by year end, after roll forward requirements.</p>	
<b>Total E&amp;YPS Forecast <u>after</u> mgmt action</b>	<b>946,088.2</b>	<b>-873,953.3</b>	<b>72,134.9</b>	<b>+6,074</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	projection for 31-3-16
Total number of schools	463	449	412	396
Total value of school reserves	£48,124k	£45,730k	£54,009k	£47,251k
Number of deficit schools	8	18	8	10
Total value of deficits	£364k	£2,017k	£2,650k	£1,372k

#### Comments:

- The information on deficit schools for 2015-16 has been obtained from the schools 3 year plans completed in summer 2015 and show 10 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 10 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 12 primary schools will convert to academies before the 31st March 2016 and 4 schools are closing.
- The value of schools reserves is forecast to reduce by £6,758k this financial year. This movement includes a reduction in the schools unallocated reserve to fund both a pressure on the high needs education budgets of £2,612k and other schools related items of £2,958k, and an estimated drawdown of £1,188k assumes 12 schools convert to academy status this financial year. The value of school reserves are very difficult to predict at this early stage and further updates will be provided in future monitoring reports when we have reviewed 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	3,913	9,866	9,505
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	3,599	9,866	6,576
Oct	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123	3,752	3,847	9,866	7,422
Nov	3,934	4,010	14,667	11,267	3,808	3,826	12,493	9,237	3,752		9,866	0
Dec	3,934	4,021	14,667	11,296	3,808	3,816	12,493	9,220	3,752		9,866	0
Jan	3,934	4,037	14,667	11,314	3,808	3,853	12,493	9,258	3,752		9,866	0
Feb	3,934	4,086	14,667	11,368	3,808	3,885	12,493	9,357	3,752		9,866	0
Mar	3,934	4,041	14,667	11,375	3,808	3,899	12,493	9,388	3,752		9,866	0

Comments:

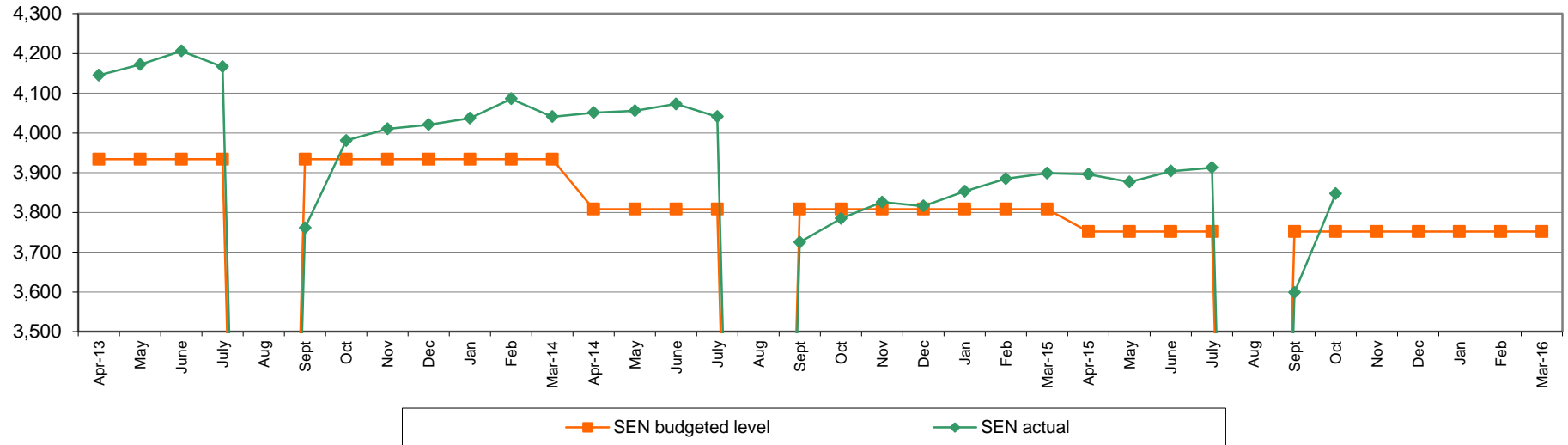
#### SEN HTST

- Apart from in September, the number of children travelling is higher than the budgeted level. 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 +£1,384k is therefore reported in table 1, which is offset by minor underspends totalling -£70k on SEN college transport and personal transport budgets. There is also an additional pressure of £111k due to anticipated lower than budgeted recoupment income from other local authorities for the transport of their pupils to Kent schools.
- Changes in the commissioning of SEN transport during 2014-15, where some special schools and PRUs are given an allocation to provide their own transport, mean that since September 2014 these journeys are not included within the budgeted levels or the actual numbers travelling.

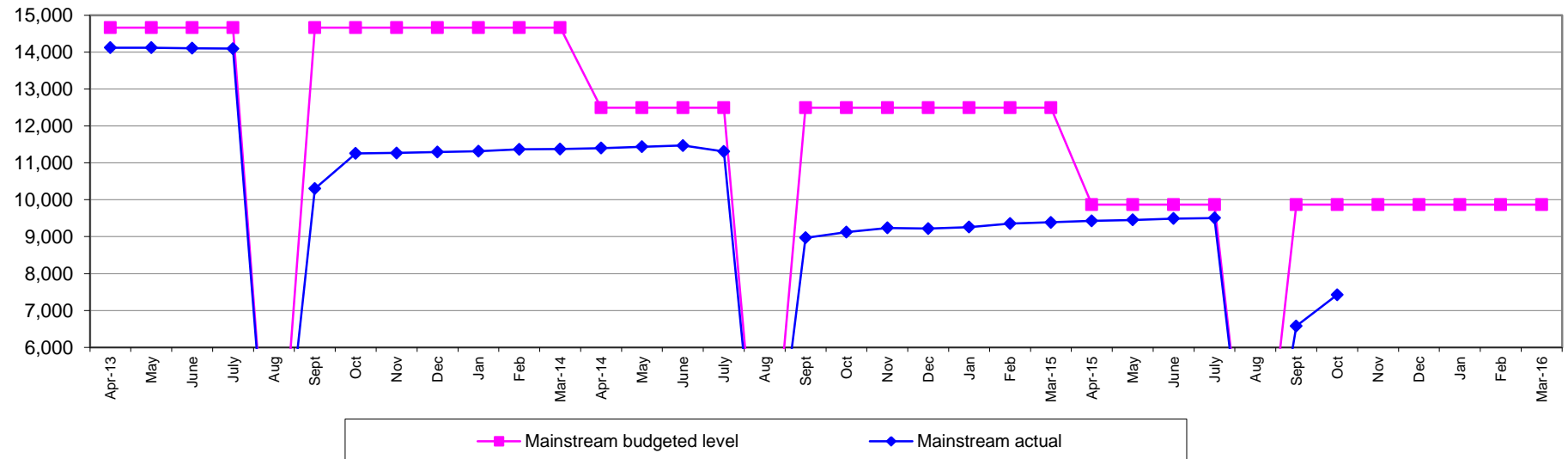
#### Mainstream HTST

- The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£868k is reported in table 1. As expected, the number of children requiring transport has reduced 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



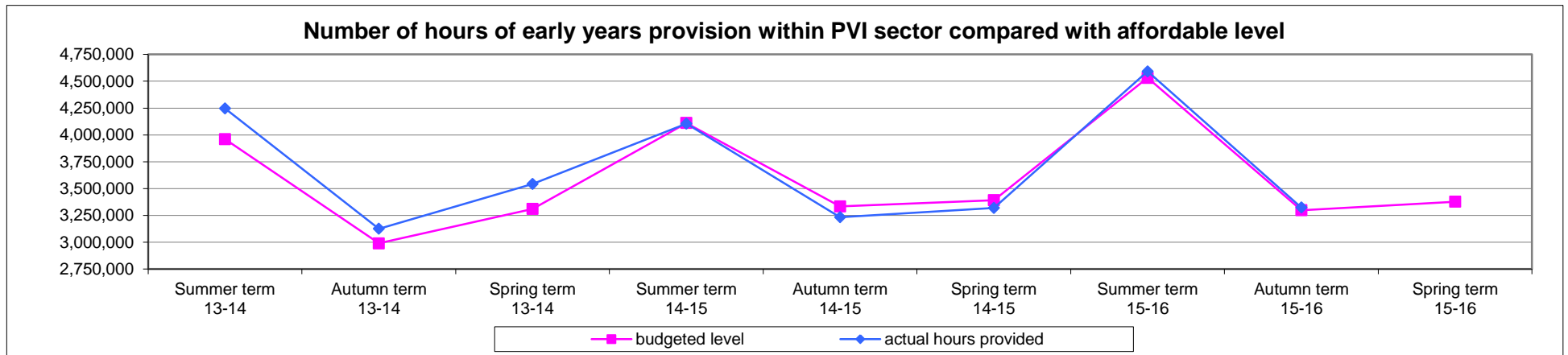
Number of children receiving assisted Mainstream transport to school



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	4,531,281	4,591,985
Autumn term	2,990,107	3,126,084	3,333,465	3,234,394	3,297,864	3,323,168
Spring term	3,310,417	3,543,567	3,392,138	3,320,479	3,378,367	
<b>TOTAL</b>	<b>10,261,679</b>	<b>10,917,112</b>	<b>10,836,179</b>	<b>10,659,449</b>	<b>11,207,512</b>	<b>7,915,153</b>

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



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks. The forecast number of hours of early years provision for 3 & 4 year olds is 11,238,724 which is 31,212 hours more than budgeted.
- The affordable number of hours was uplifted in the July monitoring report, presented to Cabinet in October, as a result of an increase in Dedicated Schools Grant to reflect the January 2015 pupil numbers. Although actual hours provided are more than budgeted, the Dedicated Schools Grant will be uplifted before the end of the financial year to reflect January 2016 pupil numbers and therefore no overspend is currently forecast for this service. 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 £168,423k . The forecast outturn against the 2015-16 budget is £127,290k giving a variance of -£41,133k.

3.2 **Table 2** below details the Education and Young People's 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>									
Annual Planned Enhancement Programme	9,000	13,656	0	0			Green		
Pupil Referral Units	1,209	1,627	-803	-803	Rephasing	A review of premises occupied in North West Kent, with a view to rationalise, has halted projects. Works for West Kent PRU cannot commence until April 2016 when new premises can be accessed.	Amber		
Youth - Modernisation of Assets	0	23	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>Individual Projects</b>									
<b>Basic Need Schemes - to provide additional pupil places:</b>									
Basic Need Programme	61,767	68,745	-7,600	-7,600		The curriculum analysis and pre-construction work for Secondary school expansions has taken considerable time which has resulted in a delay to design work and preparing planning applications. No delivery delays are expected.	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		
<b>Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:</b>									

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
Modernisation Programme - Future Years	2,000	3,479	-1,544	-1,544	Rephasing	A programme of works has now been finalised and the budget is being reprofiled accordingly.	Amber	Some projects will complete in the next financial year.	
St Johns / Kingsmead Primary School, Canterbury	0	70	0	0			Amber	A £650k payment due from Canterbury Diocese as part of the contract is overdue.	
<b>Special Schools Review</b> - major projects supporting the special schools									
Special Schools Review phase 1	0	628	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
Special Schools Review phase 2	47,200	49,540	-20,963	-20,963	Rephasing	<p>The Foreland School has experienced delays in contract execution which has impacted on commencement of works. Both Ridge View and Portal House are still at Planning Stage. Ridge View has experienced significant delays due to planning issues at the original site, an alternative has now been found. Following objections to planning permission for Portal House, a review and redesign has been necessary. Enabling works are underway and a revised planning application has now been submitted.</p> <p>Five Acre Wood has also experienced significant delays at Planning stage, Planning approval has now been given and work will commence on the school following completion of the farm works.</p>	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		
Skinner's Academy	0	140	0	0			Green		
Spires Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
John Wallis	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Wilmington Enterprise College	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
The Knole Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
Duke of York Academy	0	0	0	0			Green	Project complete except for clearance of remaining creditors.	
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		

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>Other Projects:</b>									
Primary Improvement Programme	0	4	0	0			Green		
Canterbury Family Centre	0	4	-4	-4	Real - Prudential		Green	Project Complete	
Integrated Youth Service - Youth Hub Reprovision	0	713	0	0			Green	Project complete 9 October 2015.	
Nursery Provision for Two Year Olds	0	637	0	0			Green		
One-off Schools Revenue to Capital	0	40	23	23	Real - Revenue		Green		
Platt CEPS	0	85	0	0			Green		
Grammar School annex at Sevenoaks	10,000	9,677	-9,177	-9,177	Rephasing	Works had halted pending the outcome of the Secretary of State decision. Following approval, contract documentation will now be worked through prior to any construction contract being agreed.	Amber	The Grammar School annex at Sevenoaks was approved by the Secretary of State for Education on 15 October 2015.	

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
Trinity Free School, Sevenoaks	7,000	11,898					Green		
Early Help Single System	1,800	1,800	-1,100	-1,100	Rephasing	This project is now progressing following the outcome of the back office procurement decision.	Green	£908k rephasing has previously been reported.	
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>168,423</b>	<b>-41,133</b>	<b>-41,133</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**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
<b>Total excl Asylum (£k)</b>	+133,046	-360	-	-360	+125	-	-235
<b>Asylum (£k)</b>	+280	+2,237	-	+2,237	-	-	+2,237
<b>Total (£k)</b>	<b>+133,326</b>	<b>+1,877</b>	-	<b>+1,877</b>	<b>+125</b>	-	<b>+2,002</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/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	-503	-118	Lower than anticipated spend in the Access to Resource Team, the Central Support Team and the Management Information Unit, principally due to vacancy management	
					-326	Appropriate recharge of overheads to the Asylum Service.	
					-59	Other minor variances	
<b>Children's Services - Children in Care (Looked After)</b>							
- Fostering - In house service	24,165.6	-252.2	23,913.4	+44	+376	Forecast +1,004 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
					+191	Forecast average unit cost +£3.63 above affordable level of £371.10	
					-165	Lower than anticipated costs in the County Fostering Team relating primarily to recruitment and training costs, including lower use of specialists	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-188 Higher than anticipated income from recharges to the Asylum Service owing to greater Asylum activity -170 Other minor variances each below £100k, such as lower than anticipated spend on Fostering Related Payments (-£88k)	
- Fostering - Commissioned from Fostering Agencies	8,184.3	0.0	8,184.3	-154	-232 Forecast -247 weeks below affordable level of 8,812 weeks +107 Forecast average unit cost +£12.17 above affordable level of £925.36 -29 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Legal Charges	6,769.0	0.0	6,769.0	+50		
- Residential Children's Services - in house services (short breaks units)	3,227.4	-682.4	2,545.0	-63		
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	-203	-777 Forecast -233 weeks below affordable level of 2,660 weeks, partially due to young people becoming care leavers (see care leavers below) +684 Forecast average unit cost +£256.98 above affordable level of £3,079.85 +310 Children with a Disability: Forecast +113 weeks above affordable level of 1,489 weeks -340 Children with a Disability: Forecast average unit cost -£228.67 below affordable level of £2,968.70 +264 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 -44 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed 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	£'000		
- Virtual School Kent	4,863.0	-3,430.6	1,432.4	-104	-104	Minor variances each below £100k	
	60,835.2	-6,932.9	53,902.3	-430			
<b>Children's Services - Children in Need</b>							
- Family Support Services	10,944.5	-1,660.0	9,284.5	+315	+241	Informal Arrangements: Following the rates and charges reviews the majority of Informal Arrangements were expected to become Child Arrangement Orders, the budget for which is within the "Adoption & other permanent care arrangements" A-Z service line below. However, the rates and charges reviews of these current informal arrangements have only recently been completed resulting in higher than expected costs for Informal Arrangements and a compensating lower than expected cost for Child Arrangement Orders (see "Adoption & other permanent care arrangements" below).	
					+74	Other minor variances	
<b>Children's Services - Other Social Services</b>							
- Adoption & other permanent care arrangements	12,908.8	-104.0	12,804.8	-472	+523	Guardianship: Primarily due to the full year effect of an increase in Special Guardianship Orders (SGOs) in the previous year. In addition, finalising the rates and charges review in 2015-16, has increased the number of SGOs. (Part of the remit of the Rates & Charges reviews is to establish the type of legal arrangement in place and re-categorise accordingly)	
					-495	County Adoption Team: fewer adoption arrangements are being made due to fewer children requiring this permanent care arrangement, so current vacancies are being managed	

					-107	Adoption Allowances underspend due to fewer adoptions arrangements being made which require financial support	
					-152	Child Arrangement Orders: As a result of the Rates and Charges Review, most continuing services were expected to become Child Arrangement Orders, so the cash limit was held on this A-Z service line, awaiting further information. This underspend partly offsets increases in Guardianship, which has been one of the outcomes of the Rates and Charges Review.	
					-241	Child Arrangement Orders: offsets the pressure relating to Informal Arrangements within the "Family Support Services" A-Z service line above.	
- Asylum Seekers	19,619.1	-19,339.1	280.0	+2,237	+211	Pressure relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs being greater than grant receivable and due to ineligibility.	Negotiations continue with Central Government regarding rates for increased numbers of Unaccompanied Asylum Seeking Children and the additional costs incurred by KCC. National dispersal of some young people to other local authorities is mitigating part of the current pressure on this service. Current increased migrant activity levels are likely to produce an additional pressure in future years as more young people reach age 18.
					+223	Fitting out costs of new temporary reception centre. We are seeking to recoup these costs from Central Government.	
					+1,803	Pressure mainly relating to ineligible over 18's (of which £342k relates to direct costs for All Rights Exhausted (ARE) clients), together with a pressure on eligible over 18's due to costs exceeding grant receivable (see activity section 2.6 below), including infrastructure costs.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Care Leavers	6,657.1	-2,105.4	4,551.7	+107	+253 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. +99 Higher than anticipated staffing and related costs -164 Lower than anticipated costs on Supported Lodging provision contract -81 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Safeguarding	5,628.3	-812.9	4,815.4	-248	-125 KCC's share of re-phasing into 2016-17 of Kent Safeguarding Children Board funding. This will be required to roll forward to meet our obligation to the board under the terms of the multi-agency agreement. -123 Other minor variances each below £100k, including underspending as a result of staff being appointed at below the budget assumption of mid-point point of grade.	
	44,813.3	-22,361.4	22,451.9	+1,624		
<u>Assessment Services</u>						
- Children's social care staffing	46,410.7	-3,886.3	42,524.4	+871	+3,555 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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -2,617 Higher than expected recharged costs to Asylum service for social care staffing (offsetting part of the above staff costs) due to increased activity +170 Establishment of additional Adolescent Support Team posts targeted at increasing the proportion of young people re-united with their families within early weeks of care. +189 Pressure on staffing budgets for Disability teams due to appointment of agency staff as a result of difficulties in recruiting to salaried posts -148 Lower other non-staffing spend in Disability teams predominately due to lower than anticipated staff travel costs -100 Additional income relating to Occupational Therapy equipment for 2014-15, for which no debtor was raised in the 2014-15 accounts -178 Other minor variances each below £100k, including costs and income for Non-Disability teams and Children's Equipment	
<b>Total SCH&amp;W (SCS)</b>	<b>168,424.6</b>	<b>-35,098.5</b>	<b>133,326.1</b>	<b>+1,877</b>		
<b>Assumed Mgmt Action</b>						
<b>Total SCH&amp;W (SCS) Forecast after mgmt action</b>	<b>168,424.6</b>	<b>-35,098.5</b>	<b>133,326.1</b>	<b>+1,877</b>		

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

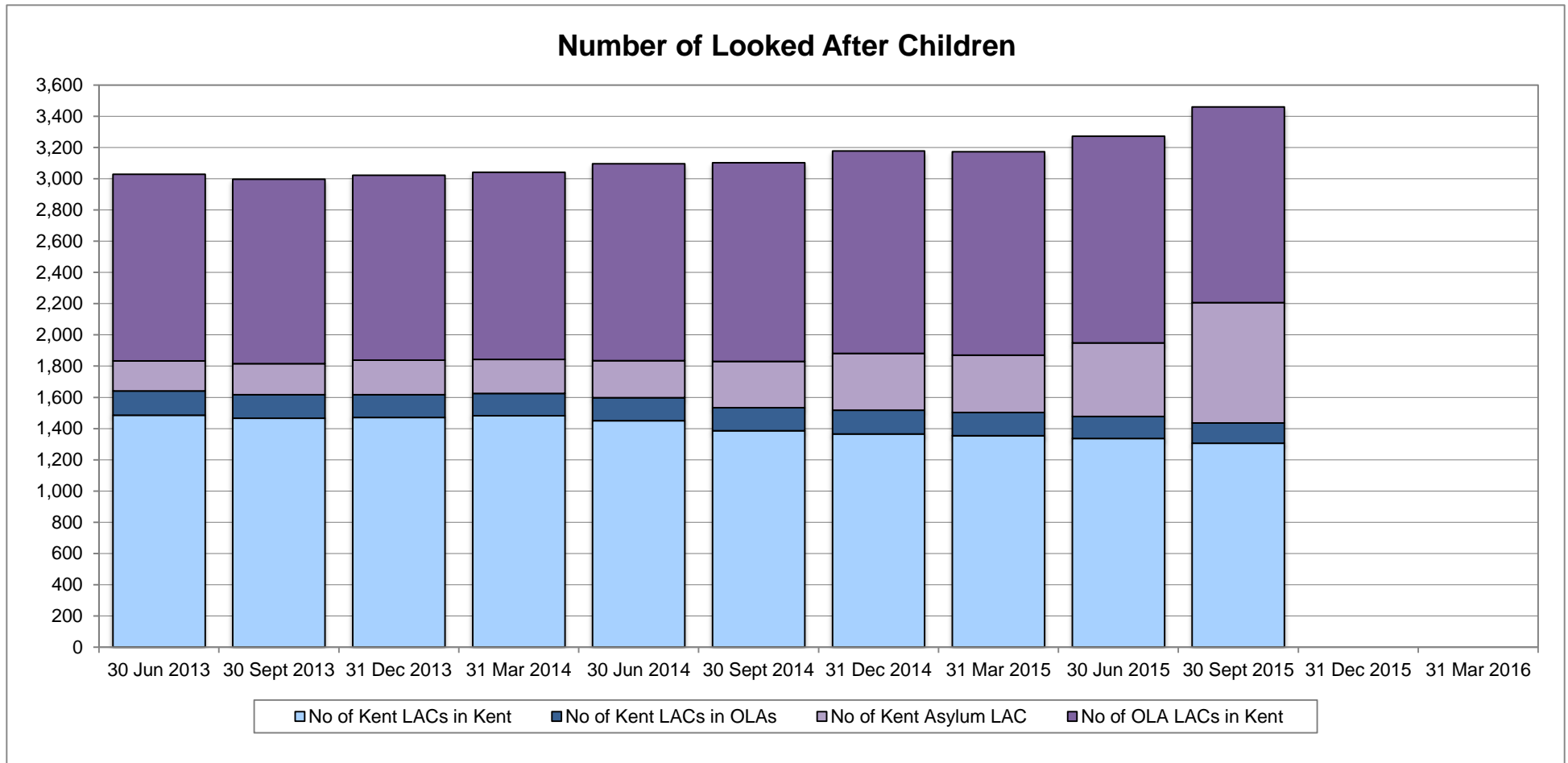
## 2.1 Number of Looked After Children (LAC) :

