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To: CABINET - 25 January 2016

Subject: **REVENUE AND CAPITAL BUDGET MONITORING FOR 2015-16 - NOVEMBER**

Classification: **Unrestricted**

1. SUMMARY

- 1.1 This report provides the budget monitoring position for November 2015-16 for both revenue and capital budgets. Due to revenue finance resources being focused predominately on preparing the 2016-17 budget, which is a separate item on the agenda for this meeting, no activity data is supplied in this report.
- 1.2 The format of this report is:
- An executive summary which provides a high level financial summary and highlights only the most significant issues
 - Appendix 1 provides a summary of the proposed capital programme cash limit changes
 - There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1 Education & Young People's Services**
 - **Annex 2 Social Care, Health & Wellbeing - Specialist Children's Services**
 - **Annex 3 Social Care, Health & Wellbeing - Adults**
 - **Annex 4 Social Care, Health & Wellbeing - Public Health**
 - **Annex 5 Growth, Environment & Transport**
 - **Annex 6 Strategic & Corporate Services**
 - **Annex 7 Financing Items**

2. RECOMMENDATIONS

Cabinet is asked to:

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

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £0.861m, before management action, but management action is expected to reduce this to an underspend of -£0.539m. 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 underspend of -£0.231m 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 £1.036m**. 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 £0.3m 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 Once again this is a report of mixed messages, as again the position has improved significantly, by -£5.55m after allowing for assumed management action and roll forward requirements, which is extremely good news, but the majority of the improvement is in respect of the release of £4.2m of uncommitted Care Act monies resulting from the Government announcement to delay the implementation of phase 2 Care Act reforms. We were awaiting the draft funding settlement for 2016-17 before releasing this money in case it was assumed in the settlement that this funding would be required for future social care pressures such as National Living Wage. This is one-off funding and therefore does not assist with resolving the underlying base problem, which for both Adult and Children's Social Care (excluding Asylum) has increased this month by £1.9m and £0.7m respectively. However, this increase in the underlying social care pressures has been more than offset by improvements in the positions for Financing Items (-£1.3m), Strategic & Corporate Services (-£1.4m) and Growth, Environment & Transport budgets (-£1.1m) and Asylum (-£0.2m). This leaves a residual forecast overspend after management action and roll forward requirements of £1.036m, which will still be a challenge to resolve, especially as we are now almost 10 months into the financial year. We must avoid going into 2016-17 in an overspending position considering the further substantial budget savings required next year.
- 3.3 Usually this report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, due to finance resources being focussed predominately on 2016-17 budget build, resulting in no activity data being included in this report, the format of this report is different to usual and instead shows the position as reported at quarter 2 together with the movement by each A-Z service line in table 1 of each of the directorate annex reports. The headline movement, which for this month is a £5.548m reduction in the forecast overspend (excluding schools), as shown in table 1 below, is mainly due to:

E&YP (excluding schools) - the position has only marginally changed by +£0.003m since the last report, but within this there are some larger offsetting movements: notably a +£0.7m increase in the combined position for SEN and mainstream home to school transport mainly due to an increase in SEN students and savings from retendered contracts not being as high as previously anticipated; +£0.3m Youth Offending Service, as a result of the in year Youth Justice Board grant cut and increased pressure on staffing budgets; and small increases totalling +£0.2m within Youth, Community Learning & Skills and Assessment & Support of Children with SEN; but these pressures are offset by -£0.6m underspending on the Kent 16+ Travel Card as a result of a reduction in estimated journey costs; -£0.3m within Early Years & Childcare following re-badging of eligible expenditure to be funded by DSG; -£0.2m delivery of management action within School Improvement relating to the Intervention Fund, and -£0.1m increase in capital maintenance grant to fund excess school premises maintenance costs. There are a number of movements in the forecasts against the DSG funded budgets totalling -£1m, but in accordance with regulations these will be matched by an overall increase in the transfer to the central DSG reserve of £1m as we cannot use this underspending to offset pressures elsewhere within the directorate budget.

E&YP (schools delegated budgets) - the position has deteriorated by £8.9m since the last report which largely reflects an expected drawdown of reserves of £9m for the remaining Kent schools based on their six month monitoring returns. In addition the expected drawdown relating to academy converters has increased by £0.1m, but this is offset by a reduced drawdown from the schools unallocated DSG reserve of £0.2m as a result of a reduction in the pressure on the High Needs budgets.

SCH&W (SCS - Asylum) - a reduction in the Asylum costs of £0.192m following a slow down in migrant activity since October. There were 211 referrals in October but this reduced to 51 in November and provisional data shows 41 for December and 6 for the first 8 days of January. As a result of this lower level of migrant activity, the forecast has been reduced to assume 50 referrals per month for the rest of the financial year, whereas the previous forecast assumed 100 for November and 75 per month thereafter.

SCH&W (SCS) - Within the other Specialist Children's Services (excluding Asylum), the position has deteriorated by £0.7m which largely reflects an increase in the use of residential care as a result of a lack of suitable independent foster placements (+£0.5m). Due to the high unit cost of this type of care, even a small increase in placements can produce a significant variance. In addition, there has been an increase in the costs of care for care leavers (+£0.2m); an increase in Special Guardianship Orders within the Adoption & other permanent care arrangements service (+£0.1m) and an increase in social care staffing costs (+£0.1m). These have been partially offset by a reduction in the pressure on Family Support Services (-£0.2m).