		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	1,305	130	<b>1,435</b>	771	<b>2,206</b>	1,254	<b>3,460</b>
	31-Dec							
	31-Mar							

## Comments:

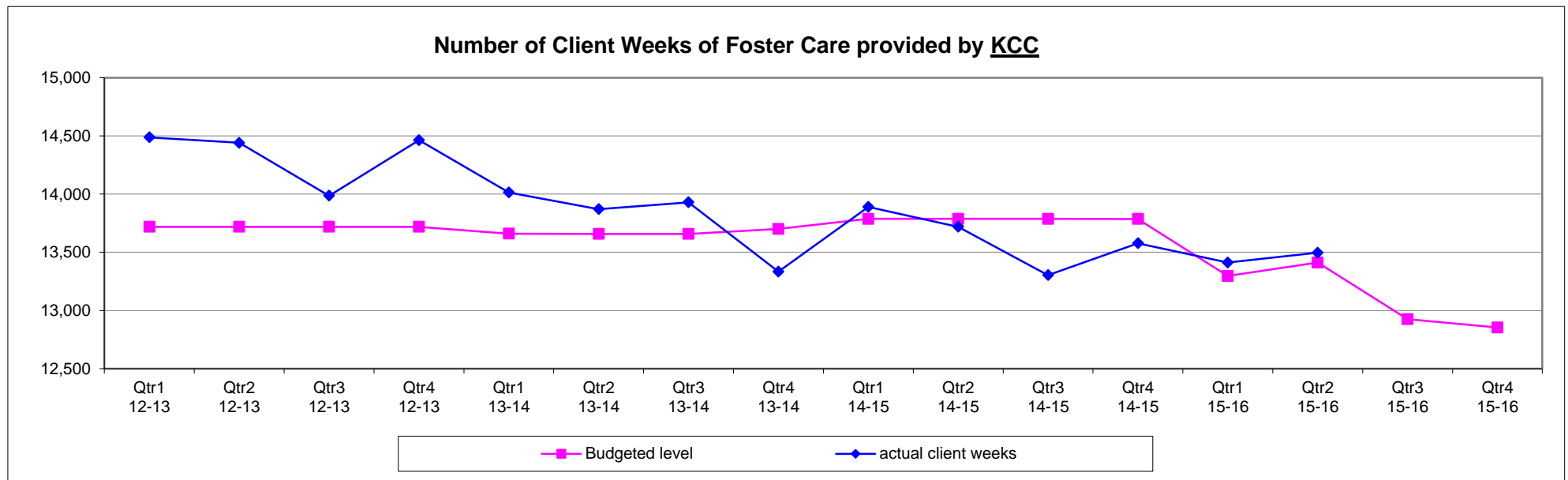
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a 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 (excluding Asylum) had reduced by 67 as at September of this financial year, there could have been more (or less) during the period.
- Following the reduction in the number of Kent LAC, there is no longer an overall forecast pressure on the SCS budget. After taking into account anticipated transformation savings, however, there are still some pressures primarily relating to non LAC headings such as staffing, care leavers and family support services.

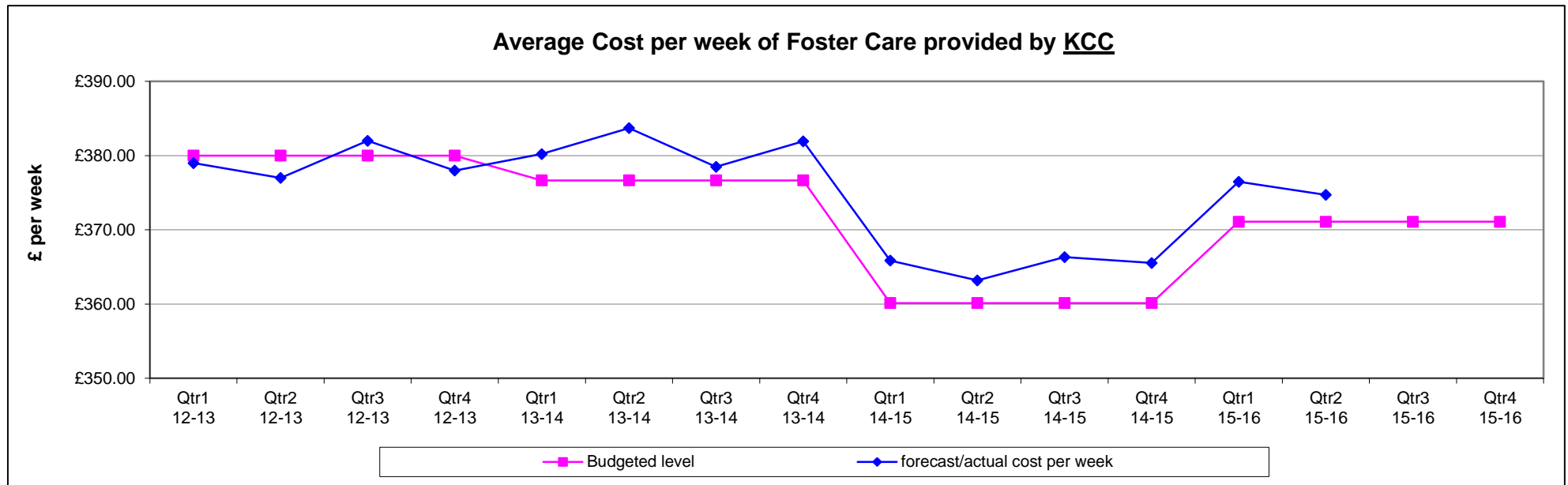
- The OLA LAC information has a confidence rating of 59% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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	13,496	£371.10	£374.73
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>26,907</b>	<b>£371.10</b>	<b>£374.73</b>



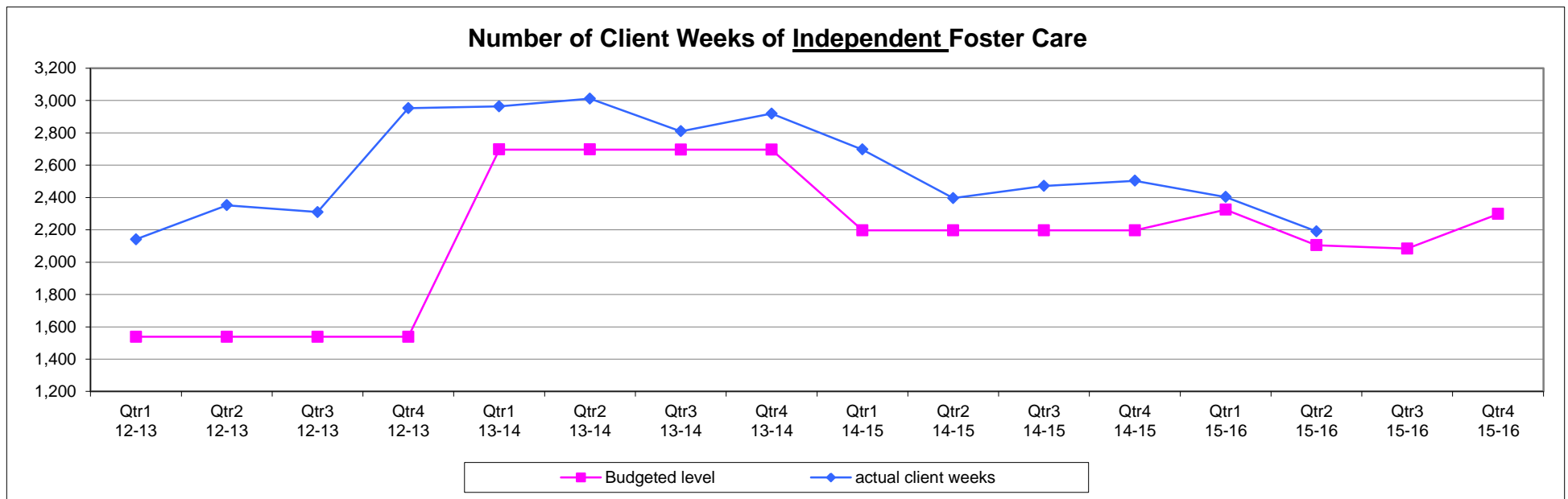


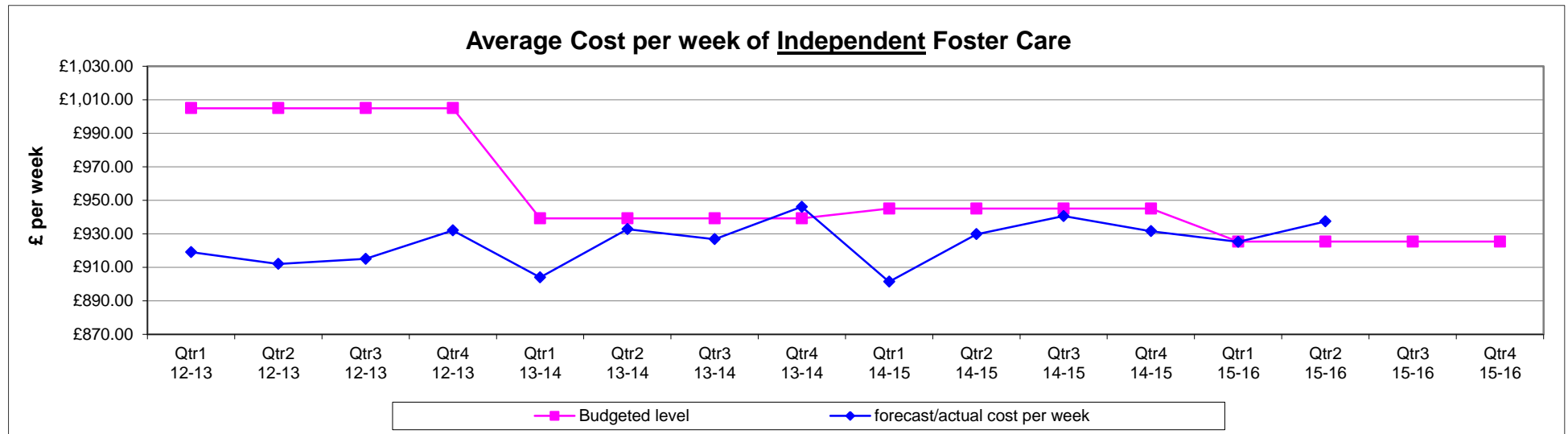
#### Comments:

- 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 reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 53,489 weeks against an affordable level of 52,485, a difference of +1,004 weeks. At the forecast unit cost of £374.73 per week, this additional activity gives a pressure of +£376k, as shown in Table 1. The current year to date activity suggests a 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 +£374.73 is higher than the affordable level of +£371.10 and this difference of +£3.63 gives a pressure of +£191k when multiplied by the affordable weeks, as shown in Table 1.
- Overall, therefore, the combined gross underspend on this service is +£567k (+£376k +£191k).
- 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	2,191	£925.36	£937.35
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>4,594</b>	<b>£925.36</b>	<b>£937.35</b>





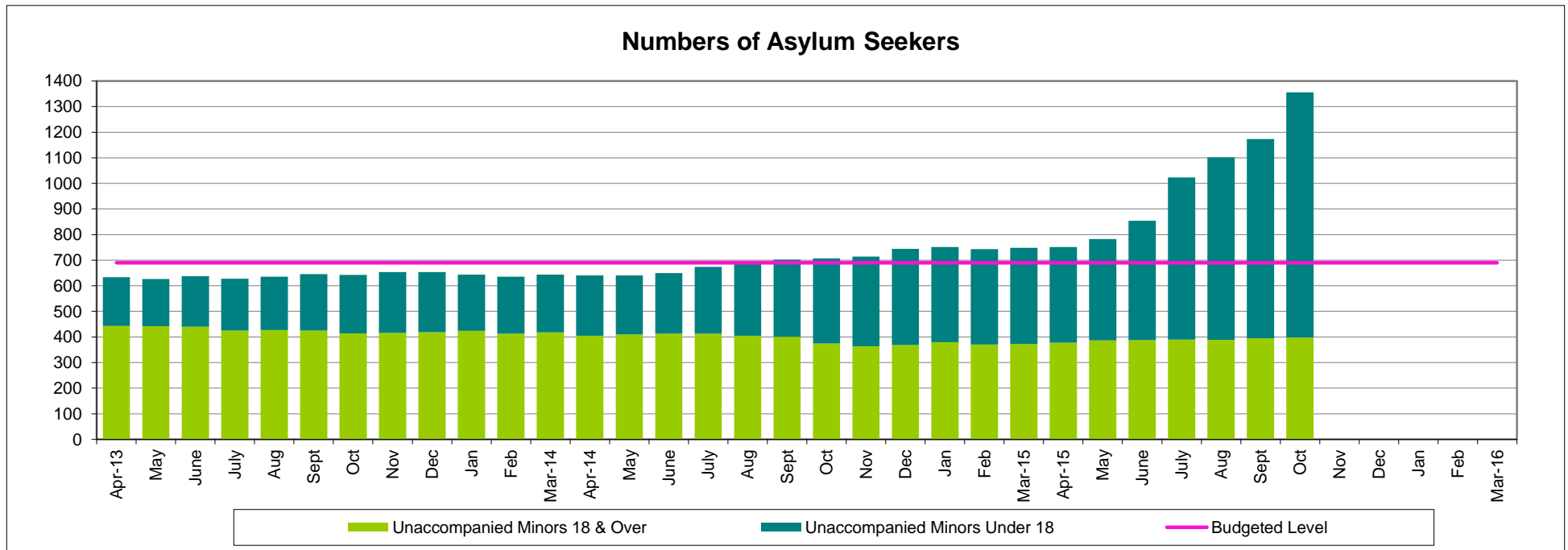
#### Comments:

- 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 reflects the 2015-16 Quarter 1 realignment of budgets reported to Cabinet on 21 September.
- The forecast number of weeks (excluding asylum) is 8,565 weeks against an affordable level of 8,812, a difference of -247 weeks. At the forecast unit cost of £937.53 per week, this reduced activity decreases the forecast position by -£232k, as shown in Table 1. The forecast is based on the transformation savings profiles which assume a range of durations of care/placement end dates. The current year to date suggests a higher level of activity than currently forecast. This is because the forecast assumes a greater number of new in-house placements with an expected compensating reduction in the overall number of commissioned fostering placements in the second half of the year.
- The forecast unit cost of +£937.53 is higher than the affordable level of +£925.36 and this difference of +£12.17 gives a pressure of +£107k when multiplied by the affordable weeks, as shown in Table 1.
- Overall therefore, the combined gross underspend on this service is -£125k (-£232k +£107k).
- The forecast average unit cost of £937.53 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>	713	389	<b>1,102</b>
Sep	221	425	<b>646</b>	301	401	<b>702</b>	778	395	<b>1,173</b>
Oct	229	414	<b>643</b>	332	375	<b>707</b>	958	398	<b>1,356</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>			

Provisional figures



## Comments:

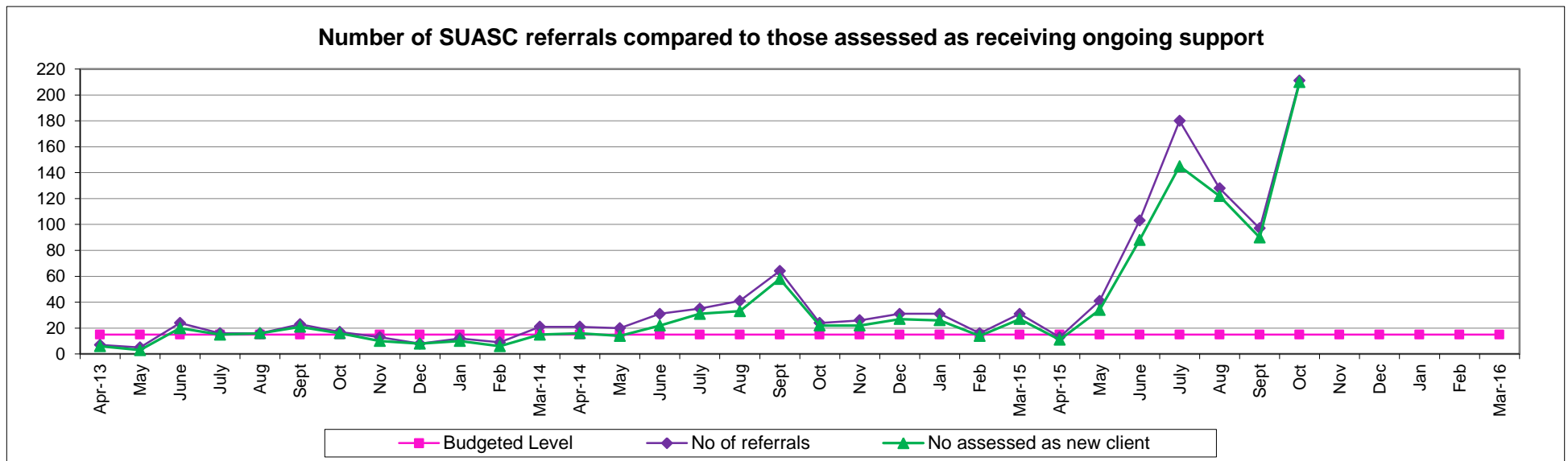
- The overall number of children is increasing, with numbers as at the end of October at the highest level they have been since September 2003. The current number of clients supported is above the budgeted level of 690.
- The budgeted number of referrals for 2015-16 is 15 per month, with 9 (60%) being assessed as under 18.
- We are responsible for those aged 18 and over if they are a Former Relevant Child and have eligibility for Care Leaver status. These are those young people who had been looked after for at least 13 weeks which began after they reached age 14 and ended after they reached age 16. Additionally young people over 18 may qualify for advice or assistance if they have been in care for at least 24 hrs aged 16 or 17.
- The numbers of 18 and over young people who are All Rights of appeal Exhausted (ARE) or Certified Refusals have been steadily decreasing, particularly since the introduction of Human Rights Assessments (HRAs). Certified Refusals are similar to ARE in that these individuals are expected to leave the UK immediately and have no recourse to public funds, but they have never had in-country appeal rights. On the 30th September 2015 there were 54 ARE or Certified Refusal 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.
- The September UASC numbers shown in the table above include approximately 200 clients who are ineligible for grant funding.

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	88	85%
Jul	16	15	94%	35	31	89%	180	145	81%
Aug	16	16	100%	41	33	80%	128	122	95%
Sep	23	21	91%	64	58	91%	97	90	93%
Oct	17	16	94%	24	22	92%	211	210	100%
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>773</b>	<b>703</b>	<b>91%</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.

Provisional figures



## Comments:

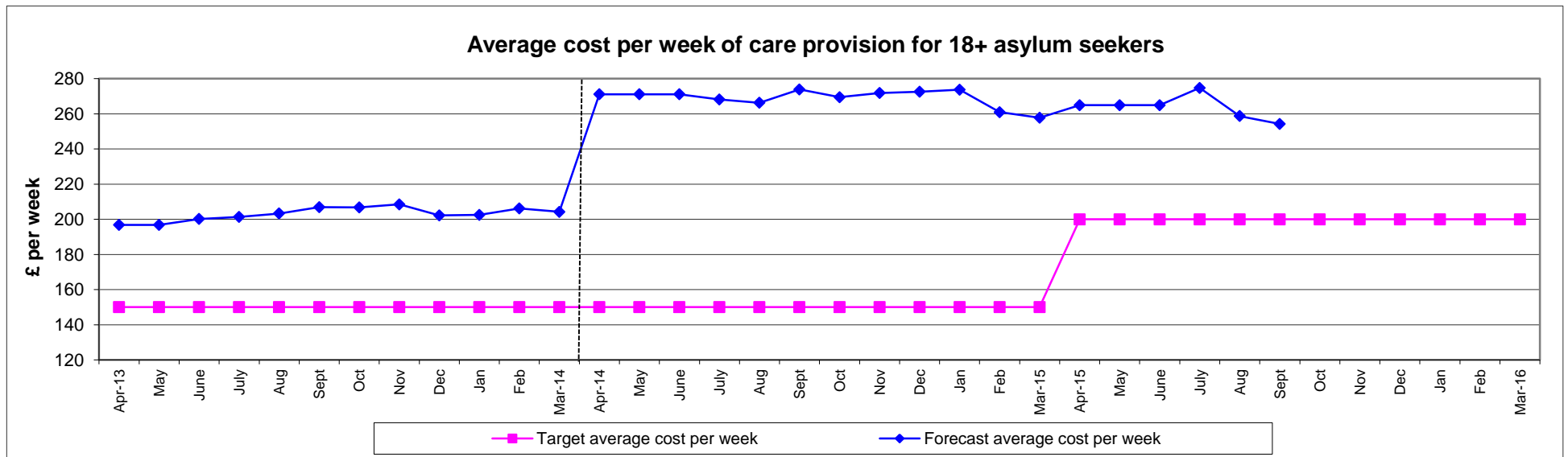
- Please note that UASC Referrals are assumed to be new clients until an assessment has been completed, which usually can take up to 6 weeks, however, as a result of the recent high number of referrals it is currently taking longer to complete individual assessments. Therefore the number of UASC assessed 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 110, 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 91%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 100 i.e. 1011% higher than budgeted.
- Where a young person has been referred but does not become an ongoing client this may be for various factors. The number of these cases is relatively low but would include those where an age assessment has determined the young person to be aged 18 or above (and therefore they have been returned to immigration for dealing with through the asylum process for Adults) and more recently, transfers of case responsibility to Other Local Authorities. We are only able to claim grant for 28 days for an Asylum Seeker who, on arrival to the UK, is assessed as age 18 or over, 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 since June), 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	200	264.91
May	150	196.78	150	271.10	200	264.91
Jun	150	200.18	150	271.10	200	264.91
Jul	150	201.40	150	268.15	200	274.77
Aug	150	203.29	150	266.33	200	258.73
Sep	150	206.92	150	273.87	200	254.29
Oct	150	206.74	150	269.47	200	
Nov	150	208.51	150	271.85	200	
Dec	150	202.25	150	272.56	200	
Jan	150	202.49	150	273.75	200	
Feb	150	206.24	150	260.94	200	
Mar	150	204.27	150	257.79	200	

The current forecast average weekly cost for 2015-16 is £254.29, +£54.29 above the £200 claimable under the grant rules. This adds +£2,083k to the forecast outturn position for which we have a cash limit of £280k, giving a variance of +£1,803k, as shown in Table 1.

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 2015-16 target average weekly cost has been increased in this report from £150 to £200 based on the latest offer from the Home Office received in early November.
- 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 £200, 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 £200 or below, we will be insisting on take-up of state benefits for those entitled. However, the proportion of young people being accepted for asylum has reduced in recent months, meaning that a lower proportion of young people are unable to claim state benefits, bringing up the average cost. In addition, the service has undertaken a data cleansing exercise and as a result a number of older cases have been closed where we no longer have a requirement to support these young people as care leavers. The costs for these cases were lower, which has resulted in a further increase to the average cost.

### 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 £1,859k giving a variance of £100k.

3.2 **Table 2** below details the SCH&W - Children's 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>Individual Projects</b>									
Transforming Short Breaks	70	112	0				Green		
ConTROCC	556	925	-100	-100	Rephasing	Due to the scale of the project it has been agreed that the Children's provider portal will be rolled out on a phased basis. The scope of phase 2 has increased but costs will remain within current budget. The final phase will be the rollout to internal fostering providers.	Amber	Phase 1 went live in July 2015. Phase 2 completion has moved from December 2015 to March 2016. Phase 3 is scheduled for August 2016.	
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>-100</b>	<b>-100</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**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
<b>Total (£k)</b>	<b>+350,459</b>	<b>+8,279</b>	<b>-1,100</b>	<b>+7,179</b>	<b>+77</b>	<b>-</b>	<b>+7,256</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
<b>Social Care, Health &amp; Wellbeing - Adult Social Care</b>							
Strategic Management & Directorate Support budgets	8,032.5	-1,072.9	6,959.6	-647	-276	Staff vacancies within Access to Resources Team	
					-242	Staff vacancies across teams within operational support	
					-144	Reduced demand for a number of office support services (including postage, printing and stationery)	
					+112	Higher than anticipated legal costs	
					-97	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,045.2	-623.8	3,421.4	-163	-145	Delays in recruitment to vacancies within the Performance & Information Management team	
					-18	Other minor variances	
<u>Adults &amp; Older People:</u>							
- Direct Payments							
- Learning Disability (aged 18+)	17,671.6	-69.5	17,602.1	-99	+531	Forecast +1,899 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
					+74	Forecast average unit cost +£1.17 above affordable level of £278.27	
					+647	One-off direct payments	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-1,234	Recovery of unspent funds from clients
					-143	Other local authority income relating to prior year costs for a client who has recently been transferred under Ordinary Residence status
					+26	Other minor variances
- Mental Health (aged 18+)	1,049.7	-84.3	965.4	+99	+150	Forecast +1,467 weeks above affordable level of 9,968 weeks
					-33	Forecast average unit cost -£3.26 below affordable level of £105.31
					+92	One-off direct payments
					-115	Recovery of unspent funds from clients
					+5	Other minor variances
- Older People (aged 65+)	14,367.7	0.0	14,367.7	-969	-418	Forecast -2,235 weeks below affordable level of 78,040 weeks
					+243	Forecast average unit cost +£3.11 above affordable level of £184.00
					+439	One-off direct payments
					-1,224	Recovery of unspent funds from clients
					-9	Other minor variances
- Physical Disability (aged 18-64)	12,067.7	0.0	12,067.7	+502	+1,178	Forecast +5,979 weeks above affordable level of 60,472 weeks
					-100	Forecast average unit cost -£1.65 below affordable level of £198.65
					+718	One-off direct payments
					-1,321	Recovery of unspent funds from clients
					+27	Other minor variances
Total Direct Payments	45,156.7	-153.8	45,002.9	-467		
- Domiciliary Care						
- Learning Disability (aged 18+)	993.3	-14.0	979.3	-262	-271	Forecast -19,626 hours below affordable level of 64,081 hours
					-3	Forecast average unit cost -£0.05 below affordable level of £13.87
					+12	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	£'000	£'000		
- Older People (aged 65+) - in house service (KEaH)	7,888.9	-5,415.4	2,473.5	+188	+188	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	+9,292	+7,106	Forecast +485,679 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.
					+292	Forecast average unit cost +£0.25 above affordable level of £14.38	
					+1,696	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	
					+185	Commissioning additional block domiciliary related contracts primarily related to providing additional support within Extra Care Sheltered Housing.	
					+13	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	+2,919	+2,512	Forecast +180,203 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	+12,137			

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	-391	-391	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	-1,087	-1,087	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	-459	-406	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
					-53	Other minor variances	
Total Non Residential Charging Income	0.0	-12,006.1	-12,006.1	-1,937			
- Nursing & Residential Care							
- Learning Disability (aged 18+)	81,821.8	-6,597.4	75,224.4	-1,935	-2,751	Forecast -2,251 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
					+212	Leading to a shortfall in client contributions	
					+1,276	Forecast average unit cost +£18.73 above affordable level of £1,203.48	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-123 Independent Sector: forecast average unit client contribution -£1.80 above affordable level of -£92.56 -613 Release of unrealised creditors +64 Other minor variances	
- Mental Health (aged 18+)	8,054.0	-1,006.5	7,047.5	+1,480	+1,218 Forecast +1,855 weeks above affordable level of 12,652 weeks -73 Leading to an increase in client contributions +262 Forecast average unit cost +£20.74 above affordable level of £636.00 +73 Independent Sector: forecast average unit client contribution +£5.75 below affordable level of -£45.06	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	-236	-2,827 Forecast -5,570 weeks below affordable level of 73,815 weeks +1,086 Leading to a shortfall in client contributions +645 Forecast average unit cost +£8.74 above affordable level of £498.75 +884 Independent Sector: forecast average unit client contribution +£11.97 below affordable level of -£206.97 -24 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	+359	+135 Additional agency staff to cover staff vacancies, along with higher than anticipated usage of agency staff for specialist care/nursing roles at Gravesham Place. +156 Increase in running costs for Gravesham Place associated with a recharge from Health for staff, clinical items, utilities and unitary charge. +88 Other minor variances for Gravesham Place including reduced health income associated with Registered Nursing Care Contributions (RNCC)	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-20	Other minor variances within other residential units	
- Older People (aged 65+) - Residential - commissioned service	55,412.3	-29,367.8	26,044.5	+1,291	-4,024	Forecast -9,449 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
					+1,867	Leading to a shortfall in client contributions	
					+598	Forecast average unit cost +£4.30 above affordable level of £421.49	
					+605	Independent Sector: forecast average unit client contribution +£4.35 below affordable level of -£201.90	
					+1,941	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	The revised timing of the anticipated delivery of phase 2 transformation savings will be addressed in the 2016-19 MTFP
					+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.	
					+118	Health have indicated that they will no longer contribute towards the cost of short term residential placements within East Kent, previously received through a long standing agreement. Although negotiations continue, it is considered prudent to reflect this as a pressure until the situation is resolved.	
					-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		
- Physical Disability (aged 18-64)	13,579.6	-1,729.9	11,849.7	-464	-481	Forecast -563 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
					+62	Leading to a shortfall in client contributions	
					-30	Forecast average unit cost -£1.91 below affordable level of £857.27	
					-15	Independent Sector: forecast average unit client contribution -£0.95 above affordable level of -£109.20	
Total Nursing & Residential Care	216,561.2	-60,421.1	156,140.1	+495			
- Supported Living							
- Learning Disability (aged 18+) - in house service	3,787.4	-1,593.7	2,193.7	-358	-100	Completion of the Pathway to Independence project pilot at lower cost than anticipated	
					-279	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	
					+21	Other minor variances	
- Learning Disability (aged 18+) - shared lives scheme	3,582.7	-246.9	3,335.8	+121	+137	Forecast +48,849 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
					-43	Forecast average unit cost -£0.04 below affordable level of £2.84	
					+27	Other minor variances	
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,662.7	-118.5	31,544.2	+2,885	+3,236	Forecast +328,227 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
					-159	Forecast average unit cost -£0.05 below affordable level of £9.91	
					-327	Release of unrealised creditors	
					+124	Estimated costs of unfilled block-purchased supported living placements	
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	0	+11	Minor other 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+) - commissioned service	400.7	0.0	400.7	-54	+44 Forecast +7,718 hours above affordable level of 48,688 hours -122 Forecast average unit cost -£2.50 below affordable level of £8.23 +24 Other minor variances	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+) - in house service	107.4	-107.4	0.0	0		
- Physical Disability (aged 18-64) / Mental Health (aged 18+) - commissioned service	4,436.5	-210.2	4,226.3	+1,599	+542 Mental Health forecast +44,421 hours above affordable level of 177,381 +43 Mental Health forecast average unit cost +£0.24 above affordable level of £11.95 +1,389 Physical Disability forecast +231,187 hours above affordable level of 300,791 hours -322 Physical Disability forecast average unit cost -£1.07 below affordable level of £7.08 -53 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
Total Supported Living	48,802.4	-7,101.7	41,700.7	+4,193		
- Other Services for Adults & Older People						
- Adaptive & Assistive Technology	6,106.6	-3,666.2	2,440.4	-367	-190 Estimated savings following the renegotiation of the equipment contract affecting occupational therapy equipment, telecare and the pooled budget arrangement with health to provide equipment -341 Lower than anticipated demand for telecare leading to a reduction in anticipated revenue contribution to capital +175 Higher than anticipated demand for occupational therapy equipment -11 Other minor variances	Savings are expected to be ongoing & will need to be addressed 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	
- Community Support Services for Mental Health (aged 18+) - in house service	1,383.8	-64.4	1,319.4	-72		
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,717.1	-693.9	1,023.2	-71		
- Day Care						
- Learning Disability (aged 18+) - in house service	6,627.5	-70.7	6,556.8	-205	-102 Countywide reduction in Agency and contracted staffing costs resulting from 1:1 costs now being commissioned externally within the supported living service (now within the activity reported on the Learning Disability - other commissioned supported living A-Z line) -120 Reduced costs of staff following the recent restructure of day care services and more effective management of resources +17 Other minor variances	Savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Learning Disability (aged 18+) - commissioned service	7,095.4	0.0	7,095.4	+1,012	+824 Pressure reflecting current demand for services provided by the independent sector +131 Leading to an increase in transport related costs +57 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+) - in house	877.9	-45.0	832.9	-30		
Older People (aged 65+) - commissioned service	959.1	0.0	959.1	-130	-130 Underspend reflecting current demand for services provided by the independent sector	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Physical Disability (aged 18-64)	951.1	0.0	951.1	-23		
Total Day Care	16,511.0	-115.7	16,395.3	+624		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Other Adult Services	3,532.0	-3,695.3	-163.3	-4,101	-3,275	Use of so-far uncommitted funding, held within Other Adult Services, to offset increased activity on Older People A-Z budget lines.
					-1,074	Following the recent completion of the prices review for 2015-16, budgets need to be realigned to reflect where the price pressures are being experienced (within specific activity related A-Z service lines above, such as Commissioned Older People Domiciliary and Residential Care). The outcome of this review has only recently been agreed and a virement has been requested to realign the 2015-16 budget allocation for prices to reflect this outcome. Therefore, if agreed, this underspend will not be reflected against Other Adult Services in future monitoring reports but will net off against pressures on other A-Z service lines.
					+169	Meals service pressure, primarily due to lower than anticipated client contributions
					+79	Other minor variances including additional mental health client support costs
- Safeguarding	2,331.7	-702.1	1,629.6	-323	-358	There are only part year costs in 2015-16 from the processing of additional Deprivation of Liberty cases as a result of a phased approach to recruitment but budget allows for the full year effect.

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					+35	Other minor variances, each below £100k, including -£77k relating to KCC's share of re-phasing into 2016-17 of Kent & Medway Safeguarding Vulnerable Adults Committee. This will be required to roll forward to meet our obligation to the Committee under the terms of the multi-agency agreement.	
- Social Support							
- Carers - in house service	3,550.9	-0.3	3,550.6	+69			
- Carers - commissioned service	10,465.9	-6,172.1	4,293.8	+667	+430	Higher than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations)	Demographic pressures are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
					+387	Lower than anticipated client income for Social Support to Carers	
					-150	Lower than anticipated demand for Carers direct payments	
- Information & Early Intervention	6,517.0	-2,254.9	4,262.1	-117	-100	Lower than anticipated demand for advocacy services	
					-17	Other minor variances	
- Social Isolation	6,292.0	-2,288.5	4,003.5	+67	+115	Payments to voluntary organisations as a result of higher than anticipated demand for Learning Disability services	
					-48	Other minor variances	
Total Social Support	26,825.8	-10,715.8	16,110.0	+686			
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	0			
Total Other Services for Adults & Older People	59,889.5	-19,653.4	40,236.1	-3,624			
<u>Community Services</u>							
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	-2			

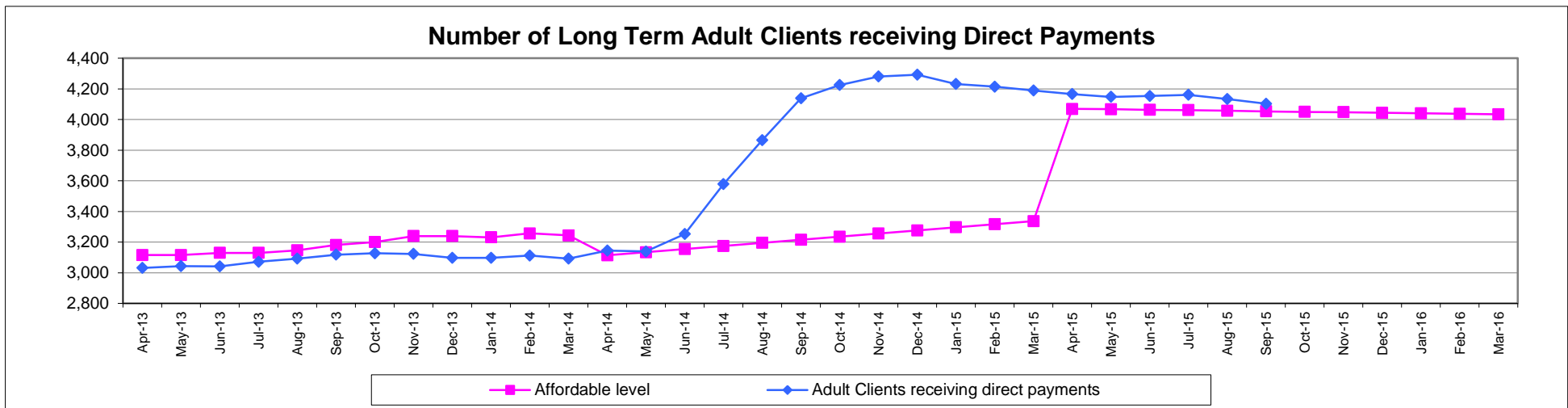
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Housing Related Support for Vulnerable People (Supporting People)</b>							
- Administration	536.1	-150.0	386.1	-32			
- Adults - Learning Difficulties	3,352.2	0.0	3,352.2	-26			
- 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			
- Young People	3,677.9	0.0	3,677.9	0			
<b>Total Housing Related Support for Vulnerable People</b>	<b>21,922.1</b>	<b>-150.0</b>	<b>21,772.1</b>	<b>-162</b>			
<b>Public Health</b>							
- Drug & Alcohol Services (LASAR)	429.9	0.0	429.9	-25			
<b>Assessment Services</b>							
- Adult Social Care Staffing	44,720.3	-11,309.5	33,410.8	-1,519	-895	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	
					-412	Delays in the recruitment to vacancies across Learning Disability assessment teams	
					-154	Use of so-far uncommitted funding held within Adult Social Care staffing to offset spending on new Care Act responsibilities within the Older People Domiciliary Care A-Z budget line above	
					+132	Other minor variances, each below £100k	
<b>Total SCH&amp;W (Adults)</b>	<b>479,244.0</b>	<b>-128,784.7</b>	<b>350,459.3</b>	<b>+8,279</b>			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Assumed Mgmt Action</b>				-1,100		Plans are being refined to reduce the overall pressure on Older People and Physical Disability Services, centred around reducing the demand for domiciliary and residential services and increasing client contributions. Latest estimates suggest up to a £1,100k reduction can be achieved.
<b>Total SCH&amp;W (Adults) Forecast <u>after</u> mgmt action</b>	<b>479,244.0</b>	<b>-128,784.7</b>	<b>350,459.3</b>	<b>+7,179</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	4,166	151
May	3,116	3,043	169	3,134	3,139	160	4,067	4,148	134
Jun	3,130	3,042	120	3,155	3,253	184	4,063	4,154	169
Jul	3,130	3,072	173	3,175	3,579	215	4,061	4,161	150
Aug	3,147	3,092	158	3,195	3,866	200	4,057	4,134	112
Sep	3,181	3,118	134	3,215	4,139	209	4,053	4,103	94
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>810</b>

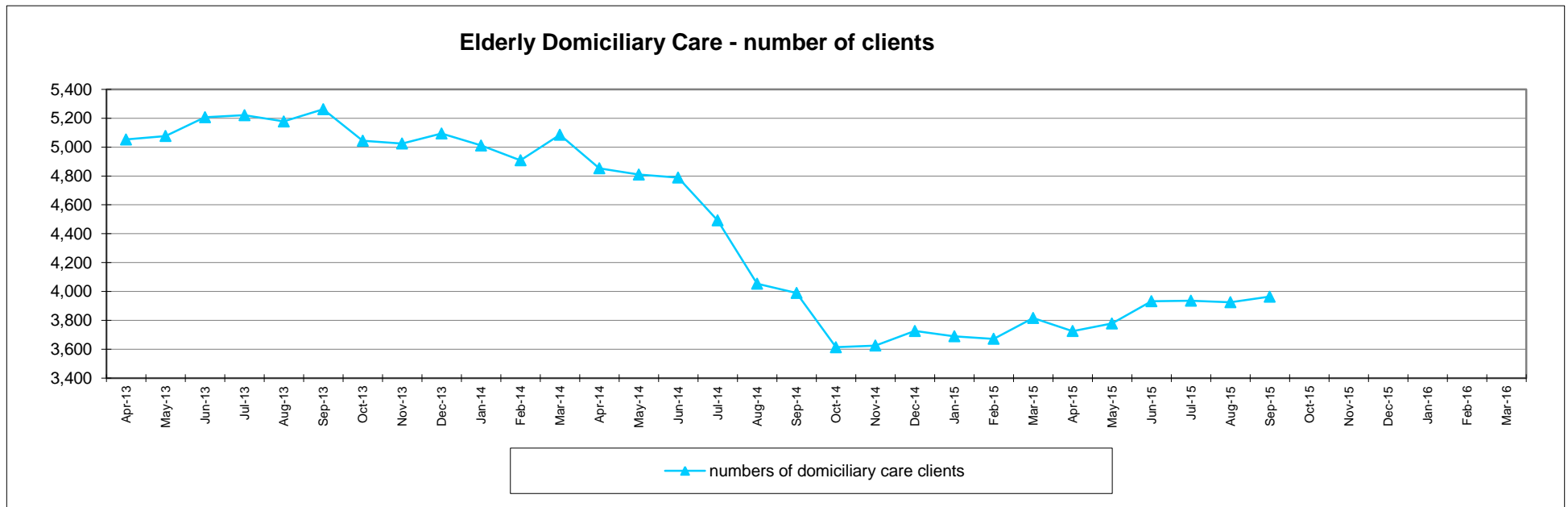


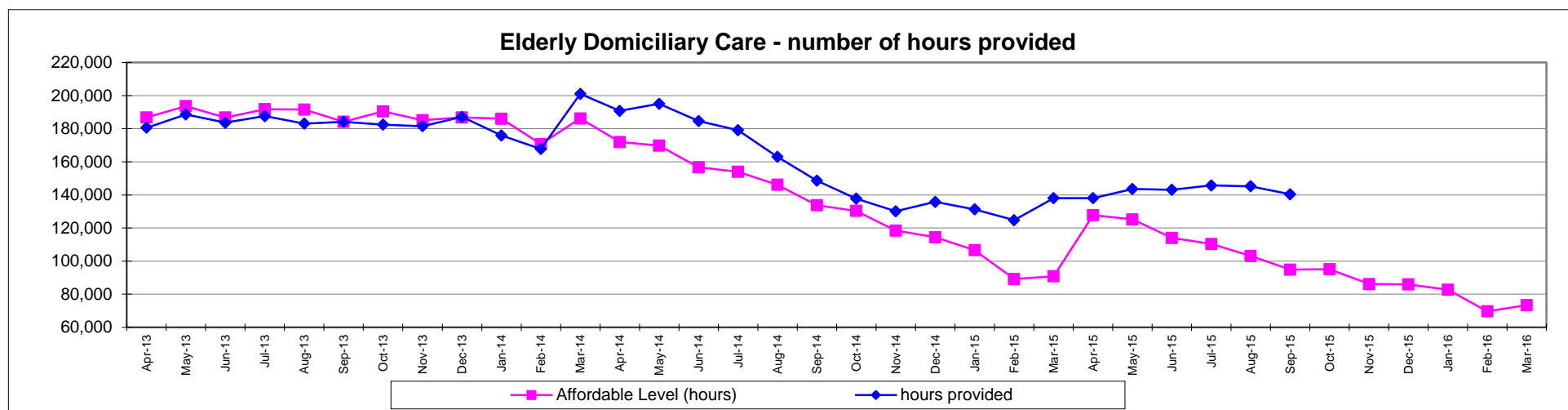
## Comments:

- 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 database. 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 1, which shows a small forecast underspend of £467k 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	145,708	3,936
Aug	191,521	183,077	5,178	146,118	163,006	4,054	103,158	145,224	3,925
Sep	184,242	184,208	5,262	133,761	148,649	3,989	94,880	140,360	3,964
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>855,958</b>	





#### Comments:

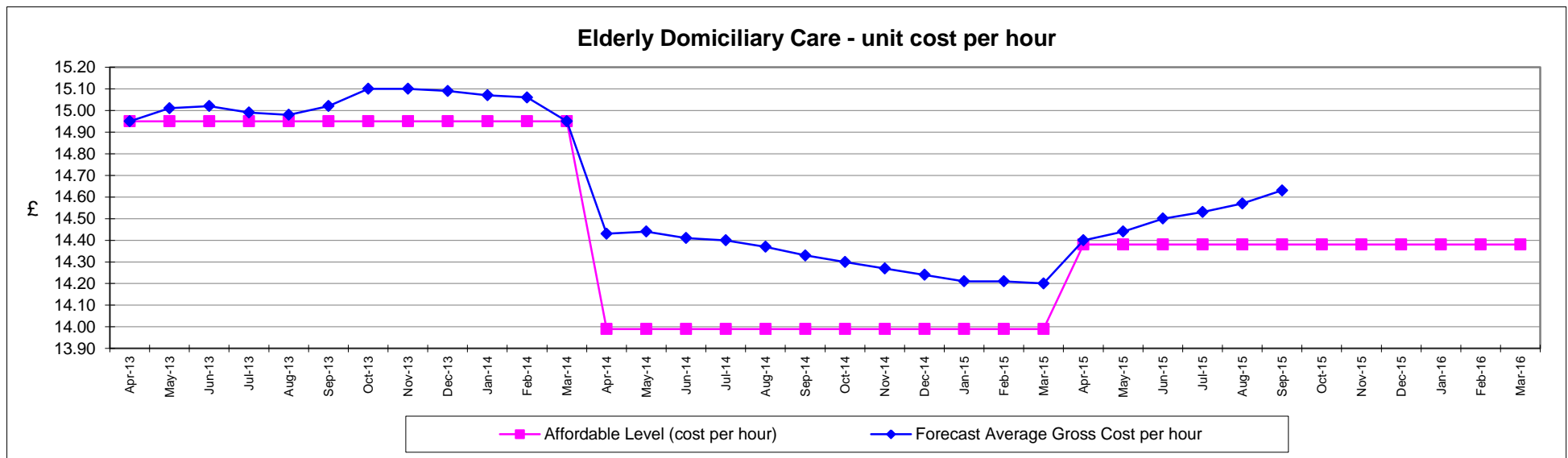
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 1,654,135 hours of care against an affordable level of 1,168,456, a difference of +485,679 hours. Using the forecast unit cost of £14.63 this increase in activity increases the forecast by +£7,106k, as shown in table 1.
- 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 £1,696k is being reported in table 1.
- To the end of September 855,958 hours of care have been delivered against an affordable level of 675,387, a difference of +180,571 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 in the first six months of 2015-16, which have offset the effect of the transformation savings that are built in to the affordable profile.
- 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 8.4.