SCH&W (Adults) - the overall Adult Social Care position has improved by -£2.3m, but this reflects the release of Care Act funding of -£4.2m following the Government announcement to delay implementation of phase 2 Care Act reforms, offset by a net increase in adult social care pressures of +£1.9m. This £1.9m increase in social care pressures predominately relates to nursing & residential care for older people and those with a physically disability (+£1.3m, of which +£0.5m relates to 2014-15 costs for which insufficient creditor provision was raised); supported living arrangements (+£0.7m) predominately for learning disability clients; increase in the commissioning of additional block domiciliary related contracts for older people (+£0.2m); support for carers (+£0.2m); increased demand for occupational therapy equipment (+£0.2m) and additional commissioning of Deprivation of Liberty Safeguard assessments (+£0.3m). These increases in the position are partially offset by a £1m increase in the underspend on direct payments across all client groups.

GE&T - the underspend has increased by £1.1m but within this there are some large offsetting movements: +£1.5m relating to pothole repairs and drainage projects following an extension to the find & fix campaign and a +£0.1m increase in the pressure on the concessionary fares budget are more than offset by a -£0.7m forecast underspend on the Young Person's Travel Pass budget due to fewer than budgeted number of passes in circulation and journeys being taken; a -£0.5m underspend against the adverse weather budget due to the mild conditions throughout October to December resulting in fewer salting runs than budgeted; a -£0.4m increase in forecast income relating to Kent Permit Scheme and streetworks; -£0.2m as a result of increased registration service income mainly from ceremonies; a -£0.2m improvement in the waste forecast; a -£0.2m reduction in staffing costs within strategic management and directorate support, together with a number of other smaller movements including -£0.3m on the highways related budgets of streetlight maintenance, tree maintenance, grass cutting & weed control, highways improvements, drainage and road safety.

S&CS - the underspend has increased by £1.4m, which is mainly due to forecast underspending against the Member Grant Scheme of -£0.7m; an increase in the underspending against the Corporate Landlord budgets of -£0.2m, the Business Services Centre of -£0.2m, Finance & Procurement of -£0.1m and Business Strategy of -£0.1m.

FI - a further increase in the forecast interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends (-£283k), together with forecast additional Education Services Grant due to fewer than anticipated schools converting to academies this year (-£500k) and an increase in the estimated retained levy as a result of being in a Business Rate pool with 10 of the Kent District Councils (-£477k). In addition, the underspend on the Insurance Fund has reduced (+£298k), mainly due to the impact of an increase in insurance premiums from January 2016 and an anticipated further levy payment relating to the Municipal Mutual Scheme of Arrangement, which is expected to generate a further clawback from the Council to meet outstanding liabilities for the insurer. This will result in a reduction in the transfer to the Insurance reserve at the end of the financial year (-£298k).

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+930,038	+861	-1,400	-539	+5,009	-5,548
Adjustments: - Legally committed roll fwd (see section 3.7 for detail)		+308	-	+308	+292	+16
Underlying position (incl. legally committed roll fwd requirements only)	+930,038	+1,169	-1,400	-231	+5,301	-5,532
- Roll fwd / re-phasing required to continue / complete existing initiatives (see section 3.8 for detail)		+1,267	-	+1,267	+1,285	-18
Underlying position (incl. ALL roll fwd requirements)	+930,038	+2,436	-1,400	+1,036	+6,586	-5,550

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

Annex	Directorate	Budget £'000	Net Variance (before mgmt action) £'000	Management Action already in place £'000	Net Variance (after mgmt action) £'000	Last Report £'000	Movement £'000
1	Education & Young People's Services	72,134.9	-381	-300	-681	-684	+3
2	Social Care, Health & Wellbeing - Specialist Children's Services	133,033.7	+309	-	+309	-360	+669
	Social Care, Health & Wellbeing - Asylum	280.0	+2,045	-	+2,045	+2,237	-192
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>133,313.7</i>	<i>+2,354</i>	<i>-</i>	<i>+2,354</i>	<i>+1,877</i>	<i>+477</i>
3	Social Care, Health & Wellbeing - Adults	350,459.3	+5,987	-1,100	+4,887	+7,179	-2,292
4	Social Care, Health & Wellbeing - Public Health	-193.2	-	-	-	-	-
5	Growth, Environment & Transport	173,493.0	-1,119	-	-1,119	-37	-1,082
6	Strategic & Corporate Services	71,952.2	-1,571	-	-1,571	-177	-1,394
7	Financing Items	128,878.0	-4,409	-	-4,409	-3,149	-1,260
	TOTAL (excl Schools)	930,037.9	+861	-1,400	-539	+5,009	-5,548
1	Schools (E&YP Directorate)	-	+15,701	-	+15,701	+6,758	+8,943
	TOTAL	930,037.9	+16,562	-1,400	+15,162	+11,767	+3,395