### 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	14.53
Aug	14.95	14.98	13.99	14.37	14.38	14.57
Sep	14.95	15.02	13.99	14.33	14.38	14.63
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:

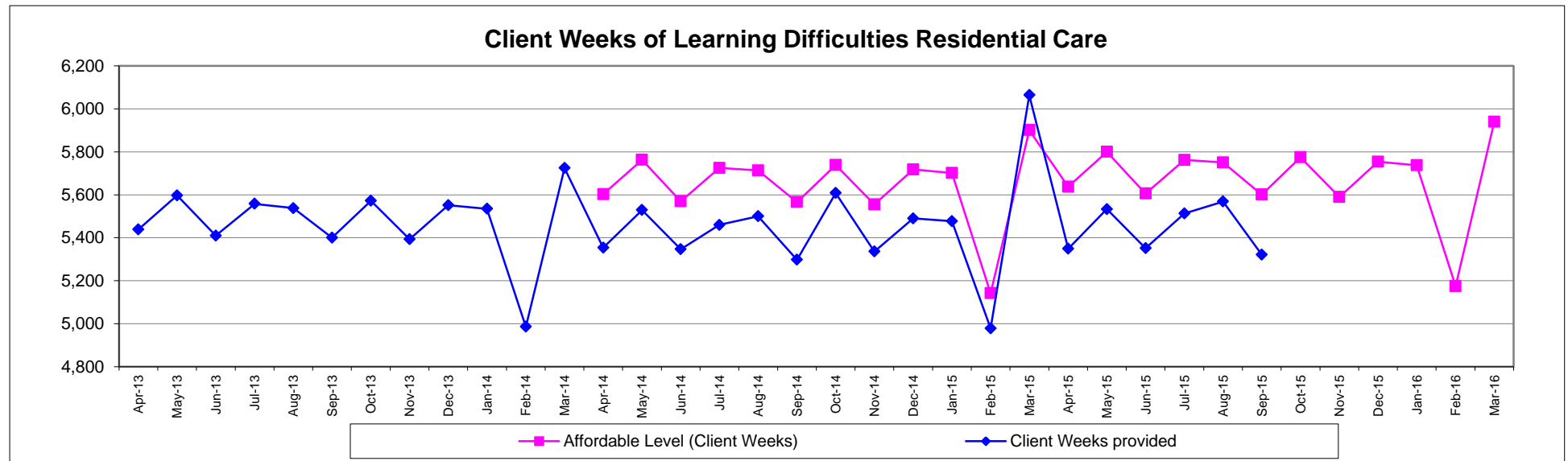
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.63 is higher than the affordable cost of +£14.38 and this difference of +£0.25 adds +£292k to the position when multiplied by the affordable weeks, as shown in table 1.
- 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 virement referred to in table 1 "Other Adult Services" has been agreed reflecting the outcome of the prices review.



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	5,513
Aug	5,538	5,713	5,500	5,750	5,569
Sep	5,400	5,566	5,298	5,601	5,321
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>32,637</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.



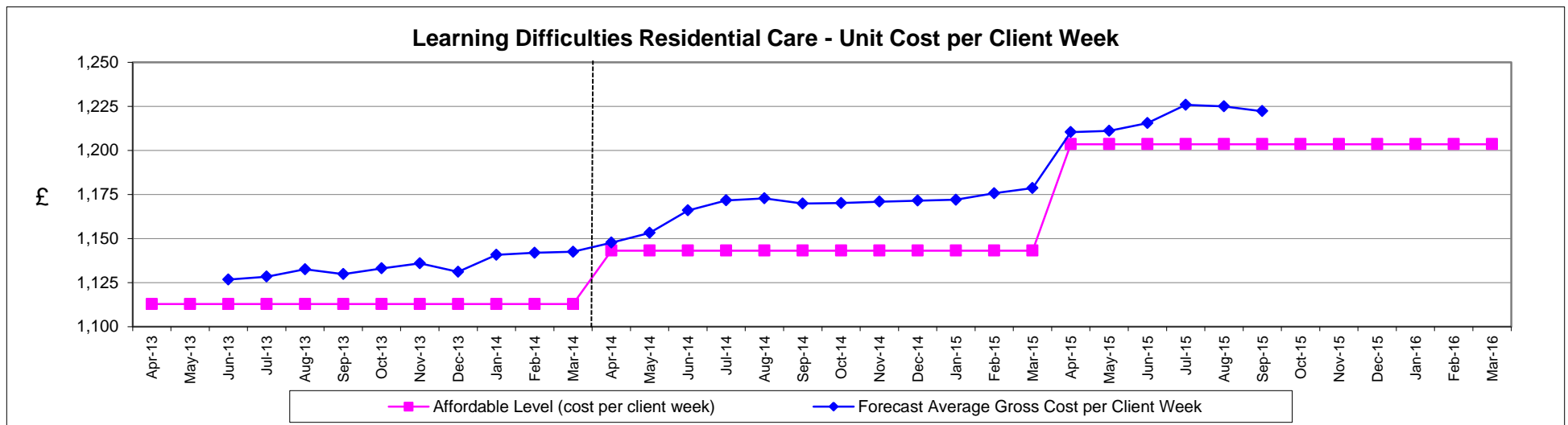
## Comments:

- 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 September 2015 it was 1,237. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 65,878 weeks of care against an affordable level of 68,129, a difference of -2,251 weeks. Using the forecast unit cost of £1,222.21, this reduced activity decreases the forecast by -£2,751k, as shown in table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of September 32,637 weeks of care have been delivered against an affordable level of 34,157, a difference of -1,520 weeks. The year to date activity suggests a lower level of activity than currently forecast, however, this is mainly due to delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated. In addition, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers.

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

	2013-14		2014-15		2015-16	
	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	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	1,112.86		1,143.16	1,147.62	1,203.48	1,210.33
May	1,112.86		1,143.16	1,153.21	1,203.48	1,211.12
Jun	1,112.86	1,126.76	1,143.16	1,165.91	1,203.48	1,215.42
Jul	1,112.86	1,128.39	1,143.16	1,171.61	1,203.48	1,225.85
Aug	1,112.86	1,132.54	1,143.16	1,172.74	1,203.48	1,224.95
Sep	1,112.86	1,129.75	1,143.16	1,169.82	1,203.48	1,222.21
Oct	1,112.86	1,133.04	1,143.16	1,170.10	1,203.48	
Nov	1,112.86	1,135.86	1,143.16	1,170.90	1,203.48	
Dec	1,112.86	1,131.13	1,143.16	1,171.47	1,203.48	
Jan	1,112.86	1,140.70	1,143.16	1,171.99	1,203.48	
Feb	1,112.86	1,141.90	1,143.16	1,175.62	1,203.48	
Mar	1,112.86	1,142.45	1,143.16	1,178.59	1,203.48	

- 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 virement referred to in table 1 "Other Adult Services" has been agreed reflecting the outcome of the prices review.



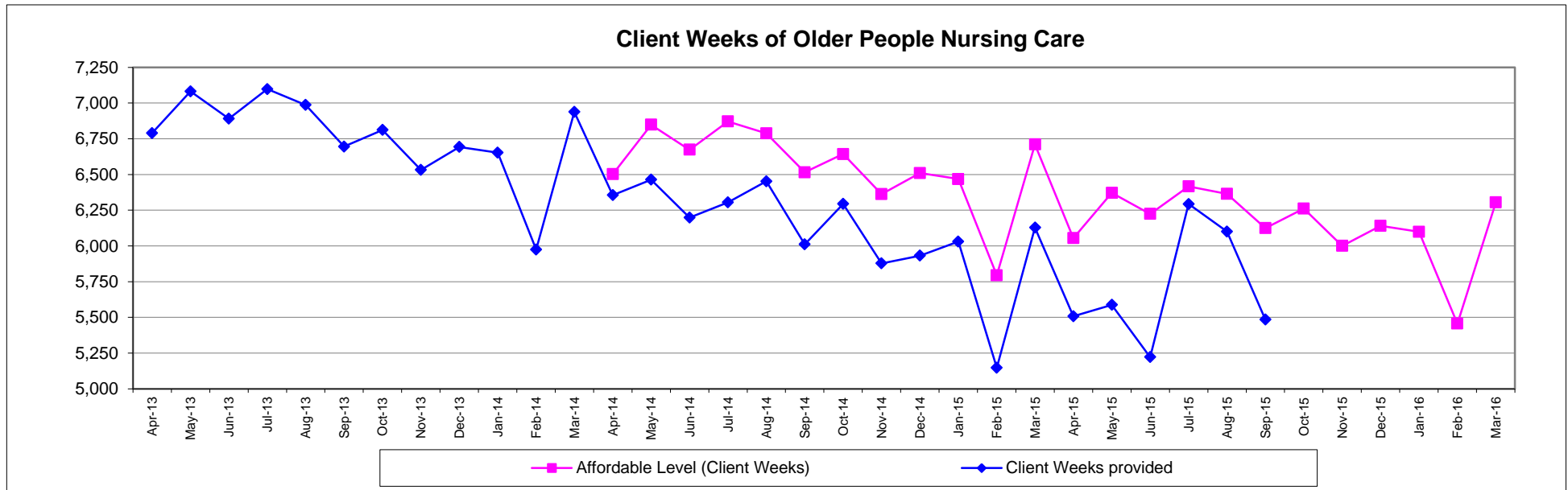
## Comments:

- 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 +£1,222.21 is higher than the affordable cost of +£1,203.48 and this difference of +£18.73 adds +£1,276k to the position when multiplied by the affordable weeks, as shown in table 1.
- The steep price increase in July has been influenced by a home closure requiring the clients to be transferred to new settings. As a result of the short notice of closure, many of these new placements are more expensive.

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	6,293
Aug	6,986	6,788	6,452	6,364	6,100
Sep	6,695	6,515	6,011	6,124	5,484
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>34,194</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.



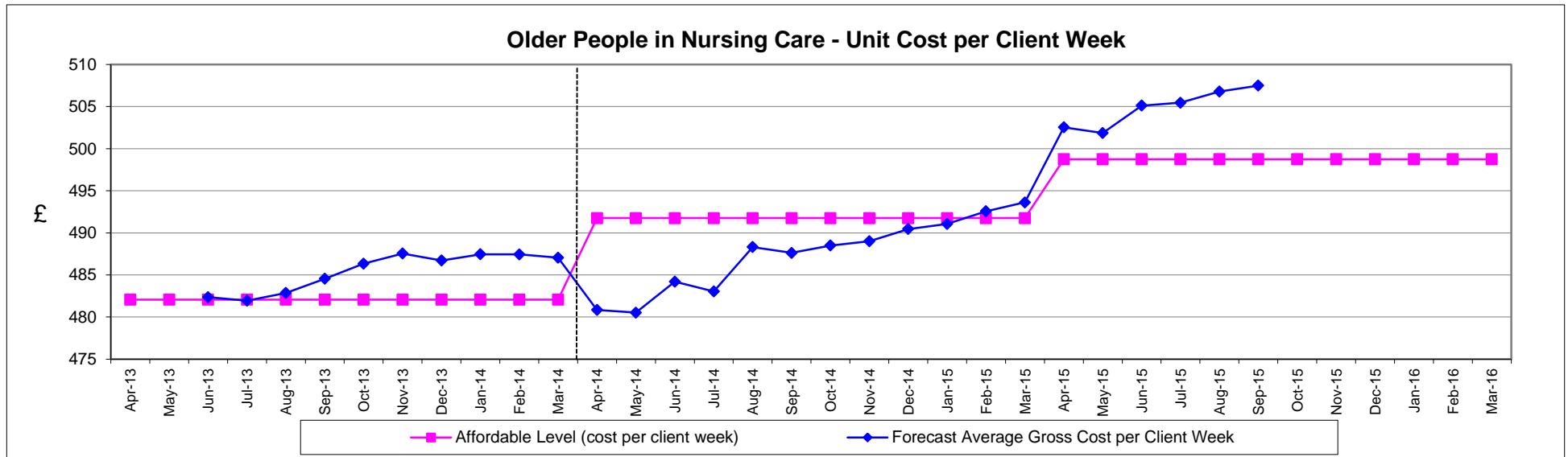
## Comments:

- 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 September 2015 it was 1,260.
- The current forecast is 68,245 weeks of care against an affordable level of 73,815, a difference of -5,570 weeks. Using the forecast unit cost of £507.49, this reduced activity decreases the forecast by -£2,827k, as shown in table 1.
- To the end of September 34,194 weeks of care have been delivered against an affordable level of 37,554, a difference of -3,360 weeks. The year to date activity suggests a lower level of activity than currently forecast. However, it is believed the activity reported is still understated due to delays in updating the activity database, meaning the year to date activity is understated. Work has been ongoing to clear this backlog. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, of the August activity.
- 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) £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	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	505.46
Aug	482.05	482.87	491.75	488.31	498.75	506.79
Sep	482.05	484.55	491.75	487.62	498.75	507.49
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.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the virement referred to in table 1 "Other Adult Services" has been agreed reflecting the outcome of the prices review.



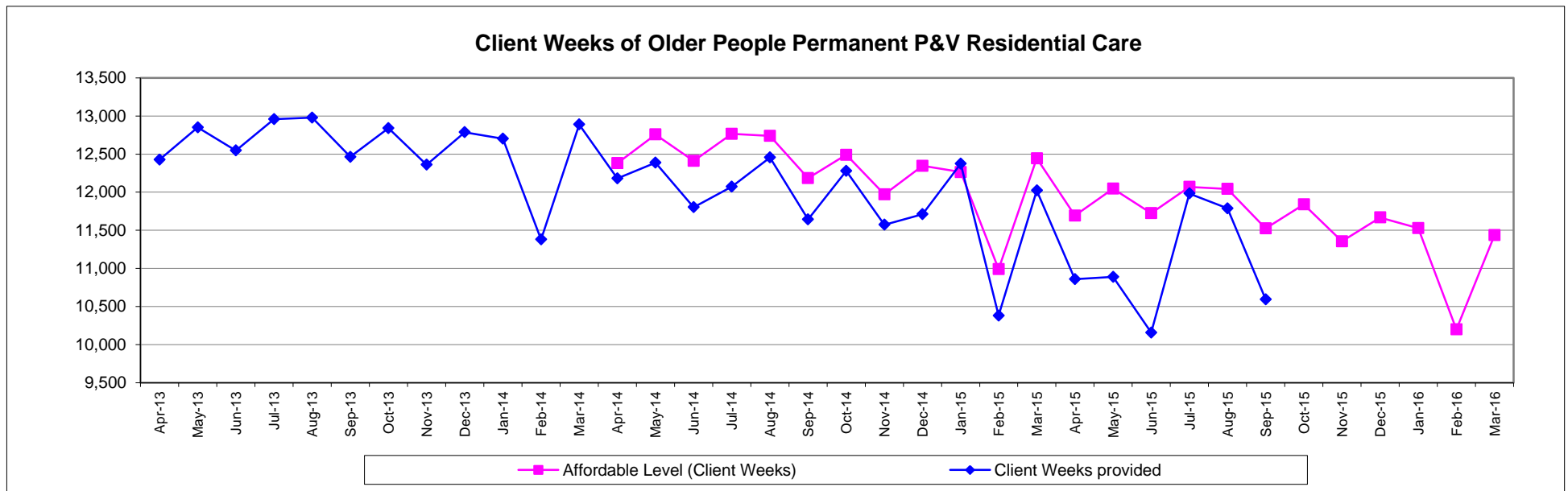
## Comments:

- 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 +£507.49 is higher than the affordable cost of +£498.75 and this difference of +£8.74 increases the position by +£645k when multiplied by the affordable weeks, as shown in table 1.
- 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	11,983
Aug	12,978	12,739	12,456	12,041	11,787
Sep	12,463	12,184	11,644	11,524	10,594
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>66,266</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.



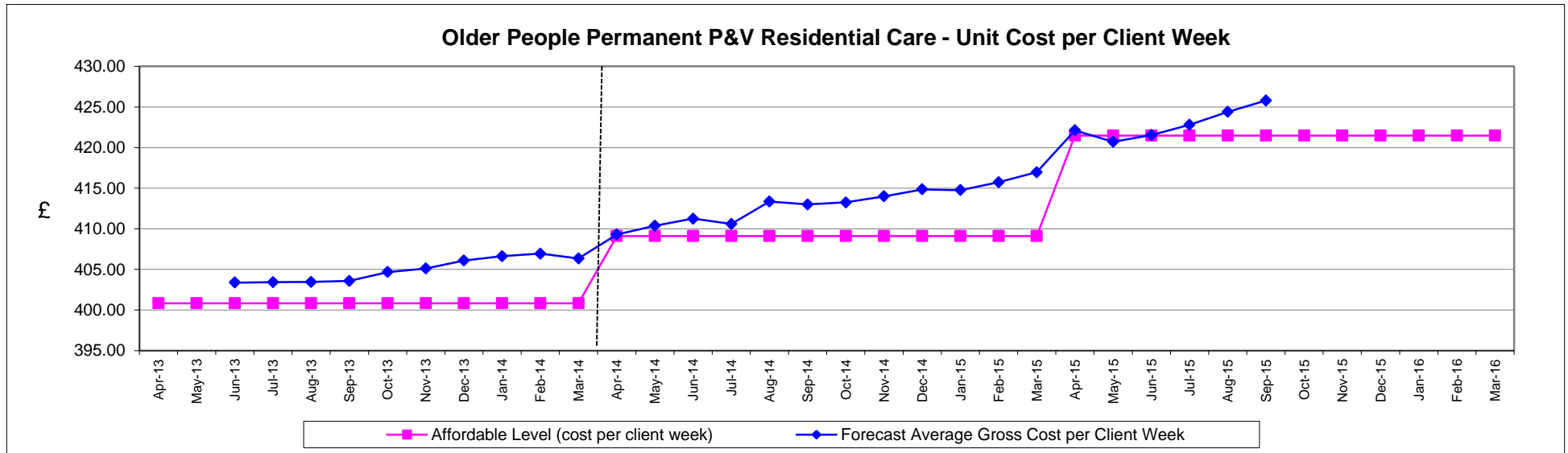
## Comments:

- 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 September 2015 it was 2,410 . 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 129,670 weeks of care against an affordable level of 139,119, a difference of -9,449 weeks. Using the forecast unit cost of £425.79, this reduced activity decreases the forecast by -£4,024k, as shown in table 1.
- To the end of September 66,266 weeks of care have been delivered against an affordable level of 71,095 a difference of -4,829 weeks. This is in line with the current forecast activity variance of -9,449 weeks.
- Due to delays earlier in the year in updating the activity database, work is being undertaken to clear this backlog. The sharp increase in activity in July is due to the initial impact of this work and therefore the July activity reported in the table above not only reflects July activity but also some activity relating to previous months. This is also true, but to a lesser extent, of the August activity.
- 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	422.80
Aug	400.83	403.46	409.12	413.36	421.49	424.41
Sep	400.83	403.59	409.12	413.00	421.49	425.79
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. 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 virement referred to in table 1 "Other Adult Services" has been agreed reflecting the outcome of the prices review.