3.6 The Revenue Budget Monitoring headlines are as follows:

- a) We have suffered 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 £2.045m, and this reflects the latest grant offer from the Home Office of the new weekly rates of £200 for age 18 and over (from £150), £700 for 16 and 17 year olds (from £637) and £1,050 for under 16's (from £798). A condition of this grant offer is that it is subject to a Home Office audit of our costs. The position also reflects the impact of migrant activity up to the end of November and assumes 50 new referrals per month for the remainder of the financial year. Provisional figures show that there were 41 referrals in December and six for the first eight days of January, so we remain on track against this forecast. 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 overspend on Specialist Children's Services (exc. Asylum). The net position of +£0.309m includes an underspend of -£0.151m relating to the re-phasing of the Kent Safeguarding Children Board costs into 2016-17 which is required to roll forward in order to meet our obligation to the board under the terms of the multi agency agreement. The underlying £0.460m overspend mainly relates to 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, Family Support Services and Residential Care, which results from a lack of suitable independent foster care placements. These pressures are largely offset by underspending on adoption, fostering, safeguarding and strategic management & directorate support budgets. The position assumes that the transformation savings will be delivered in line with the savings profiles agreed with our transformation partner.
- d) The pressure of £5.987m 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 direct payments for older people and learning disability clients, learning disability residential care and the use of so-far uncommitted funding held within Other Adult Services and Adult Social Care Staffing, including the release of £4.2m of Care Act funding following the Government announcement to delay implementation of phase 2 Care Act reforms and 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 forecast which is expected to reduce the pressure to £4.887m (see Annex 3 for further information).
- e) A high profile social care provider has recently failed their Care Quality Commission inspection and has gone into liquidation. This is likely to result in additional costs for our adult social care services as we need to find alternative placements at short notice for clients who are currently with this provider. The impact of this will be reflected in future reports.

- f) Within Education & Young People's Services, the pressure on the SEN Home to School Transport budget has increased to a forecast overspend of £2.096m but this is partially offset by a continuation from last year of the reduced demand for mainstream home to school transport (-£0.800m) and an underspend on the Kent 16+ Travel Card mainly due to a reduction in estimated journey costs (-£0.590m). 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; advisor vacancies within School Improvement; increased income from non statutory psychology traded services; savings on commissioned services and legal fees, and delivery of management action relating to the Intervention Fund. In addition, significant underspending is 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 £0.381m, with management action of £0.3m estimated to improve this to an underspend of £0.681m. However, in order to fund the roll forward requirements, an underspend of £1.357m is required, so the directorate is investigating options to cover the shortfall of £0.676m 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.
- g) A net pressure on the high needs education budgets (+£2.378m) 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 £1.309m as a result of an expected 12 schools converting to academies, and by £9.056m for the remaining Kent schools based on their 6 month monitoring returns. Overall the school reserves are therefore currently forecast to reduce by £15.701m to £38.308m.
- h) The Growth, Environment and Transport Directorate is forecasting an underspend of £1.119m. Within this position are some larger offsetting variances, the most significant are a pressure on Concessionary Fares of +£0.536m due to increased usage and a pressure on the highways maintenance budgets of +£1.440m, mainly due to pothole and drainage works following an extension to the find and fix campaign (+£1.462m) and streetlight maintenance (+£0.287m) offset by underspending on adverse weather (-£0.467m). These pressures are more than offset by underspending on the highways management budgets of -£1.290m mainly due to a rebate following a reconciliation of winter 2014-15 usage of streetlight energy and a lower than budgeted electricity price increase for 2015-16 (-£0.523m), together with an underspend on traffic management largely relating to increased income from the Kent Permit Scheme and streetworks (-£0.508m); an underspend on the Young Person's Travel Pass of -£0.737m due to fewer than budgeted passes in circulation and a reduction in the number of journeys estimated to be taken in the year; additional registration income mainly from ceremonies of -£0.359m and underspends within the strategic management & directorate support budgets of -£0.488m mainly as a result of an underspending on staffing and early retirement costs; together with a number of smaller variances across the other service units.

- i) The high waste volumes experienced during 2014-15 have continued into the first eight months of 2015-16 with a forecast overspend of £2.063m currently reported. This is more than 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 Household Waste Recycling Centres and transfer stations and a re-phasing of works at closed landfill sites into 2016-17, giving an overall small net underspend on the waste budgets of -£0.020m. The tonnage for the first eight months of 2015-16 was 7,800 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.063m assumes tonnage will be 707,500 tonnes for the full year, 17,000 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.
- j) We have now received the quarter 2 reconciliation of journey numbers for both the Young Person's Travel Pass and Concessionary Fares from our external travel partners, which has resulted in a £0.737m underspend being declared against the Young Person's Travel Pass budget and a small increase of £0.133m in the pressure on Concessionary Fares.
- k) The forecast underspend for Public Health has increased by £0.188m to £0.698m which will be transferred to the Public Health reserve in line with government guidelines, for use in future years. This position is after the cash limits have been reduced to reflect the £4.033m in year government funding cut as a result of the Government's austerity measures. Please see section 3.10 (i) for further details.
- l) Within Strategic & Corporate Services an underspend of £1.571m 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, Finance & Procurement, Business Strategy and Human Resources. In addition an underspend is now forecast against the budget for Member Community Grants based on the level of projects anticipated to be approved before the end of the financial year.
- m) 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 £4.409m. The accounting treatment for the retained levy has only been agreed this financial year, hence why this was not factored into the 2015-16 budget build, but it has been reflected in the draft 2016-17 budget.
- n) The centrally held procurement and commissioning saving has transferred in year 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 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.
- o) 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 recently published draft 2016-17 budget, includes an element of budget re-basing for these pressures and savings.

3.7 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 5 shows that within the current forecast revenue position there is a requirement to roll forward £0.308m 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) | +151 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) | +67 k |
| | <hr/> +308 k |

These roll forward requirements are included as we have a legal obligation and therefore legally we have no choice. All the time that we are in a overspend position for the authority, any other roll forwards, where there is no legal obligation, may not be possible.

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 -£1.575m in order to fund all of these (£1.267m as detailed below and +£0.308m per section 3.7 above). We are currently forecasting a small underspend of -£0.539m after the anticipated delivery of £1.4m of management action, so we have a shortfall of £1.036m 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) | +716 k |
| ▪ Tackling Troubled Families (see annex 1) | <hr/> +551 k |
| | <hr/> +1,267 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.

The Public Health cash limits have been adjusted, as approved by Cabinet in November, to reflect the in year government grant reduction referred to in section 3.10 below.

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 have had 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 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 remained 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 has therefore been taken via a reduction to the fourth quarterly instalment of the PH grant and the PH cash limits shown in annex 4 have been reduced accordingly.

ii) Adult Education

- The Skills Funding Agency (SFA) announced a 3.9% cut to adult skills budget and discretionary learner support allocations, which was 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 has been made across the board to non-apprenticeship allocations. The impact on the Community Learning & Skills budget was a reduction in funding of £0.359m but the service has been 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. This equates to approximately a £0.139m reduction in our YJB funding and the impact is reflected in the E&YP directorate forecast included within this report.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2015-16 Capital Programme is £374.799m (£337.021m excluding PFI). The forecast outturn against this budget is £271.114m (£267.371m excluding PFI) giving a variance of -£103.685m (-£69.650m 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	-43,901	91	-43,992	1
Social Care, Health & Wellbeing - Specialist Children's Services	902	1,959	-443	-	-443	2
Social Care, Health & Wellbeing - Adults	30,049	51,070	-40,901	-412	-40,489	3
Social Care, Health & Wellbeing - Public Health	-	360	-180		-180	4
Growth, Environment & Transport	101,707	125,205	-15,603	1,105	-16,708	5
Strategic & Corporate Services	20,582	27,782	-2,657	411	-3,068	6
Financing Items	-	-	-			7
TOTAL	298,024	374,799	-103,685	1,195	-104,880	

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

- a) The majority of schemes are within budget and on time.
- b) +£1.195m of the -£103.685m 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.

Innovation Investment Initiative (i3) (Kent & Medway Growth Hub) (GET) +£1.000m. This reflects new funding from the Government's Local Growth Fund for the provision of loans to small and medium enterprises with the potential for innovation and growth, to help improve their productivity and create jobs.

Highway Major Enhancement (GET) +£0.760m reflects in the main an additional footway scheme at Bank Street, Ashford (+£0.260k) and enhancement works at Star Lane, Thanet (+£0.500k), both to be funded by additional developer contributions.

Incubator Development (GET) +£0.700m reflects loan advances to businesses following the receipt of new external funding from the Growing Places Fund.

Regional Growth Fund - Expansion East Kent (GET) +£0.470m reflects the use of interest earned on grant balances in line with the grant agreement.

Integrated Transport Schemes (GET) +£0.465m for purchase of additional buses and community transport minibuses to be funded from a revenue contribution.

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

No Use Empty - Rented Affordable Homes - Extension (GET) -£0.264m reflects in the main a forecast reduction in the anticipated level of HCA funding based on the current number units which fit the HCA criteria for support.

Middle Deal Transport Improvements (GET) -£0.750m. The match funding for this project will be held by a third party and will therefore not pass through KCC's books.

Lorry Park (GET) -£2.000m. This scheme is no longer progressing following the announcement in the 2015 Spending Review that the Government has allocated funds for a new permanent lorry park. However, KCC will continue to work with Highways England in regard to provision of an overnight solution in addition to the proposed lorry storage facility.

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 +£0.355m 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) -£104.880m of the -£103.685m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Special School Review Phase 2 (EYP) -£20.464m. 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.

Annual Planned Enhancement Programme (EYP) -£2.878m of works are being rephased into next financial year as a result of difficulties in obtaining access to schools within school term time and gaining upfront consent from utility companies. In addition, the planning/tendering phases of emerging enhancement works are starting now with the work scheduled for the 2016 Easter and Summer holidays.

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.

Pupil Referral Units (EYP) -£1.113m. The requirements for the North West Kent PRU provision have been revised following a review with works now due to commence next summer. Works for West Kent PRU will commence in April 2016 when new premises can be accessed.

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.

Nursery Provision for Two Year Olds (EYP) -£0.366m. New premises are being sought for additional nursery provision in Gravesham with works due to commence in 2016-17. There will be no impact on overall cost.

Priority School Build Programme (PSPB) (EYP) +£0.250m. Forward rephasing of part of the 2016-17 budget to reflect early enabling works for KCC funded alterations prior to the commencement of PSPB schemes.

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 are required to ascertain what developments are needed to support the Care Act implementation and changes to business processes.

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.

Developer Funded Community Schemes (SCH&W Adults) -£0.759m. Planned contributions towards projects will now be made next year as Providers reconsider their business plans and developments following the Autumn Statement.

SELEP projects (GET):

M20 Junction 4 Eastern Over Bridge -£2.105m;
Sittingbourne Town Centre Regeneration -£1.700m;
A26 London Road/Staplehurst Road/Yew Tree Junction -£0.900m;
Middle Deal Transport Improvements -£0.700m;
Sustainable Access to Maidstone Employment Areas - £0.670m;
A28 Sturry Rural Integrated Transport Package -£0.500m;
Tonbridge Town Centre Regeneration -£0.381m;
A28 Chart Road, Ashford -£0.380m;
Kent Thameside LSTF -£0.328m;
Rathmore Road Link -£0.288m;
Kent Sustainable Intervention Programme for Growth -£0.200m;
Sturry Link Road - Canterbury +£0.080m; and
Maidstone Gyratory Bypass: +£0.840m.

Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes. The budgets will be amended as part of the 2016-19 budget process.

LED Conversion (GET) -£2.500m rephasing as the tender invitation has been extended and therefore the start of works will not commence until March 2016.

Sittingbourne Northern Relief Road -£1.000m, East Kent Access Phase 2 -£0.800m and Rushenden Link Road -£0.542m (GET). Rephasing to cover land compensation payments in future years.

Thanet Parkway (GET) -£1.500m rephasing following delays to completion of GRIP (Governance for Railway Investment Projects) Stage 3 as station design option selection and approval process has taken longer than anticipated. The planning application cannot be submitted until GRIP stage 3 has been completed.

Empty Property Initiative (GET) -£0.956m rephasing to reflect realignment of the loan payment spend profile to match that of the expected loan repayments.

Broadband Contract 1 (GET) -£0.963m rephasing following extension of the contract completion date for the Satellite scheme from December 2015 to December 2017 following a variation of contract by Government.

Integrated Transport Schemes (GET) -£0.509m reflects a scheme at the Bat & Ball junction, Sevenoaks which has been rephased to summer 2016-17 following other works being carried out by utility companies in the area over summer 2015 plus rephasing across a number of smaller schemes within the programme which have been reprofiled.

Dartford Library Plus (GET) -£0.418m. This project will now progress in 2016-17 with anticipated completion by March 2017.

Modernisation of Assets (S&CS) -£2.908m rephasing following the development of a forward modernisation programme by the TFM providers. This has meant that large programmes of work are being re-phased to later years although priority work is continuing in the current financial year.

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-scope business requirement for a phase 2 EDMS delivery which will take place next financial year.

LIVE Margate (S&CS) -£0.831m. Rephasing following the elongated tender phase of a property purchase and the cancellation of a proposed strategic acquisition due to unforeseen difficulties surrounding the release of legal charges.

Herne Bay Gateway (S&CS) -£0.430m. This project will now start next financial year following the need for value engineering to ensure that the project is viable and represents value for money.

Property Investment & Acquisition Fund (S&CS) +£2.775m. A strategic acquisition approved in November will complete this financial year. However, the bringing forward of budget into 2015-16 could create a potential funding issue.

The remaining -£1.428m 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 1.**

5. CONCLUSIONS

- 5.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has reduced by -£5.750m from +£8.186m to +£2.436m since the quarter 2 monitoring position provided to Cabinet in November. Management action of £1.4m is proposed, which is expected to reduce this position to +£1.036m, a reduction of £5.550m since the last report. Within this position is a -£0.192m reduction in the Asylum forecast reflecting the impact of the slowing down of migrant activity during November from the high levels experienced from June through to October. Migrant activity was again slightly lower in December than our assumptions contained within this forecast and, at the time of writing this report, has remained low during the start of January, so we appear to still be on track against this latest forecast and it may potentially reduce slightly should migrant activity remain at these lower levels. Excluding Asylum, the position for all other services has therefore improved this month by £5.358m, which is very encouraging. However, within this movement is a -£4.227m reduction in the Adult Social Care forecast relating to the release of Care Act funding following the Government announcement to delay implementation of phase 2 Care Act reforms. This is one-off funding and therefore does not assist with resolving the underlying base problem, which has increased this month for both Adult and Children's Social Care (excluding Asylum). These increases in the social care pressures since the last report have been more than offset by a net improvement in the positions of the other directorates, particularly Strategic & Corporate Services, Financing Items and Growth, Environment & Transport. We must however not be complacent, this residual forecast pressure of £1.036m remains a cause for concern as:
- i) the delivery of the £1.4m management action is by no means certain,
 - ii) we may still not have reached the peak of our adult social care forecast, as there is nothing built into the forecast for possible increased activity during the winter period or for the impact of the high profile social care provider recently going into liquidation.
 - ii) we are almost 10 months into the financial year so there is little time left to take any offsetting action.
- 5.2 It is essential that the position 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 two 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 and this has already had an impact, as reflected by the improvement in the position since the last report. Managers have, and will continue to be kept posted on KNet. We have, so far, resisted any moratorium on specific activity, and we expect this to remain the case, but in view of the risks identified in paragraph 5.1 above, this will be kept under constant review.
- 5.3 Excluding the position on Asylum, the Authority is now expecting to be in an underspending position of -£1.009m by the end of the financial year.
- 5.4 If we do not resolve the residual £1.036m underlying pressure (including Asylum) 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.
- 5.5 There are a number of ongoing emerging issues that have been addressed in the recently published draft 2016-17 budget / 2016-19 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

6. RECOMMENDATIONS

Cabinet is asked to:

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

7. BACKGROUND DOCUMENTS

None

8. CONTACT DETAILS

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2015-16 NOVEMBER SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2015-16	2016-17	2017-18	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability:						
GET	Incubator Development	700			Other External Funding	Additional contribution from the Growing Places Fund.
S&CS	Swanley Gateway	6			Developer Contributions	Additional developer contributions.
Cash limit change due to virement of funding between projects:						
GET	Highway Major Enhancement Programme	50			Grant	Transfer of funding to Tonbridge Town Centre for footways works
GET	Tonbridge Town Centre Regeneration	50			Grant	Transfer of funding from Highway Major Enhancement Programme for footways works

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
NOVEMBER 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	
Total (excl Schools) (£k)	+72,135	-381	-300	-681	+90	+1,267	+676
Schools (£k)	-	+15,701	-	+15,701	-	-	+15,701
Directorate Total (£k)	+72,135	+15,320	-300	+15,020	+90	+1,267	+16,377