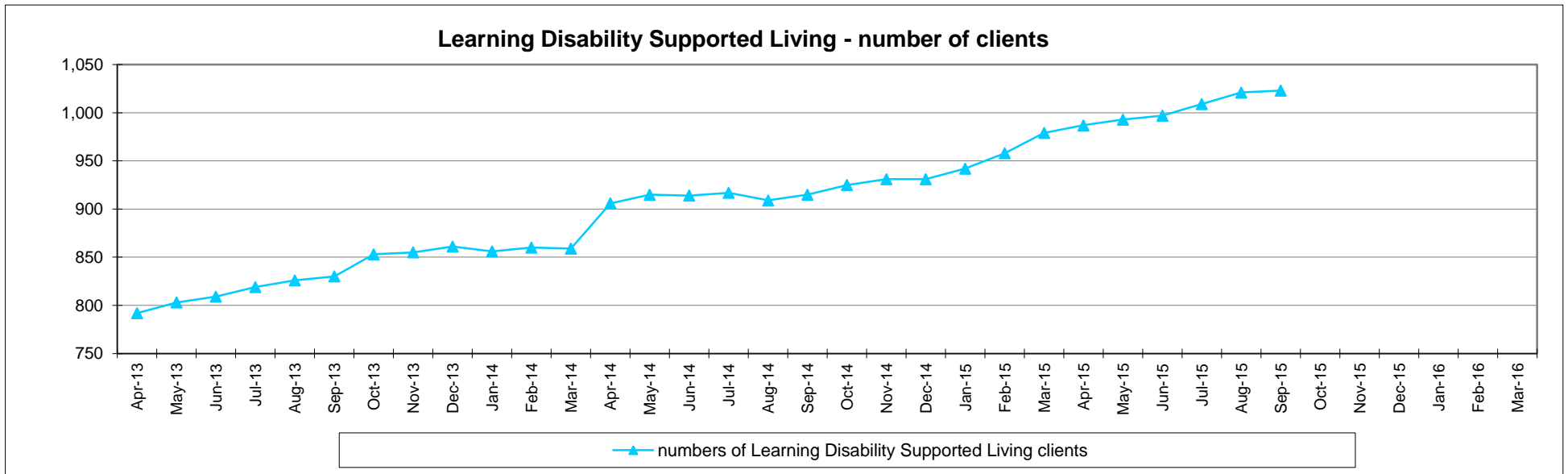


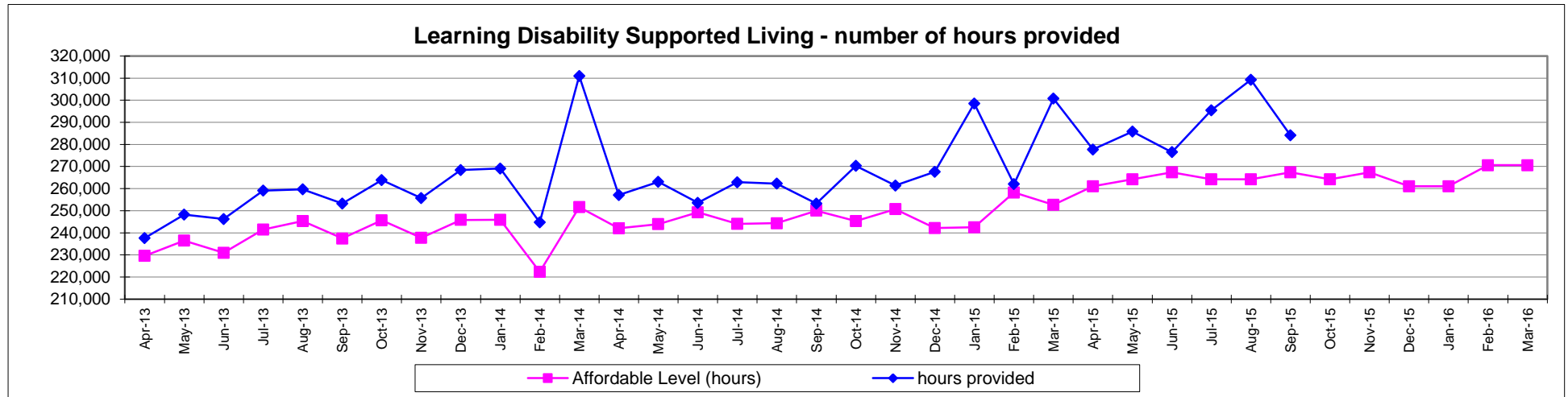
## Comments:

- The forecast unit cost of +£425.79 is higher than the affordable cost of +£421.49 and this difference of +£4.30 adds +£598k to the position when multiplied by the affordable weeks, as shown in table 1.
- This general increasing trend in average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. New cases are likely to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

2.10 Learning Disability Supported 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	295,434	1,009
Aug	245,366	259,688	826	244,360	262,245	909	264,234	309,295	1,021
Sep	237,459	253,230	830	250,030	253,263	915	267,418	284,119	1,023
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>1,728,852</b>	





#### Comments:

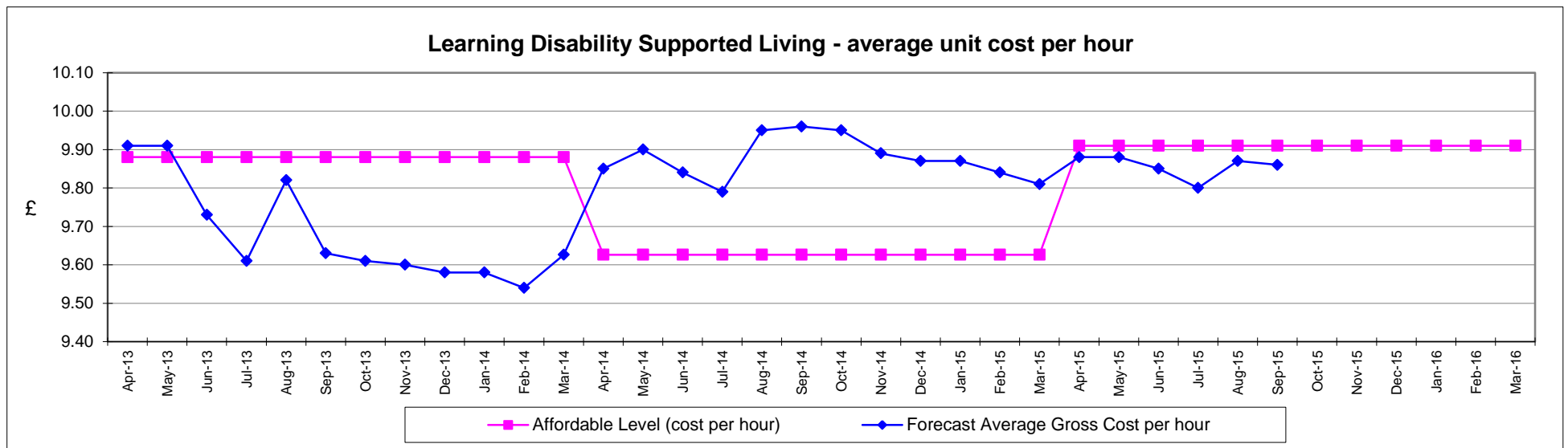
- This indicator has changed for 2015-16 and now excludes activity relating the adult placement scheme as this is now reported within a separate budget line. This measure continues to incorporate 2 different supported living arrangements; supported accommodation (mainly S256 clients) and Supporting Independence 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 3,511,769 hours of care against an affordable level of 3,183,542, a difference of +328,227 hours. Using the forecast unit cost of £9.86, this increased activity increases the forecast by +£3,236k, as shown in table 1.
- To the end of September 1,728,852 hours of care have been delivered against an affordable level of 1,588,588, a difference of +140,264 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 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	9.80
Aug	9.88	9.82	9.63	9.95	9.91	9.87
Sep	9.88	9.63	9.63	9.96	9.91	9.86
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 +£9.86 is lower than the affordable cost of +£9.91 and this difference of -£0.05 reduces the position by -£159k when multiplied by the affordable hours, as shown in table 1.
- The affordable unit cost for 2015-16 reflects an estimated price uplift. This affordable level will be updated once the virement referred to in table 1 "Other Adult Services" has been agreed reflecting the outcome of the prices review.



## 2.12 SOCIAL CARE DEBT MONITORING

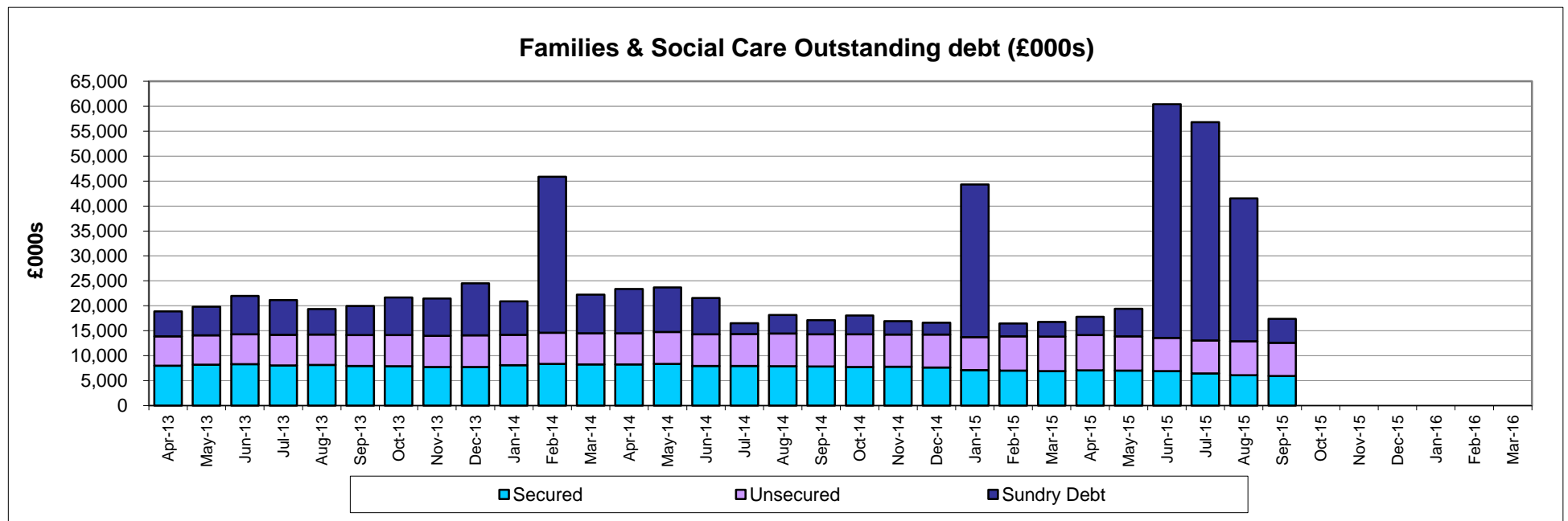
The outstanding debt as at the end of September was £17.391m compared with August's figure of £41.514m excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £4.794m of sundry debt compared to £28.648m in August. It is not unusual for sundry debt to fluctuate for large invoices to Health. As previously reported, in June invoices were raised across the East Kent Clinical Commissioning Groups (CCGs) for the Better Care Fund (BCF) totalling £43m. There is minimal risk around this 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 with 6 instalments received up to the end of September. However, from September, the remaining BCF debt has been moved onto a payment plan to reflect the agreed monthly profile of anticipated income receipts and will only show as outstanding debt in the table below if an instalment is not received on time.

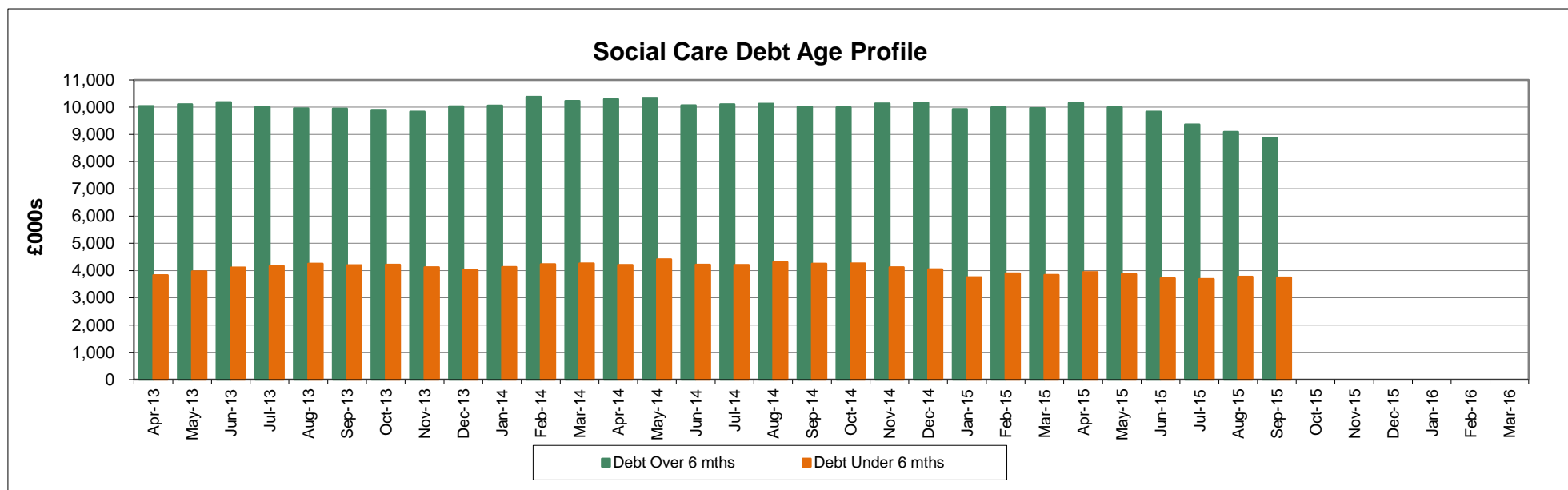
Also within the outstanding debt is £12.597m relating to Social Care (client) debt which is a reduction of £0.269m from the August position. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together 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.

	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
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

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
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
Jul-15	56,795	* 43,741	13,054	9,366	3,688	6,417	6,637
Aug-15	41,514	* 28,648	12,866	9,090	3,776	6,075	6,791
Sep-15	17,391	4,794	12,597	8,854	3,743	5,913	6,684
Oct-15							
Nov-15							
Dec-15							
Jan-16							
Feb-16							
Mar-16							

\* incl. BCF debt of £42,867k  
 \* incl. BCF debt of £39,295k  
 \* incl. BCF debt of £25,006k  
 From Sept 15, the remaining BCF debt has been moved onto a payment plan and will only show in these figures if a monthly instalment is not received on time.





With regard to Social Care debt, the tables below show the current breakdown and movement since last month 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>August £000s</b>	<b>September £000s</b>	<b>Movement £000s</b>
Secured	6,075	5,913	-162
Unsecured - Deceased/Terminated Service	1,830	1,782	-48
Unsecured - Ongoing	4,914	4,859	-55
Caution/Restriction (Unsecured)	42	41	-1
Health (Unsecured)	5	2	-3
<b>TOTAL</b>	<b>12,866</b>	<b>12,597</b>	<b>-269</b>

<b>Unsecured debt by Client Group</b>	<b>August £000s</b>	<b>September £000s</b>	<b>Movement £000s</b>
Older People/Physical Disability	6,318	6,241	-77
Learning Disability	344	315	-29
Mental Health	129	128	-1
<b>TOTAL</b>	<b>6,791</b>	<b>6,684</b>	<b>-107</b>

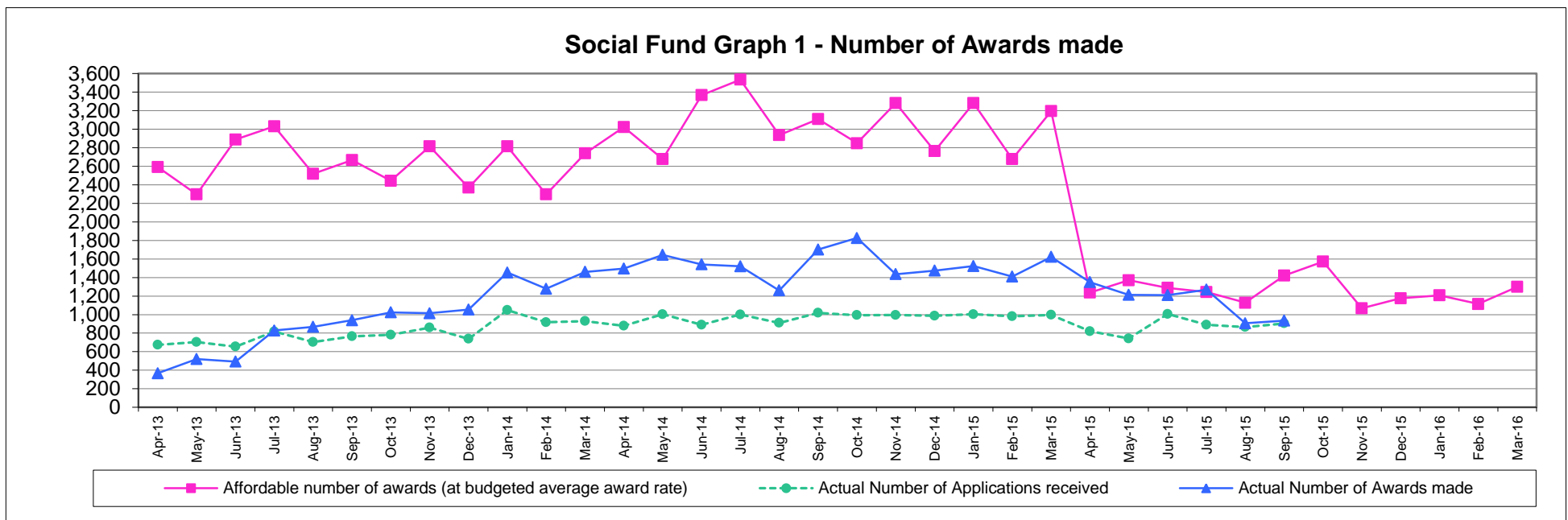
## 2.13 Number and Value of Social Fund awards made

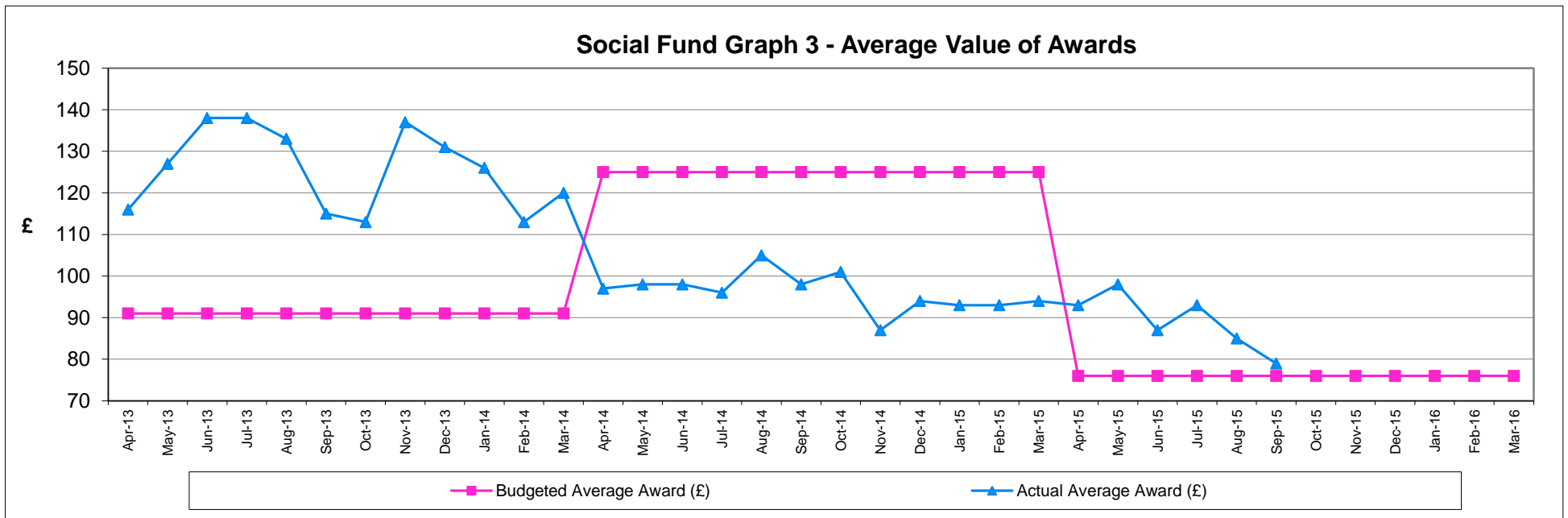
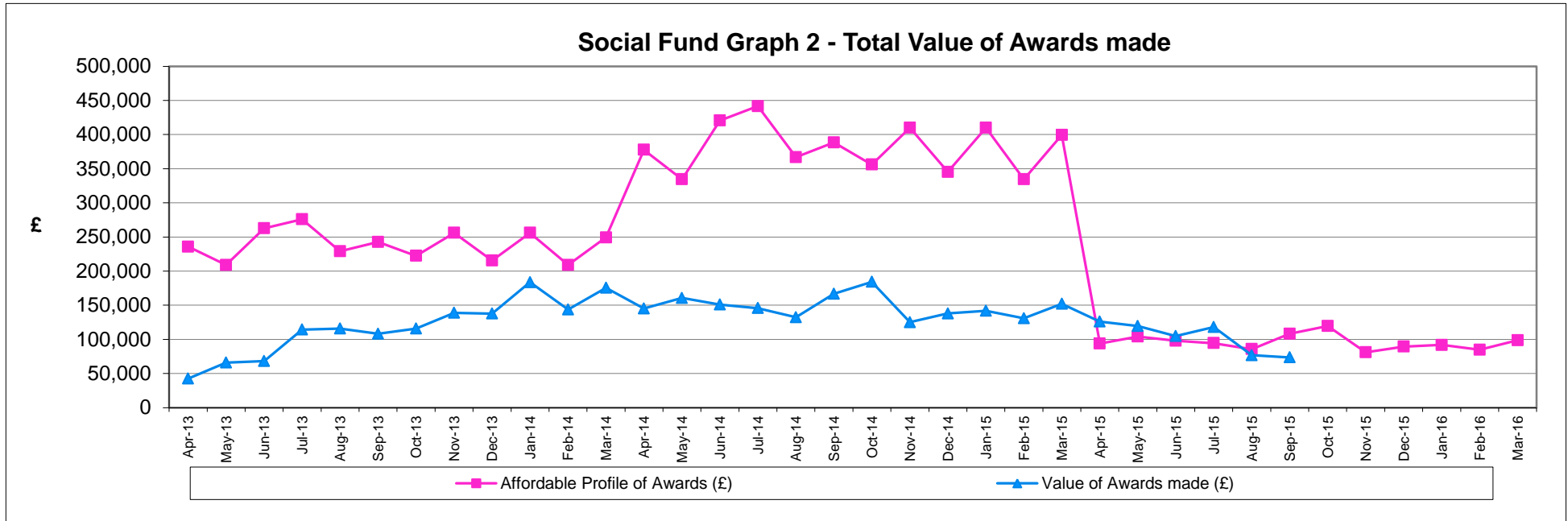
		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2013-14	Apr	2,591	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	891	1,269	94,400	117,923	76	93
	Aug	1,128	865	907	85,700	76,786	76	85
	Sep	1,422	905	936	108,100	73,593	76	79
	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>5,231</b>	<b>6,886</b>	<b>1,149,300</b>	<b>618,502</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 4 months of the year, the value of the awards made has been higher than the affordable level, as the service adjusts to the reduction in budget. However in the past two months this trend has reversed, and is likely to be in part due to the recently agreed changes to the scheme aimed at reducing the overall value of individual awards. 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. To the end of September 2015, 39% of the number of awards have been for food & clothing representing 36% of the value of awards (the percentages were 36% and 32% respectively in 2014-15). Whilst, Furniture & equipment (incl white goods) accounts for 38% of the number of awards but 54% 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. The reduction in average award value from £93 in July 2015 to £79 in September 2015 is a reflection of the recently agreed changes to the scheme. The forecast for this service assumes the level of activity experienced in August and September 2015 will be maintained for the remainder of the year resulting in a balanced position currently being forecast for this service, as reflected in table 1. However, this will be reviewed in future months to assess the full impact of the recent changes to the scheme. 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 also 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 £51,070k (£13,292k excluding PFI). The forecast outturn against the 2015-16 budget is £10,932k (£7,189k excluding PFI) giving a variance of -£40,138k (-£6,103k 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 & Equipment	3,120	3,957	-341	-341	Real: revenue	Reflects the lower than anticipated demand for telecare equipment resulting in a reduced revenue contribution to capital.	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	3,162	-3,162	-3,162	Rephasing	The Accommodation Strategy has identified a need to incentivise the market in Swale and Sandwich alongside the consultation of the future of the KCC care homes in those areas. Market engagement has commenced in Swale and will commence on the Sandwich project in the next six months which will inform what capital investment is needed. However, a formal procurement exercise will be required for both projects. Therefore the budget is being rephased into 2016-17.	Green	Rephasing to 2016-17 previously reported.	