1.2

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

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000	£'000	
Education & Young People's Services							
Delegated Budget:							
Schools & Pupil Referral Units Delegated Budgets	674,103.3	-674,103.3	0.0	+15,701	+1,188 +2,958 +2,612 +8,943	Drawdown from school reserves for 12 expected academy converters Expected drawdown from the schools unallocated reserve to fund other in year schools related pressures Expected drawdown from the schools unallocated reserve to fund in year High Needs pressures Movement from quarter 2 - increase in value of reserves drawdown for the 12 academy converters +£121k; expected drawdown of reserves for remaining Kent schools based on schools six month monitoring +£9,056k; reduction in the value of drawdown from schools unallocated reserves to fund in year High Needs pressures -£234k	
TOTAL DELEGATED	674,103.3	-674,103.3	0.0	+15,701			

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
Non Delegated Budget:							
E&YP Strategic Management & directorate support budgets	9,797.8	-8,704.2	1,093.6	+266	+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>) +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>) -211 Underspend on legal fees -24 Other minor variances -2 Movement from quarter 2		The Early Help Module pressure is expected to be ongoing and will be reflected in the 2016-19 MTFP Part of this saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
Children's Services - Early Help							
- Children's Centres	8,389.1	-2,076.5	6,312.6	-85	+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 -87 Movement from quarter 2		
- Early Intervention & Prevention	20,447.9	-5,353.1	15,094.8	-615	-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		

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000				
				£'000	-187 +32 -62	Net savings on commissioned services <i>(includes a DSG variance of -£11k)</i> Other minor variances Movement from quarter 2	
	28,837.0	-7,429.6	21,407.4	-700			
Children's Services - Education & Personal							
- 14 - 24 year olds	2,986.0	-941.0	2,045.0	-806	-794 -12	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. Movement from quarter 2 - an additional roll forward request of £12k for Kent Youth Employment Programme	
- Attendance & Behaviour	2,587.9	-2,449.3	138.6	-316	-116 -95	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> <i>DSG variance - underspend on individual tuition due to staff vacancies and fewer tutors being used</i>	

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -37 -68	Other minor underspends Movement from quarter 2 - <i>includes: an increase in DSG underspend, mainly on non-staffing headings, for individual tuition -£134k; increased penalty notice income from pupils being absent from school -£122k (includes as DSG variance of -£111k); increase in staffing costs +£139k (includes a DSG variance of +£126k); other minor movements +£49k</i>	
- Early Years & Childcare	6,369.7	-4,939.8	1,429.9	+410	+316 +297 -211 +67 -359 +300	Shortfall in the budgeted surplus for the 3 nursery provisions Under recovery of Early Years Training income Underspend on Sufficiency and Sustainability staff (<i>includes a DSG variance of -£181k</i>) Other minor variances Movement from quarter 2 - includes a base underspend following re-badging of expenditure now to be funded from DSG -£300k and other minor movements -£59k <i>DSG Movement from quarter 2 - re-badging of eligible Early Years expenditure to be funded from DSG</i>	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.
- Early Years Education	56,493.0	-56,493.0	0.0	0			
Education Psychology - Service	2,966.8	-675.0	2,291.8	-227	-147 -32 -48	Increased income for non statutory psychology traded services Other minor variances Movement from quarter 2	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Individual Learner Support	7,151.5	-6,671.4	480.1	-21	+25 -46	Quarter 2 reported position Movement from quarter 2	
- Statemented Pupils	4,809.8	-4,809.8	0.0	-164	-245 -192 -173 -125 +300 -18 +289	<i>DSG variance - reduced therapy statemented support costs</i> <i>DSG variance - recoupment income received for other local authority pupils in Kent schools</i> <i>DSG variance - reduction in general statemented support costs</i> <i>DSG variance - an increase in places in SEN provision has led to a reduction in Individual Tuition costs</i> <i>DSG variance - increase in Severe Complex Accessibility Funding (SCAF) agreements for 2 year old nursery pupils</i> <i>DSG variance - Other minor variances</i> <i>DSG movement from quarter 2 - increase in SCAF agreement costs +£168k; reduction in forecast underspend for therapy costs +£52k; other minor movements +£69k</i>	
- Youth Service	2,962.2	-1,726.2	1,236.0	+106	+77 -18 +47	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. Other minor variances Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Youth Offending Service	2,202.7	-1,771.1	431.6	+656	+329 +11 +316	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 Other minor variances Movement from quarter 2 - includes an increase in pressure due to an in year reduction in grant from the Youth Justice Board +£139k (see reference above); further increase in staffing pressure +£166k and other minor movements of +£11k	
	88,529.6	-80,476.6	8,053.0	-362			
<u>Children's Services -Other Children's Services</u>							
- Safeguarding	512.1	-150.0	362.1	-65	-68 +3	Quarter 2 reported position Movement from quarter 2	
<u>Community Services</u>							
- Community Learning & Skills (CLS)	13,826.4	-15,366.1	-1,539.7	+784	+632 +100 -1 +53	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. 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. Other minor variances Movement from quarter 2	

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net £'000	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000				
					£'000		
- Supporting Employment	806.6	-335.0	471.6	0			
- Troubled Families Programme	4,783.2	-2,514.9	2,268.3	-551	-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.	
					+30	Movement from quarter 2 - the roll forward request will be reduced by £30k	
	19,416.2	-18,216.0	1,200.2	+233			
School & High Needs Education Budgets							
- 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	+397	+673	<i>Schools unallocated DSG variance - increased costs of high needs placements for post 16 students in colleges</i>	<i>This pressure is expected to be ongoing and will be included as part of the 2016-17 budget setting process</i>
					-276	<i>Schools Unallocated DSG movement from quarter 2 - reduced costs of high needs placements</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>	<i>This saving is expected to be ongoing and will be included as part of the 2016-17 budget setting process</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>	<i>This pressure is expected to be ongoing and will be included as part of the 2016-17 budget setting process</i>

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net £'000	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000				
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	52,884.8	-52,884.8	0.0	+2,588			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	1,500.0	-1,500.0	0.0	-210	+281 -533 +42	<i>Schools unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools</i> <i>Schools unallocated DSG variance - additional income from other local authorities with pupils in Kent schools</i> <i>Schools Unallocated DSG movement from quarter 2</i>	<i>This pressure is expected to be ongoing and will be included as part of the 2016-17 budget setting process</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	+294	+306 +137 -28 -121	<i>DSG variance - Pressure on budget for mobile classrooms to fulfil basic need</i> <i>Work in excess of capital maintenance funding on school premises including for asbestos, planned maintenance and tree surveys</i> <i>Other minor variances</i> <i>Movement from quarter 2 - includes an increase in capital maintenance grant to fund the excess capital maintenance costs -£137k and other minor movements of +£16k</i>	
- Redundancy Costs	1,363.7	-1,363.7	0.0	-500	-500	<i>DSG movement from quarter 2 - reduction in the expected number of school staff redundancies</i>	
- School Improvement	8,909.1	-6,108.6	2,800.5	-913	+443 +108 -224	<i>Shortfall in budgeted income targets for teams across the units</i> <i>Increased costs of moderation training and school visits</i> <i>Net underspend on advisor vacancies partially offset by the costs of consultants covering some of the vacant posts</i>	

ANNEX 1

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -73 -32 -1,135	Support team staff vacancies Other minor variances Movement from quarter 2 - DSG variance on school collaboration projects which will continue into the summer term -£947k; underspend on the Intervention fund -£200k following delivery of management action; other minor variances +£12k	
- Schools Staff Services	2,617.6	-2,514.6	103.0	-23	-18 -5	Quarter 2 reported position Movement from quarter 2	
- Teachers & Education Staff Pension Costs	8,416.3	-2,684.0	5,732.3	-904	-917 +13	Reduced annual capitalisation costs Movement from quarter 2	Part of this saving is expected to be ongoing and will be reflected in the 2016-19 MTFP
	29,586.0	-21,056.4	8,529.6	-2,256			
Transport Services							
- Home to School/College Transport (SEN)	21,599.5	-900.0	20,699.5	+2,096	+1,384 +111 -70 +671	Higher than budgeted numbers of pupils travelling Lower than budgeted recoupment income from other local authorities Other minor variances Movement from quarter 2 - increase in SEN school transport costs due to a small increase in pupil numbers and savings from re-tendered contracts not being as high as previously anticipated +£359k; rise in college transport costs due to increased numbers of SEN students +£292k; other minor movements +£20k	This pressure is expected to be ongoing and will be reflected in the 2016-19 MTFP
- Mainstream HTST	8,795.0	-50.0	8,745.0	-800	-868 +68	Fewer than budgeted numbers of pupils travelling Movement from quarter 2	This saving is expected to be ongoing and will be reflected in the 2016-19 MTFP

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Kent 16+ Travel Card	3,452.4	-2,575.0	877.4	-590	-10	Quarter 2 reported position	
					-580	Movement from quarter 2 - includes a -£563k reduction in estimated journey costs and other minor movements of -£17k	
	33,846.9	-3,525.0	30,321.9	+706			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	8,503.1	-7,336.0	1,167.1	+155	+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	
					+66	Movement from quarter 2	
	8,503.1	-7,336.0	1,167.1	+155			
TOTAL NON DELEGATED	271,913.5	-199,778.6	72,134.9	+565			
- Transfer to(+)from(-) DSG reserve				-946	+419	<i>Net transfer to the Central DSG reserve to offset:</i> <i>DSG variances of -£419k explained above</i>	
					+41	<i>A number of other smaller DSG variances totalling -£41k</i>	
					+972	<i>Movement from quarter 2 - DSG underspend on the central DSG budget (to offset -£977k of movements explained above, together with +£5k of other smaller movements)</i>	
					-2,612	<i>Net transfer from the Schools Unallocated DSG reserve to offset:</i> <i>DSG variances of +£2,612k on High Needs Education & recoupment and Early Years</i>	

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000				
					£'000 +234	<i>Movement from quarter 2 - DSG reduced overspend on the central High needs budget</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	271,913.5	-199,778.6	72,134.9	-381			
Total E&YPS	946,016.8	-873,881.9	72,134.9	+15,320			
Assumed Mgmt Action				-300	-500	As reported at Quarter 2	
					+200	Movement from quarter 2: delivery of £200k of management action is now reflected within School Improvement above therefore outstanding management action is now forecast to be £300k. Whilst the forecast at this stage is an underspend of £381k (excl. schools), identified management actions of £300k are expected to increase this underspend to £681k, but 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 £716k underspend against this programme and £551k against the Troubled Families Programme is required for these schemes to continue into 2016-17. To enable this an underspending position of £1,357k (£90k+£716k+£551k) 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 £676k required to achieve this position and is committed to achieving this by the end of the financial year. Despite the improvements seen to the forecast within Early Help and Preventative Services, the Directorate remains committed to implementing management action which it estimates will deliver savings in the region of £300k. 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.	
Total E&YPS Forecast <u>after</u> mgmt action	946,016.8	-873,881.9	72,134.9	+15,020			