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>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme-Community Hubs	0	1,443	-715	-715	Rephasing	The KCC Asset Management Strategy stipulates a requirement to review all KCC properties when looking for alternative accommodation. In order to meet this requirement some projects are being rephased into next year.	Amber		
Learning Disability Good Day Programme-Community Initiatives	0	651	-463	-463	Rephasing		Amber		
<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	-34,035	-34,035	Rephasing	Unforeseen contamination of sites in the form of asbestos has impacted on the start of construction of the new buildings as the sites needed to be cleared and decontaminated. The asset will be recognised on Balance Sheet once construction is complete.	Amber	Five out of the seven sites are scheduled for completion next financial year.	

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>Developing Innovative and Modernising Services:</b>									
Information Technology Projects	0	300	-43	-43			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	-1,312	-1,312	Rephasing	System reviews will start next month to ascertain what developments are required to support the Care Act implementation and changes to business processes. Extended Government deadlines have allowed more time to scope this project.	Amber	Budget to be rephased to 2016-17 in line with extended deadlines.	
Wheelchair Accessible Housing	600	600	-67	-67	Real: developer contributions		Green		
Developer Funded Community Schemes	889	889	0	0			Green		
<b>Total</b>	<b>30,049</b>	<b>51,070</b>	<b>-40,138</b>	<b>-40,138</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**  
**PUBLIC HEALTH**  
**SEPTEMBER 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>-193</b>	<b>-4,543</b>	<b>+510</b>	<b>-</b>

- 1.2.1 As reported to Cabinet on 6 July in the first monitoring report for 2015-16, the Government 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 included:
- (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.
- The Department of Health's stated preferred option was to apply a 6.2% reduction across the board (option 3 above), which for Kent equates to a cut in funding of £4.033m. On this basis, the service has identified options for dealing with an in-year 2015-16 budget reduction of this level, but a reduction of this size requires cuts to service levels.
- Our response to the consultation was that option 1 was our preferred option. Kent is currently below our target allocation.
- On 4 November, the DoH announced that, despite their preferred option only being backed by a quarter of respondents to the consultation, on balance this remains their preference as it is the option most consistent with the underpinning principles for managing the saving that the DoH has set out: it delivers the £200 million, it is the least disruptive to services and it is compliant with the Public Sector Equality Duty and the health inequality duty. The saving will be implemented through a reduction to the fourth quarterly instalment of the PH grant. Table 1 identifies the services we are proposing to reduce as a result of this in year grant cut (as shown in **green font** in the variances column) and has been agreed in conjunction with the Cabinet Member for Adult Social Care & Public Health. **Cabinet is asked to agree** these proposals so that the cash limits can be reduced and reflected accordingly in future reports.

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

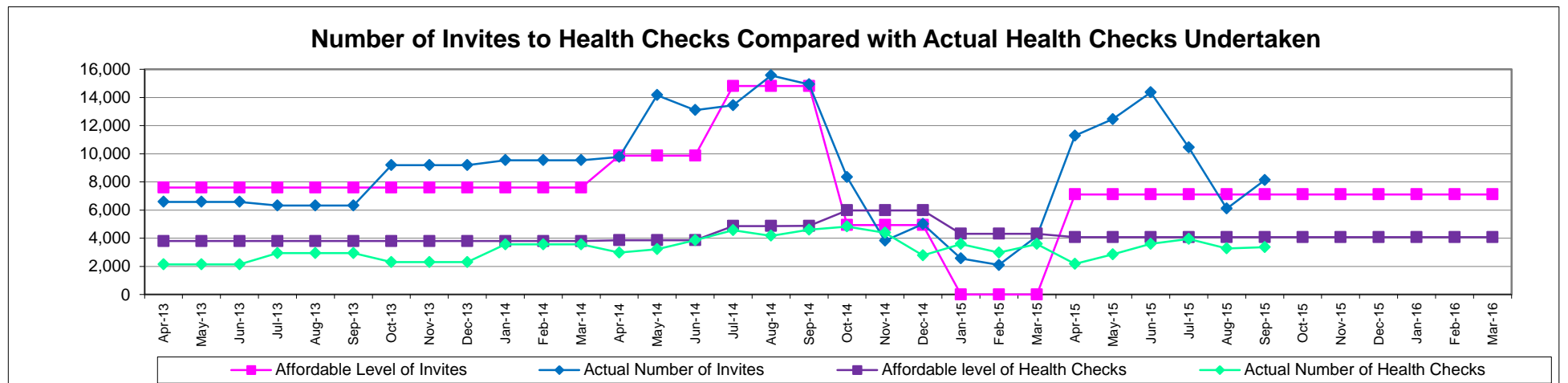
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Social Care, Health &amp; Wellbeing - Public Health</b>							
Strategic Management & Directorate Support Budgets	1,095.0	-1,095.0	0.0	-22	-22	<i>Public health grant variance: Other minor variances.</i>	
<u>Public Health:</u>							
- 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	-137	-137	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Drug & Alcohol Services	15,948.3	-15,948.3	0.0	-698	-698	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Obesity & Physical Activity	2,536.7	-2,536.7	0.0	-189	-189	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Public Health - Mental Health Adults	2,546.2	-2,546.2	0.0	-145	-145	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Public Health Staffing, Advice & Monitoring	4,221.3	-4,221.3	0.0	-1,081	-156	<i>Public health grant variance: Staffing underspend due to vacancies.</i>	
					-925	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Sexual Health Services	13,750.1	-13,750.1	0.0	-292	-180	<i>Public health grant variance: Reduction in revenue contribution to capital due to re-phasing of the Community Sexual Health Services capital scheme to 2016-17.</i>	
					-112	<i>Public health grant variance: reduced forecast in activity based contract following reconciliation of quarter 1 activity data.</i>	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Targeting Health Inequalities	6,533.4	-6,726.6	-193.2	-1,505	-40	<i>Public health grant variance: reduced forecast in activity based contract following reconciliation of quarter 1 activity data.</i>	
					-1,465	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
- Tobacco Control & Stop Smoking Services	3,450.0	-3,450.0	0.0	-474	-474	<i>Reduction in services required as a result of the in year cut in Public Health grant.</i>	
	71,378.6	-71,571.8	-193.2	-4,543			
- <i>tfr to(+)/from(-) Public Health reserve</i>				<b>+510</b>	<b>+510</b>	<i>Net transfer to the Public Health reserve to offset the public health variances of -£832k shown above.</i>	
- <i>reduction in Public Health gross cash limits as a result of the in year government funding cut, still to be actioned</i>				<b>+4,033</b>	<b>+4,033</b>	<b><i>Cabinet is asked to agree to the reductions in cash limits against the individual A-Z service lines as identified by the savings shown in green above</i></b>	
<b>Total SCH&amp;W (Public Health)</b>	<b>71,378.6</b>	<b>-71,571.8</b>	<b>-193.2</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	10,463	4,075	3,948
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179	7,120	6,117	4,074	3,279
Sep					14,816	14,933	4,876	4,613	7,120	8,127	4,075	3,372
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>62,821</b>	<b>48,893</b>	<b>19,244</b>

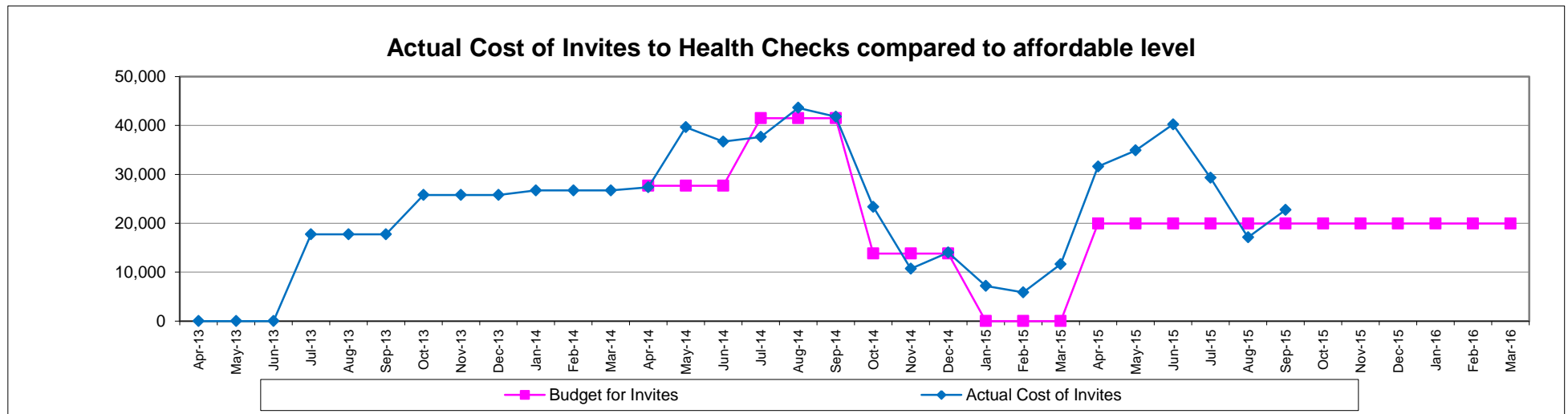


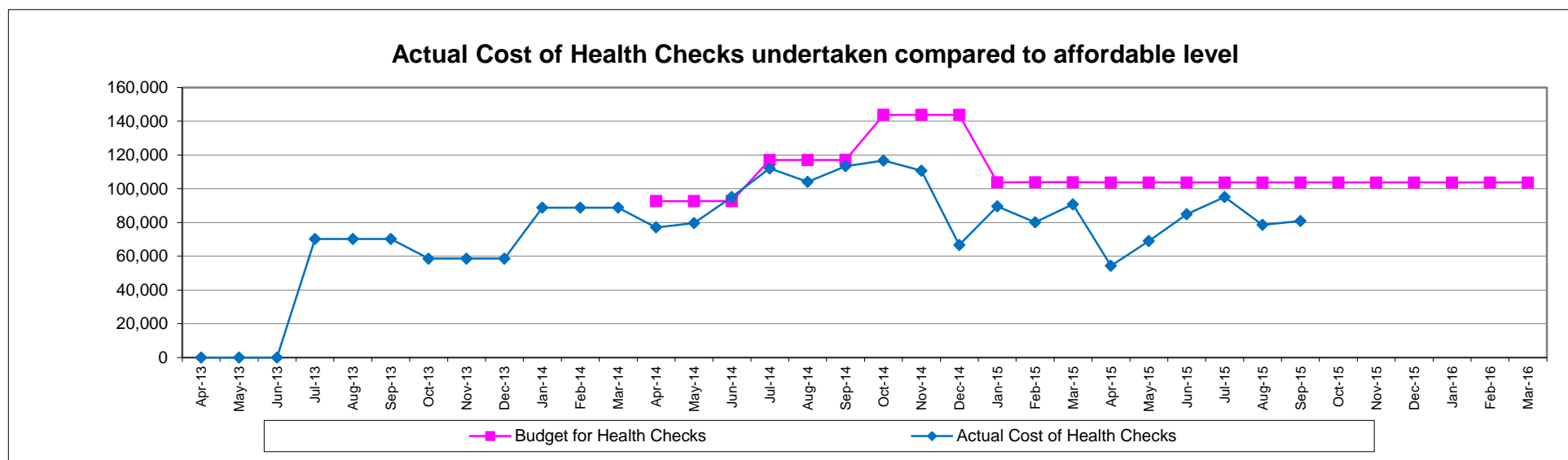
## Comments:

- 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 20,100 above the budgeted level for April to September, 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, will be more than offset by a lower than budgeted number of checks, which is currently below the budgeted level for the year to date by 5,203 checks. The current forecast is a small underspend of -£40k, as reflected in table 1 of section 1.2.2, as the expectation is that activity levels for health checks will increase in the second half of the financial year.

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	29,296	103,745	95,124
Aug	53,189	210,746	41,485	43,616	117,076	104,137	19,936	17,128	103,720	78,668
Sep			41,485	41,812	117,100	113,424	19,936	22,756	103,745	80,851
Oct			13,829	23,366	143,781	116,768	19,936		103,720	
Nov	77,302	175,920	13,829	10,727	143,805	110,779	19,936		103,745	
Dec			13,826	14,039	143,829	66,666	19,936		103,720	
Jan			0	7,190	103,843	89,540	19,936		103,745	
Feb	80,189	266,524	0	5,877	103,869	80,140	19,936		103,720	
Mar			0	11,628	103,869	90,829	19,936		103,720	
<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>175,899</b>	<b>1,244,765</b>	<b>463,086</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 to September have generated a pressure of +£56,280 but this is more than offset by an underspend on checks in the same period of -£159,309. 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 only forecasting a small underspend of £40k at this stage. 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 £180k giving a variance of £180k.

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	-180	-180	Rephasing	Work is ongoing to identify suitable premises for community sexual health services that are commissioned by KCC but delivered by external providers. KCC has recently undertaken a wide ranging public consultation about the location and availability of sexual health services across Kent. The outcome of the consultation will inform the plans for the remaining capital budget which is being rephased to 2016-17.	Amber		
<b>Total</b>	0	360	-180	-180					

#### 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**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Directorate Total (£k)	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
		+173,894	-37	-	-37	committed	uncommitted	-37
						-	-	

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Growth, Environment &amp; Transport</b>						
Strategic Management & Directorate Support budgets	4,179.6	-93.6	4,086.0	-300	-197	Underspend on Highways and Transportation Early Retirements budget.
					-103	Other minor variances each less than £100k in value.
<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)	2,042.3	0.0	2,042.3	-25		
- Gypsies & Travellers	563.0	-424.4	138.6	-2		
- Libraries, Registration & Archives	17,668.5	-5,500.3	12,168.2	-182	-150	Second and final rebate received in respect of costs incurred in prior years related to the cash management system.
					-162	Additional registration income, mostly from ceremonies.
					+150	Unachievable saving on rates
					-20	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.

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Sports Development	1,733.1	-1,094.0	639.1	-1			
	22,006.9	-7,018.7	14,988.2	-210			
<u>Environment:</u>							
- Country Parks & Countryside Access	2,431.8	-1,801.6	630.2	-22			
- Environmental Management (incl Coastal Protection)	3,299.6	-1,855.3	1,444.3	-14			
- Public Rights of Way	1,731.2	-89.0	1,642.2	+2			
	7,462.6	-3,745.9	3,716.7	-34			
<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	-59			
- General maintenance & emergency response	12,081.3	-475.8	11,605.5	+206	+104	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required.	
					+102	Other minor variances each less than £100k in value.	
- Highway drainage	2,983.1	0.0	2,983.1	+81			
- Streetlight maintenance	3,353.4	-154.0	3,199.4	+338	+196	Ongoing review of old balance sheet balances resulting in a net write-back to revenue.	
					+142	Minor variances each less than £100k in value.	
	23,901.1	-851.7	23,049.4	+566			
- Highways Management:							
- Development Planning	2,142.8	-2,135.2	7.6	-73			
- Highways Improvements	1,601.3	-33.3	1,568.0	-39			
- Road Safety	2,814.8	-2,140.2	674.6	-59			
- Streetlight energy	6,007.7	0.0	6,007.7	-531	-410	Lower than budgeted impact of electricity price increase.	<i>This is expected to be ongoing and will be reflected in the 2016-19 MTFP.</i>
					-142	Rebate from LASER following price reconciliation of Winter 2014-15 usage.	
					+21	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		
- Traffic management	5,290.1	-3,363.2	1,926.9	-63			
- Tree maintenance, grass cutting & weed control	3,253.1	0.0	3,253.1	+45			
	21,109.8	-7,671.9	13,437.9	-720			
<u>Planning &amp; Transport Strategy:</u>							
- Planning & Transport Policy	1,321.6	0.0	1,321.6	-17			
- Planning Applications	1,112.7	-650.0	462.7	+3			
	2,434.3	-650.0	1,784.3	-14			
<u>Public Protection</u>							
- Community Safety (incl Community Wardens)	2,436.8	-68.8	2,368.0	-16			
- Coroners	3,737.0	-985.7	2,751.3	+93	+93	Pressure on staffing costs resulting from: backfilling long-term sickness absences, extra staff to deal with a back log of cases, and additional supervision and staffing required following transfer of Coroners Officers from Police to deal with current levels of activity.	Part of this pressure is expected to be ongoing and will need to be addressed in the 2016-19 MTFP.
- Emergency Response & Resilience (incl Flood Risk Management)	1,397.6	-180.7	1,216.9	+46			
- Trading Standards (incl. Kent Scientific Services)	3,817.4	-1,014.8	2,802.6	-44	-224	Staffing saving resulting from early implementation of, and holding vacancies pending, Trading Standards restructure.	
					+136	Expected shortfall in Proceeds of Crime income target based on known court cases.	
					+44	Other minor variances.	
	11,388.8	-2,250.0	9,138.8	+79			
<u>Regeneration &amp; Economic</u>							
- Regeneration & Economic Development Services	5,416.4	-1,578.1	3,838.3	+72			
<u>Schools Services</u>							
- Other Schools Services (road crossing patrols)	453.3	0.0	453.3	-7			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Transport Services:</u>							
- Concessionary Fares	16,206.0	-27.0	16,179.0	+403	+403	Increased bus operator costs due to fare increases and journeys being taken are above the affordable level.	This pressure will need to be addressed in the 2016-19 MTFP.
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,318.1	-2,348.8	6,969.3	-1			
- Transport Operations	1,502.7	-77.5	1,425.2	0			
- Transport Planning	1,257.3	-918.8	338.5	-40			
- Young Person's Travel Pass	14,393.1	-5,595.6	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 have been realigned to reflect this increase.	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.
	42,677.2	-8,967.7	33,709.5	+362			
<u>Waste Management</u>							
- Waste Compliance, Commissioning & Contract Management	916.9	0.0	916.9	-39			
- Partnership & development	726.9	-114.2	612.7	-46			
- Closed Landfill Sites	758.6	-16.0	742.6	-138	-177	Underspend as works have been delayed until next financial year.	
					+39	Other minor variances.	
- Waste Processing							
- Landfill Tax	4,745.3	0.0	4,745.3	+140	+96	An additional +1,200 tonnes of residual waste sent to landfill.	The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP
					+44	Budgeted price increase is below actual requirements	This will need to be addressed in the 2016-17 budget build.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Operation of Waste Facilities	16,893.7	-746.4	16,147.3	-939	-780	Management fees at waste facilities sites.	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
					-94	Contract changes at household waste recycling centres and transfer stations.	
					+29	Shortfall in income resulting from a reduction in the volume of waste metal which is recycled.	
					+16	Pressure resulting from increased volume of waste.	
					-110	Other minor variances, each below £100k in value.	
- Payments to Waste Collection Authorities (District Councils)	6,178.9	0.0	6,178.9	-1	+13	An additional 200 tonnes of waste on which recycling credits are paid.	
					-14	Other minor variances.	
- Recycling Contracts & Composting	7,211.6	-1,149.9	6,061.7	-391	+79	Volume variance resulting from +3,600 tonnes of additional waste.	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.
					-376	Price paid is below budgeted estimate; this relates primarily to in-vessel composting.	
					-107	Additional income as the price received for recyclables, especially for paper and card, is greater than budgeted.	
					+13	Other minor variances.	
- Treatment & Disposal of Residual Waste	30,713.3	-480.2	30,233.1	+1,583	+1,624	An additional +16,200 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  This saving is expected to be ongoing and will need to be addressed in the 2016-17 budget build.
					-245	Price variance on Waste to Energy tonnage.	