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 £124,522k giving a variance of -£43,901k.
- 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 ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	9,000	13,656	-2,878	-2,878	Rephasing	Rephasing of a number of works as a result of difficulties in obtaining access to schools within school term time and gaining upfront consent from utility companies. In addition, the planning/tendering phases of emerging enhancement works are starting now with the work scheduled for the 2016 Easter and Summer holidays.	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 ¹	Explanation of Project Status	Actions
Pupil Referral Units	1,209	1,627	-1,113	-1,113	Rephasing	The requirements for the North West Kent PRU provision have been revised, work will commence next summer. Works for West Kent PRU cannot commence until April 2016 when new premises can be accessed.	Green	£803k rephasing has previously been reported.	
Youth - Modernisation of Assets	0	23	-23	-23	Real - Prudential	To part fund additional project costs on Integrated Youth Service - Youth Hub Reprovision	Green		
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Basic Need Programme	61,767	68,745	-7,600	-7,600	Rephasing	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	£7,600k rephasing has previously been reported.	
Basic Need - Aylesham Primary School	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 ¹	Explanation of Project Status	Actions
Goat Lees Primary School, Ashford	0	25	0	0			Green		
Repton Park Primary School, Ashford	0	109	0	0			Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
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.	Green	Rephasing has previously been reported.	
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.	
Special Schools Review - 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 ¹	Explanation of Project Status	Actions
Special Schools Review phase 2	47,200	49,540	-20,464	-20,464	Rephasing	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. 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.	Green	Rephasing has previously been reported.	

ANNEX 1

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 ¹	Explanation of Project Status	Actions
Academy Projects:									
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		

ANNEX 1

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 ¹	Explanation of Project Status	Actions
Other Projects:									
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	47	47	Real - £45k Prudential, £2k Capital Receipt		Amber	Unforeseen additional project costs. To be funded from underspends elsewhere within the programme.	
Nursery Provision for Two Year Olds	0	637	-366	-366	Rephasing	New premises being sought for additional nursery provision in Gravesham with works to commence in 2016/17. There will be no impact on overall cost.	Amber		
One-off Schools Revenue to Capital	0	40	23	23	Real - Revenue		Green		

ANNEX 1

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 ¹	Explanation of Project Status	Actions
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.	Green	Sevenoaks Grammar was approved by the Secretary of State for Education on 15 October 2015.	
Trinity Free School, Sevenoaks	7,000	11,898	0	0			Green		
EYPS Single System (previously known as 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	Rephasing has previously been reported.	
Ashford North Youth Centre	0	0	50	50	Real - Developer Contribution		Green		
Priority School Build Programme	0	0	250	250	Rephasing	Early enabling works where KCC is funding alterations prior to PSBP schemes commencing	Green		

ANNEX 1

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 ¹	Explanation of Project Status	Actions
Universal Infant Free School Meals	1,075	1,207	0	0			Green		
The Piggery, Swattenden	0	42	-2	-2	Real - Capital Receipt		Green		
Vocational Education Centre	0	148	0	0			Green		
Total	144,784	168,423	-43,901	-43,901					

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
NOVEMBER 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	
Total excl Asylum (£k)	+133,034	+309	-	+309	+151	-	+460
Asylum (£k)	+280	+2,045	-	+2,045	-	-	+2,045
Total (£k)	+133,314	+2,354	-	+2,354	+151	-	+2,505

1.2

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

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
Specialist Children's Services							
Strategic Management & Directorate Support budgets	5,408.5	-257.9	5,150.6	-545	-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	
					-42	Movement from quarter 2	
Children's Services - Children in Care (Looked After)							
- Fostering - In house service	24,165.6	-252.2	23,913.4	+125	+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 MTFFP
					+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	

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -188 -170 +81	Higher than anticipated income from recharges to the Asylum Service owing to greater Asylum activity Other minor variances each below £100k, such as lower than anticipated spend on Fostering Related Payments Movement from quarter 2	
- Fostering - Commissioned from Fostering Agencies	8,184.3	0.0	8,184.3	-233	-232 +107 -29 -79	Forecast -247 weeks below affordable level of 8,812 weeks Forecast average unit cost +£12.17 above affordable level of £925.36 Other minor variances Movement from quarter 2	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	+91	+50 +41	Quarter 2 reported position Movement from quarter 2	
- Residential Children's Services - in house services (short breaks units)	3,227.4	-682.4	2,545.0	-115	-63 -52	Quarter 2 reported position Movement from quarter 2	
- Residential Children's Services - commissioned from independent sector	13,625.9	-2,567.7	11,058.2	+319	-777 +684 +310 -340 +264	Forecast -233 weeks below affordable level of 2,660 weeks, partially due to young people becoming care leavers (see care leavers below) Forecast average unit cost +£256.98 above affordable level of £3,079.85 Children with a Disability: Forecast +113 weeks above affordable level of 1,489 weeks Children with a Disability: Forecast average unit cost -£228.67 below affordable level of £2,968.70 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	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -300 -44 +522	Lower than anticipated spend on Secure Accommodation based on year to date usage Other minor variances Movement from quarter 2 - Increased usage of residential placements, partly due to insufficient availability of suitable independent Foster