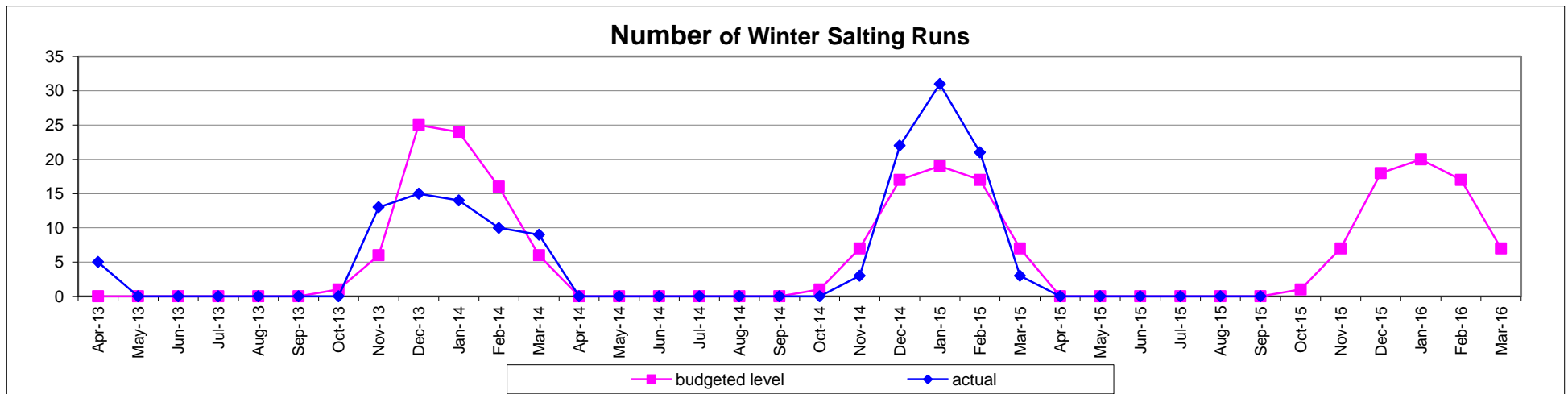
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					£'000		
					+54	An additional +1,200 tonnes of residual waste sent to landfill.	The pressure resulting from increased tonnage needs to be addressed 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.
					+105	Shortfall in trade waste income	
					+25	Other minor variances	
	68,145.2	-2,506.7	65,638.5	+169			
<b>Total GE&amp;T</b>	<b>209,287.1</b>	<b>-35,393.6</b>	<b>173,893.5</b>	<b>-37</b>			
<b>Assumed Mgmt Action</b>							
<b>Total Forecast <u>after</u> mgmt action</b>	<b>209,287.1</b>	<b>-35,393.6</b>	<b>173,893.5</b>	<b>-37</b>			

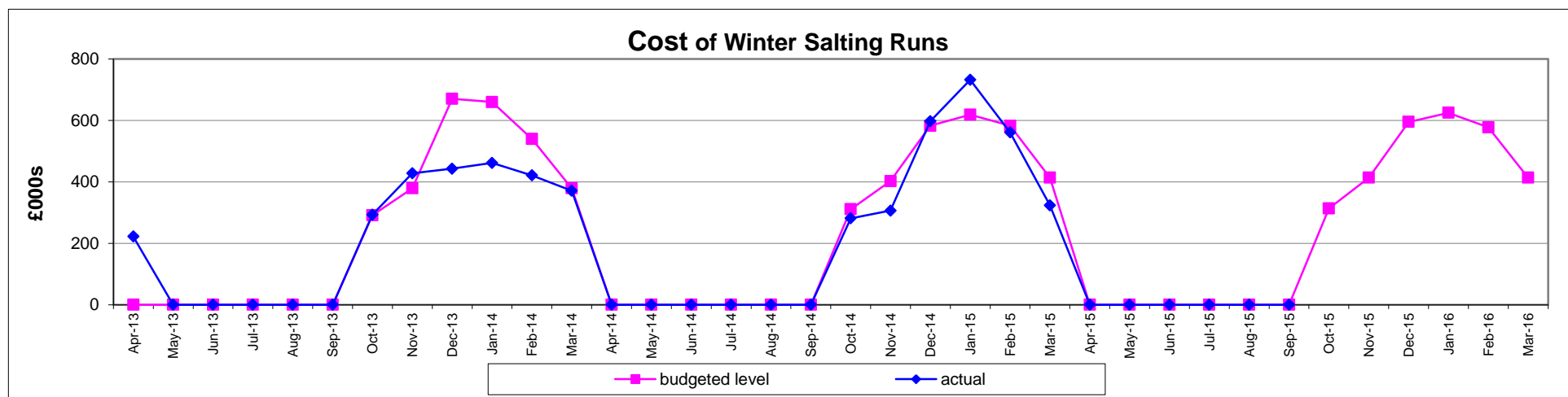
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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.



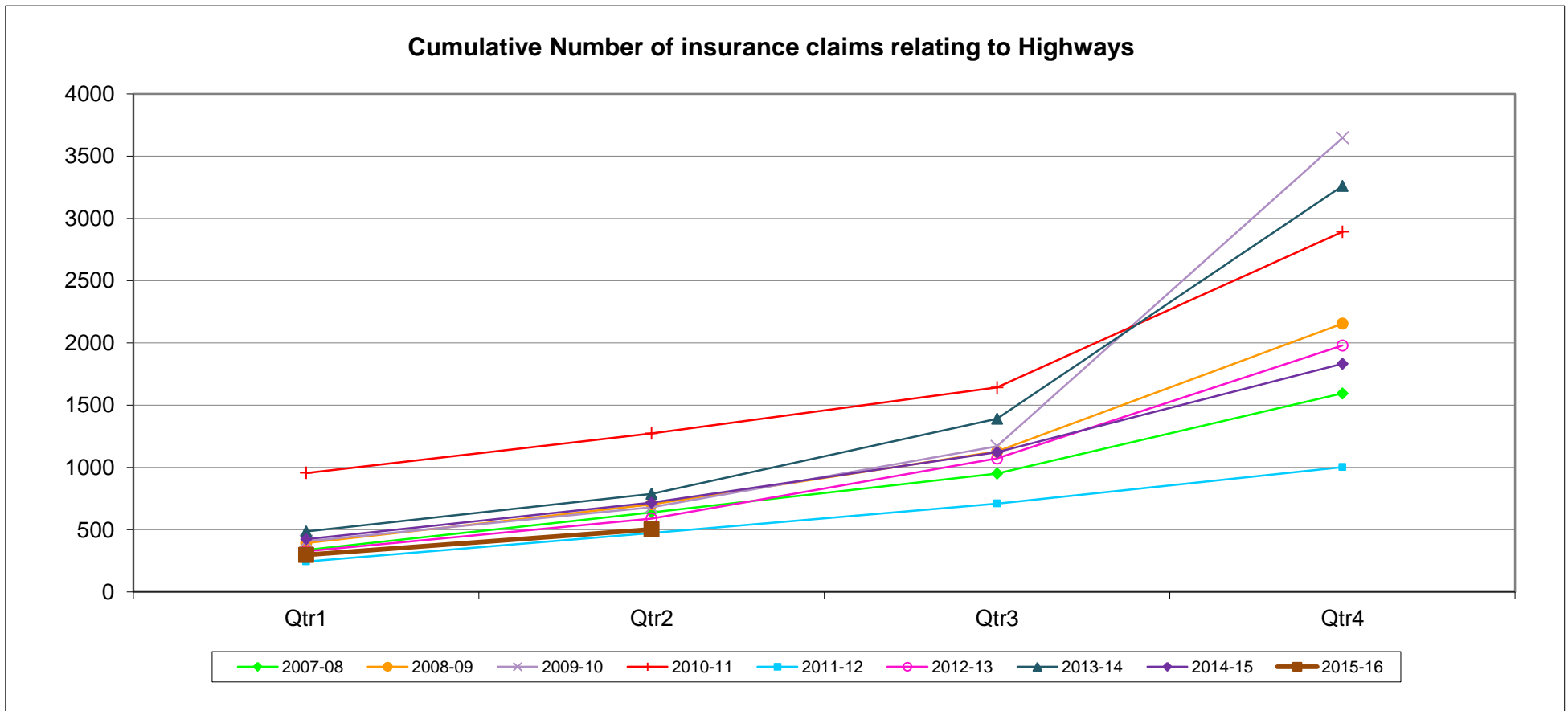


#### Comments:

- 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 on other costs associated with adverse weather, not directly attributed to salting runs. The 2014-15 and 2015-16 budgeted number of salting runs look low in comparison with the 2013-14 budgeted level, despite the budgeted costs being similar; this is due to a greater proportion of fixed cost to the total cost per run, which 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	298
Jul to Sep	640	704	680	1,273	473	590	788	717	502
Oct to Dec	950	1,128	1,170	1,643	710	1,072	1,391	1,122	
Jan to Mar	1,595	2,155	3,647	2,893	1,003	1,979	3,260	1,833	



## Comments:

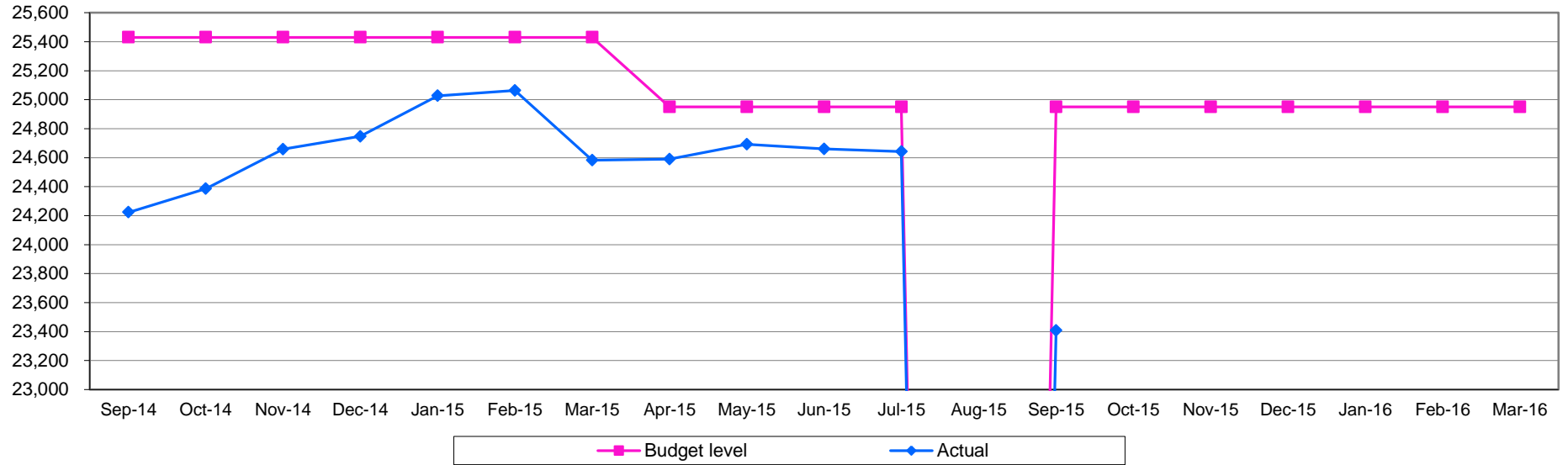
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 September 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

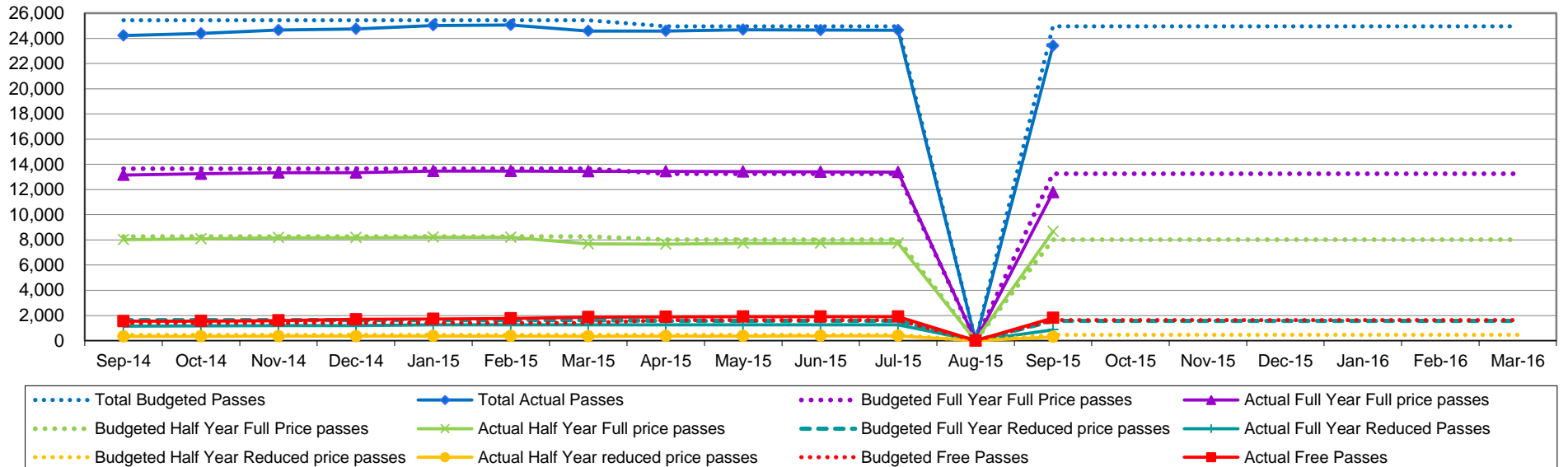
		Full Year, Full price passes		Half Year, Full price passes		Full Year, Reduced price passes		Half Year, Reduced price passes		Free passes		TOTAL passes	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
2014-15	Sept	13,662	13,159	8,268	8,023	1,630	1,159	470	333	1,400	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	0	0	0	0	0	0
	Sept	13,262	11,771	8,025	8,666	1,578	863	455	296	1,630	1,812	24,950	23,408
	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.
- 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.
- 2014-15:** YPTP pass numbers remained short of budgeted levels: 24,223 new passes were issued as at 30 September 2014 for the 2014-15 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.
- 2015-16:** 23,408 passes have been issued for the new academic year. This compares with an affordable level of 24,950 and 24,642 passes in issue at the end of the last academic year. This reduction in passes from September is likely to be in part due to the impact of the price increase from £200 to £250 referred to above, but it is likely that further applications will be received and so the number of passes in issue is expected to increase.

**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 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 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. Gross and income cash limits have been realigned within table 1 of section 1.2 of this report, to reflect this increased charge.
- The above figures show that the current number of passes in issue remains below the budgeted number. Although the reconciliation of journeys travelled between July and September is not yet available from our external provider MCL Transport Services, the forecast continues to assume a higher than budgeted number of journeys being travelled, as happened between April and June (see section 2.4 below), so a balanced position overall is currently forecast for YPTP in Table 1. This will be reviewed once we have the information on journey numbers for the second quarter.

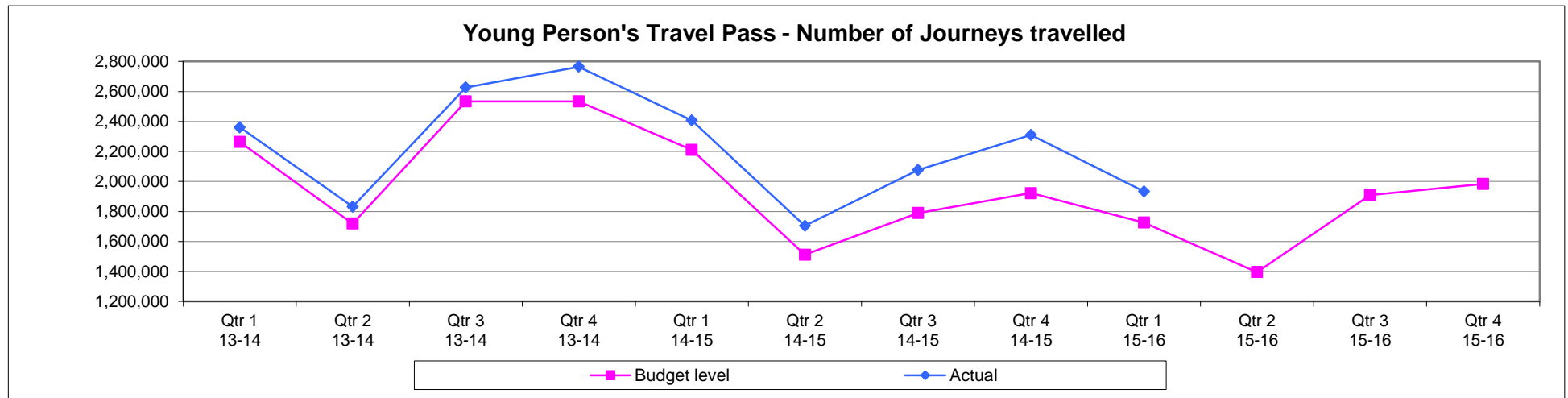
## 2.4 Young Person's Travel Pass (formerly Freedom Pass until September 2014) - Number of Journeys Travelled

	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	1,933
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>1,933</b>

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators. The 2015-16 Quarter 2 reconciliation is not yet available.

The figures for actual journeys travelled are reviewed quarterly and updated as further information is received from the bus companies, so may be subject to change.

Budgeted journey numbers are lower in quarter 2 of 2015-16 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 is 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 resulted in the affordable number of journeys increasing from 6,569,000 to 7,014,000.
- Journey numbers in quarter 1 2015-16 were 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. Quarter 2 journey numbers are not yet available from MCL Transport Services.
- 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.

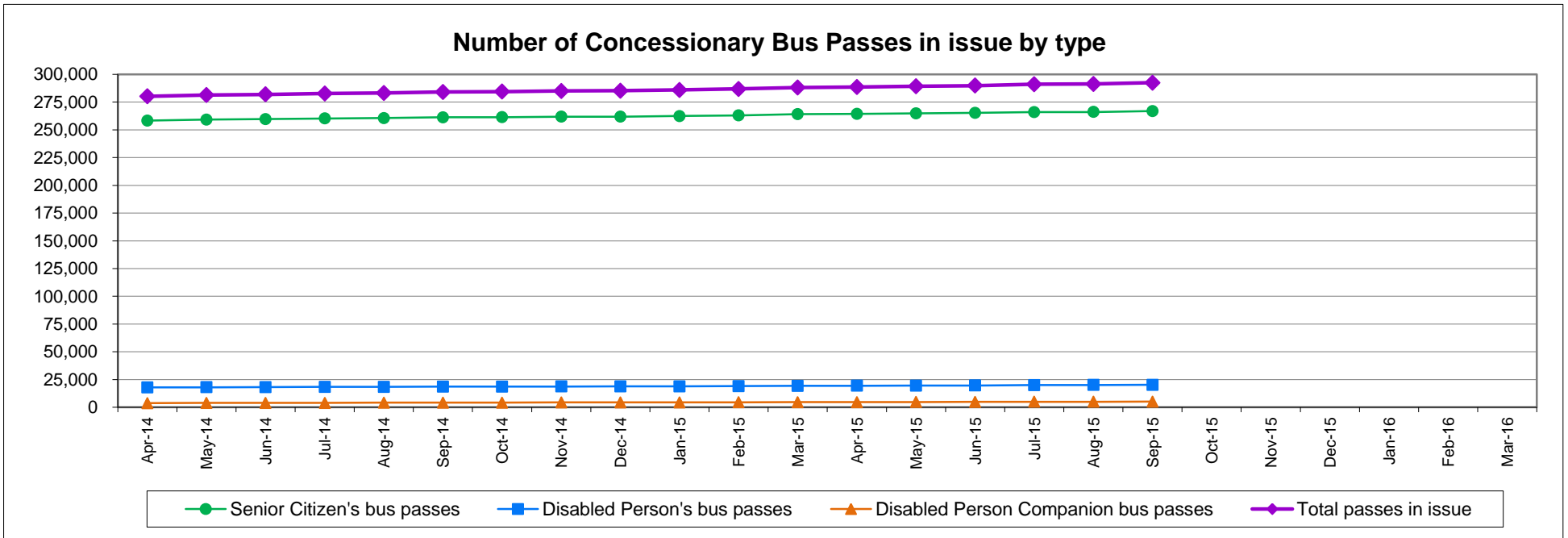
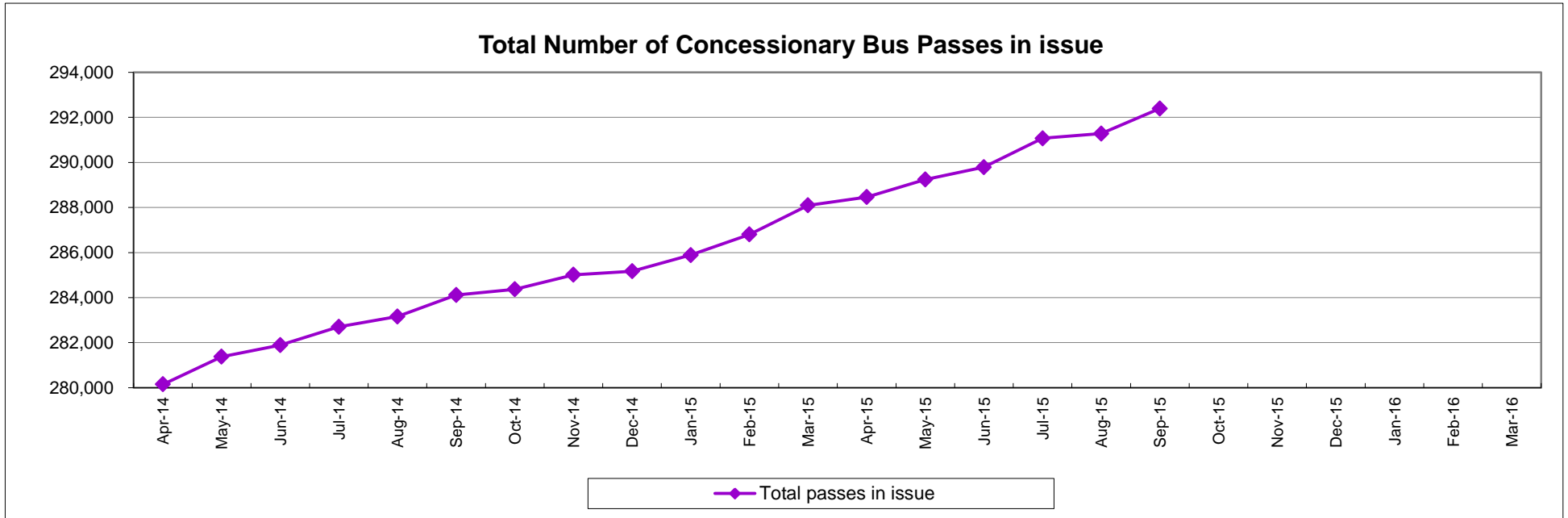
## 2.5 Concessionary Fares (English National Concessionary Travel Scheme - ENCTS) - Number of Passes in Issue

		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	266,078	20,134	5,069	291,281
	Sept	266,949	20,312	5,133	292,394
	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 reimbursing 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:

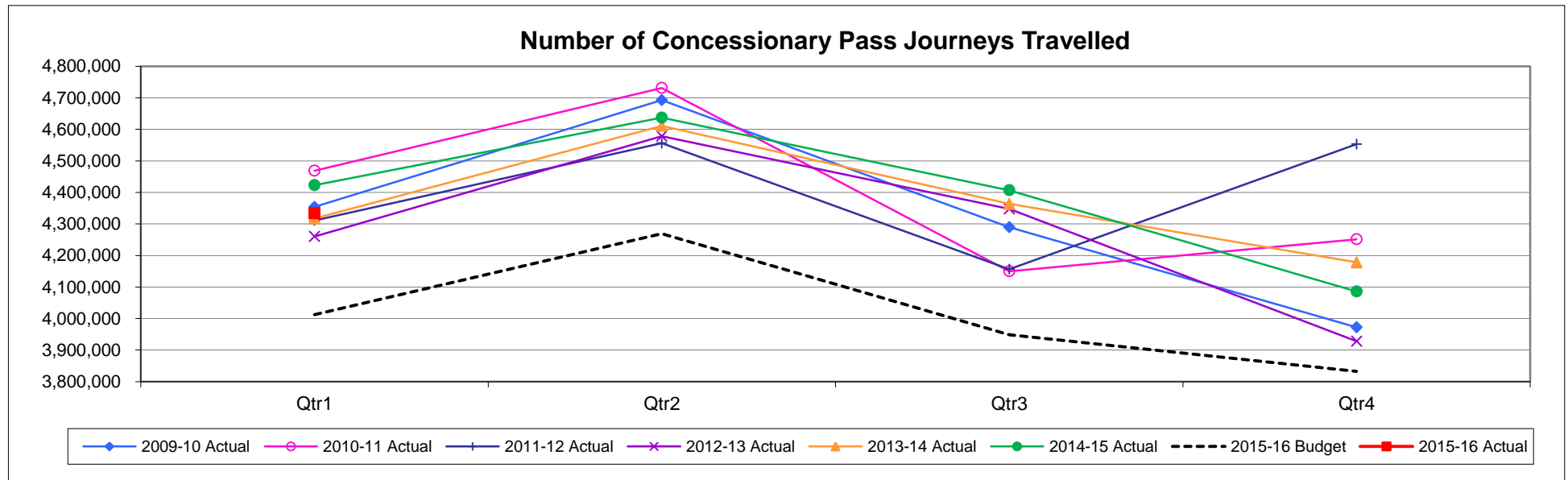
- A Senior Citizen's bus pass if you are of state pension age or older.
- A Disabled Person's bus pass for people with certain disabilities, for example for people who are blind or partially sighted, profoundly or severely deaf, or have a learning disability. There is no age restriction for the disabled 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>

The data for this activity indicator is only provided on a quarterly basis by our external provider MCL Transport Services once they have reconciled data from the bus operators. The 2015-16 Quarter 2 reconciliation is not yet available.



- As with the Young Persons Travel Pass the figures for actual concessionary journeys travelled are reviewed quarterly 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, as reconciled by MCL Transport Services, are in excess of the budgeted level and as a result a financial pressure of +£403k is being forecast, as reflected in Table 1. The quarter 2 reconciliation of journey numbers is not yet available.

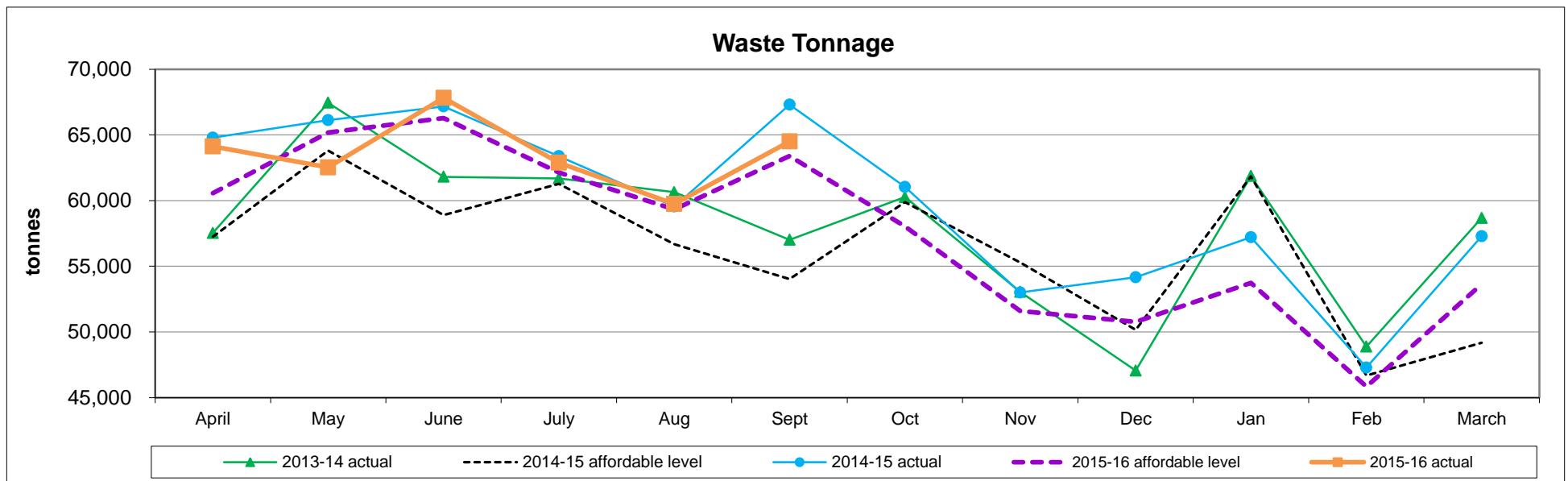
2.7 Waste Tonnage

	2013-14	2014-15		2015-16	
	Waste Tonnage	Affordable Level	Waste Tonnage	Affordable Level	* Waste Tonnage
Apr	57,538	57,246	64,792	60,559	64,123
May	67,448	63,802	66,119	65,181	62,525
Jun	61,813	58,899	67,164	66,290	67,820
Jul	61,687	61,282	63,374	62,147	62,882
Aug	60,643	56,684	59,554	59,324	59,738
Sep	57,013	54,032	67,300	63,391	64,500
Oct	60,264	59,881	61,043	58,037	
Nov	53,050	55,294	53,000	51,585	
Dec	47,063	50,167	54,159	50,768	
Jan	61,869	61,844	57,212	53,742	
Feb	48,892	46,682	47,292	45,841	
Mar	58,672	49,187	57,287	53,635	
	<b>695,952</b>	<b>675,000</b>	<b>718,296</b>	<b>690,500</b>	<b>381,588</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.

**Waste tonnages have been restated in this report to include Trade Waste activity, which was previously excluded in error.**



## 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. The data has also been restated to include Trade Waste activity.

**2013-14**

- The overall volume of waste managed in 2013-14 was 695,952 tonnes, which was 19,048 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 695,952 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 43,296 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 718,296 tonnes was 43,296 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, which 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 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 3.2% higher in 2014-15 than 2013-14.

## **2015-16**

- Based on the actual waste tonnage for April to August and forecasts for September to March, the overall volume of waste to be managed this financial year is expected to be approximately 711,700 tonnes, which is 21,200 tonnes above the affordable level and equates to a pressure of £1.911m. The vast majority (c.£1.7m) 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 1, giving an overall pressure against the waste management budget of £0.169m.
- The figures in Table 1 of section 1.2 are based on actual activity for April to August, with estimates for the remaining months.
- Overall waste volumes are currently 1.7% lower for the first six 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 £125,205k. The forecast against the 2015-16 budget is £109,561k giving a variance of -£15,644k.

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	-38	-38	Rephasing		Green	Rolling Programme	
Library Modernisation Programme	0	136	-136	-136	Real: -£41k Prudential, -£95k Capital Receipt	-£136k underspend to cover overspend on Tunbridge Wells Library.	Green	Rolling Programme	
Management and Modernisation of Assets - Vehicles	110	223	-223	-223	Real	There is no current need in this financial year to replace existing vehicles.	Green		
Public Rights of Way	915	1,238	0	0			Green	Rolling Programme	
Public Sports Facilities Improvement - Capital Grant	100	110	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
Village Halls and Community Centres - Capital Grants	300	446	0	0			Green	Rolling Programme	
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	26,661	28,501	792	792	Real: -£50k grant, +£790k Developer Contributions,+ £52k External Other	Additional footway scheme funded by £290k developer contributions for Bank Street. -£50k transfer of grant for Footways works within Tonbridge Town Centre Project. £500k developer contributions for enhancement of Star Lane, Thanet. +£52k external income for additional drainage works.	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
Integrated Transport Schemes under £1 million	3,968	4,682	-674	-674	Rephasing: -£674k Developer Contributions	-£250k rephasing as works at the Bat & Ball junction have been rephased to summer 2016-17 due to utility companies working in this area this summer, £130k rephasing following ongoing designs for a scheme at Polehill, £80k rephasing for a scheme at Thistle Hill due to design issues, £79k rephasing as a scheme at St Johns Road has been postponed pending designs for a Tunbridge Wells LGF scheme. Plus £135k rephasing across various minor schemes.	Green	Rolling Programme	
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	

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>									
Dartford Library Plus	434	434	0	0	Real: Prudential - £120k, Dev Cons +£120k.	Approved virement of £120k prudential to Swanley Gateway, substituted by banked developer contributions.	Green	Timing and final costs still to be agreed.	
Tunbridge Wells Library	0	30	151	151	Real: Capital Receipt +£95k, Prudential +£41k, Dev Cons +£15k.	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	390	-115	-115	Rephasing: -£115k	Rephasing of £115k to 2016-17 for further progression of project.	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.	

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
Sustainable Access to Maidstone Employment Areas	820	805	0	0			Green		
Sustainable access to Education & employment	200	187	0	0			Green		
Broadband	9,763	13,075	16	16	Real: grant	Additional grant expected for the Broadband Voucher scheme.	Green		
Superfast Extension Programme (SEP)	0	0	0	0				Project to commence in later years.	
Cyclopark	0	3	77	77	Real: prudential	From underspend on Swale Parklands and Incubator Development.	Green		
Empty Property Initiative	2,500	3,868	-1,268	-1,268	Rephasing: External other	Spend has been re-aligned to match expected loan repayments.	Green	This has no effect on the completion date of the project.	
Eurokent Road (East Kent)	62	68	0	0			Green		
Folkestone Heritage Quarter	680	948	0	0			Green		
Incubator Development	0	902	-65	-65	Real: -£65k prudential	-£65k to cover spend on Cyclopark.	Green		
Marsh Million	0	517	23	23	Real: External other	Expected match funding from partners	Green		
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	-239	-239	Real: +£34k External other and Rephasing: £98k External other and -£175k prudential	£34k from the original programme above. Rephasing reflecting expected loans taken up.	Green	This has no effect on the completion date of the project.	
Old Town Hall, Gravesend	0	27	0	0			Green		
Regeneration Fund Projects	0	212	0	0			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	65	65	Real: +£65k prudential	Funding diverted from the Superfast Extension Programme to complete this project, original underspend from this project was used to fund SEP.	Amber		
Swale Parklands	0	12	-12	-12	Real: prudential	To cover overspend on Cyclopark	Green		
TIGER	2,522	1,699	0	0			Green		
Escalate	311	527	0	0			Green		
Rendezvous Hotel	0	0	0	0				Project to commence in later years.	

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
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	Project complete.	
Coldharbour Gypsy site	0	0	0	0			Green	Project complete.	
<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	-799	-799	Rephasing: prudential revenue.	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	

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
Rathmore Road Link	1,530	2,034	-294	-294	Rephasing: grant	Start of contract works rephased to 2016-17 until formal approval of SELEP funding obtained.	Green*		
Kent Thameside Strategic Transport Programme	430	428	-228	-228	Rephasing: grant	Budget reprofiled as several schemes will not progress to detailed design until 2016-17.	Green	No impact on completion date.	
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	-542	-542	Rephasing: prudential	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Sandwich Highways Depot	0	0	0	0				Project to commence in later years.	
Sittingbourne Northern Relief Road - major road scheme	1,418	1,834	-1,000	-1,000	Rephasing: developer contributions	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
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.	
Thanet Park Way	1,000	2,100	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
Westwood Relief Strategy - Poorhole Lane Improvement	435	1,327	0	0			Green	Scheme completed 30/07/15 but awaiting final accounts.	
LED Conversion	4,000	4,000	-2,400	-2,400	Rephasing: loan	Rephasing of £2.4m to 2016-17 as tender invitation extended and therefore start of works delayed until March 16.	Green	No impact on completion date.	
Sittingbourne Town centre regeneration	4,500	2,500	-2,500	-2,500	Rephasing: grant	This scheme will be delivered by a third party (Spirit of Sittingbourne) in 2016-17. The £2.5m budget will be rephased to 2016-17 to reflect revised timescales following submission of the final business case to SELEP.	Green*		
Middle Deal Transport Improvements	1,500	1,500	-1,500	-1,500	Rephasing: grant and developer contributions	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*		

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 Chart Road, Ashford	1,340	1,776	-380	-380	Rephasing: developer contributions	The budget has been reprofiled to reflect the anticipated work programme for 2015-16. The final business case is to be submitted to SELEP in late 2015-16.	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	-2,090	-2,090	Rephasing: developer contributions	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. The main contract will start in spring 2016.	Green*		
A26 London Rd/Staplehurst Rd/Yew Tree Junction	1,200	1,192	-936	-936	Rephasing: grant	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	-519	-519	Rephasing: -£269k grant. -£250k developer contributions	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 2016-17 so the budget is being re-profiled accordingly.	Green*		
Maidstone Gyratory Bypass	500	416	260	260	Rephasing: grant	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. Grant received in 2015-16 to cover expenditure.	Green		
Folkestone Seafront	500	490	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
Tonbridge Town Centre Regeneration	2,220	2,181	-620	-620	Rephasing: -£670k grant Real: +£50k grant	+£50k Footways works funded by Highways Major Maintenance. -£670k rephasing as 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		
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	-106	-106	Rephasing: grant	The original budget was profiled on the initial business case submitted to SELEP. Some schemes will commence in 2016-17.	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
Kent Thameside LSTF	2,428	2,408	-310	-310	Rephasing: grant	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. Detailed design stage has resulted in £310k rephased to 2016-17.	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	125,205	-15,644	-15,644					

\* SELEP scheme timeframes are dependent upon final business case submissions. These schemes are currently shown as green although some re-profiling is 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**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
<b>Total Directorate (£k)</b>	<b>+71,512</b>	<b>-177</b>	<b>-</b>	<b>-177</b>	<b>-</b>	<b>-</b>	<b>-177</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/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	-50		
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	2,421.5	-387.3	2,034.2	+233	+186 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.	Management Action identified includes a change to the telephony infrastructure which will increase functionality and promote efficiencies. Additionally, the Customer Service Design Programme is working with directorates to implement process changes which will help reduce call volumes and duration.
					+148 Increased costs of Cloud telephony system and Workforce Management system	The costs of the Cloud telephony system will require addressing as part of the 2016-17 budget process.
					-101 Other minor variances, each below £100k in value	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Gateways & Customer Relationship	1,315.0	-35.0	1,280.0	+186	+274	Delivery of the 2015-16 saving of £0.390m has been delayed pending the restructure of the Engagement, Organisation Design & Development division.	Management action has already reduced the overall pressure. The proposed restructure of the division together with further management action is expected to address the residual pressure, so there should be no impact on 2016-17 budget.
					-88	Other minor variances	
	3,736.5	-422.3	3,314.2	+419			
<u>Local Democracy</u>							
- Community Engagement	328.0	0.0	328.0	+36			
- County Council Elections	570.0	0.0	570.0	0			
- Local Member Grants	2,704.4	0.0	2,704.4	0			
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	0			
	5,765.6	0.0	5,765.6	+36			
<u>Support to Frontline Services</u>							
- Business Services Centre	40,993.6	-40,993.6	0.0	-345	-400	Staffing vacancies originally held pending the outcome of the back office procurement process	
					-142	Additional external income following increased demand for teacher recruitment	
					+197	Other minor variances including costs of project management, recruitment and legal fees, each below £100k in value	
- Business Strategy	3,216.3	-82.0	3,134.3	-27			
- Communications & Consultation	3,055.1	-531.0	2,524.1	-229	-94	Staffing vacancies held pending restructure of the Engagement, Organisation Design & Development division	
					-135	Other minor variances, each below £100k in value	
- Democratic & Members	3,793.1	-142.0	3,651.1	-26			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Finance & Procurement	18,525.7	-8,192.6	10,333.1	-42	+97 Staffing overspend, which includes the use of additional senior finance staff on the Back Office Procurement project. This overspend is offset by other savings on non staffing and additional income which are included in the minor variances below.  -139 Other minor variances, each below £100k in value	
- Human Resources	9,017.4	-1,301.9	7,715.5	-81		
- Information, Communications & Technology	16,847.4	-1,742.8	15,104.6	+420	+139 Increase in one-off Managed Print Service project implementation costs +158 Increased maintenance charge for data storage +123 Other minor variances, each below £100k in value	
- Legal Services & Information Governance	8,688.5	-10,872.2	-2,183.7	0	+386 Increased use of agency staff due to a number of unexpected vacancies and to provide cover for legal staff working on Facing the Challenge, together with an increased demand for legal services.  -499 Anticipated increase in internal income based upon last year's income levels together with increased demand for legal services  +113 Other minor variances, each below £100k in value	
- Property & Infrastructure Support	33,018.3	-8,756.3	24,262.0	-252	Minor variances relating to Corporate Landlord each below £100k in value	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Transformation	0.0	0.0	0.0	0		see Financing Items (Annex 7) for details
	137,155.4	-72,614.4	64,541.0	-582		
<b>Total S&amp;CS</b>	<b>149,717.2</b>	<b>-78,204.9</b>	<b>71,512.3</b>	<b>-177</b>		
<b>Assumed Management Action</b>						
<b>Total S&amp;CS Forecast <u>after</u> mgmt action</b>	<b>149,717.2</b>	<b>-78,204.9</b>	<b>71,512.3</b>	<b>-177</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 **£15.030m**.

### 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	15,030
Capital receipt funding required for capital programme in 2015-16	<u>22,118</u>
Potential Surplus / (Deficit) of Useable Capital Receipts	14,886

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2015-16 totals **£22.118m**.

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 surplus of useable capital receipts of **£14.886m** at the end of the year. Any surplus receipts are required to fund future capital expenditure.

### 3. CAPITAL

3.1 The Strategic and Corporate Services working budget for 2015-16 is £27,658k. The forecast against the 2015-16 budget is £27,302k giving a variance of -£356k.

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	2,530	-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	3,958	0	0			Green		
<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.	

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
Electronic Document Management Solution (EDMS) (known as Electronic Document & Records Management (EDRM))	1,276	1,400	-1,200	-1,200	Rephasing: -£1,200k capital receipt	Phase 1 delivered & completed. Project Board proposed closure of current project and to use Phase 1 assets & knowledge to inform a re-scoped business requirement for a Phase 2 EDMS delivery which will take place next financial year.	Amber		
Enterprise Resource Programme	0	62	0	0			Green		
Herne Bay Gateway	427	476	0	0			Green		
HR System Development	60	59	0	0			Green		
Innovative Schemes Fund	0	242	-122	-122	Real: +£115k external funding and -£73k capital receipt Rephasing: -£164k Capital receipt	-£73k to be used to fund an overspend on the PAMS project below +£115k towards a software solution to monitor developer contributions across the authority. -£164k rephasing of remaining budget which will not now be required until next financial year.	Green		
LIVE Margate	4,032	5,125	0	0			Green		
New Ways of Working	4,200	8,627	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.	Amber	The amber status reflects the need for additional funding which has had to be found from elsewhere within the S&CS capital programme. The revised completion date of 31st December 2015 has been previously reported.	
Property Investment & Acquisition Fund	3,000	3,000	600	600	Rephasing: Capital receipts	A strategic acquisition approved in October will now complete in 2015-16.	Green		
Swanley Gateway	308	502	124	124	Real: +£4k External other and +£120k prudential (virement from Dartford Library)	Additional monies for unforeseen roofing costs, asbestos removal and extra steel bracing.	Amber	Amber status reflects unforeseen additional costs.	Increase 2015-16 cash limit: £4k external other and £120k prudential
Web Redevelopment Programme	320	311	-121	-121	Rephasing: -£121k prudential revenue	The future of this project has an ambitious design, development & build programme causing some developments to be rephased into 2016-17.	Green	Revised completion date of 31st March 2017 has been previously reported.	
<b>S&amp;CS Directorate</b>	<b>20,582</b>	<b>27,658</b>	<b>-356</b>	<b>-356</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**  
**SEPTEMBER 2015-16 MONITORING REPORT**

**1. REVENUE**

1.1	Cash Limit	Variance Before Mgmt Action	Mgmt Action	Net Variance after Mgmt Action	Roll forwards		Variance after Mgmt Action & Roll Fwd
					committed	uncommitted	
<b>Total (£k)</b>	<b>+128,895</b>	<b>-3,149</b>	<b>-</b>	<b>-3,149</b>	<b>-</b>	<b>-</b>	<b>-3,149</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build	
	Gross £'000	Income £'000	Net £'000	Net £'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			
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	6,305.2	0.0	6,305.2	+997	+997	Forecast transfer to Insurance reserve of surplus on Insurance Fund (see below)	
Insurance Fund	4,999.0	0.0	4,999.0	-997	-997	Forecast surplus on Insurance Fund as the overall claim reserves have reduced in the first half of the year, in part due to a review of claims in the early part of the year by the current insurers in preparation for this year's insurance tender. This trend is unlikely to continue due to the increase in excess applied to Employers Liability & Public Liability claims for the 2015 policy year and the likely increase in claims activity during the winter period.	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Modernisation of the Council	2,941.9	0.0	2,941.9	0			
Net Debt Charges (incl Investment Income)	128,508.0	-8,178.0	120,330.0	-342	-342	Increased interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends.	
Other	939.0	-36.0	903.0	0			
Unallocated	649.9	0.0	649.9	-2,650	-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.	
					-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.
					-300	Additional Education Services Grant as a result of the expected number of schools converting to academy status during the year being lower than assumed when the budget was set.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +2,071  -2,071	The Procurement & Commissioning saving previously held within Finance & Procurement in the S&CS Directorate has now been transferred to be held centrally within Financing Items. The report from our project partner (KPMG) has now been finalised. There are a number of proposals for delivering these savings in future years but for the current year, the recommendation is that this is to be delivered from tactical savings across the authority, the impact of which is also being reported against the Financing Items budget.
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	+5,396 -5,396 +404 -404 +4,246 -4,246 +730	0-25 Children's Services Transformation implementation Drawdown from reserves to meet the costs of 0-25 Children's Services Transformation implementation Adults Social Care Transformation Phase 2 design Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 design Adults Social Care Transformation Phase 2 implementation Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 implementation Facing the Challenge costs in excess of the budget of £2,264.8k, to be met by further drawdown from reserves

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000 -730	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>143,809.0</b>	<b>-14,914.0</b>	<b>128,895.0</b>	<b>-3,149</b>		
<b>Assumed Management Action</b>				0		
<b>Total Fin Items Forecast <u>after</u> mgmt action</b>	<b>143,809.0</b>	<b>-14,914.0</b>	<b>128,895.0</b>	<b>-3,149</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	42.87
Sep	106.29	93.21	45.48
Oct	100.54	84.40	46.22
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.

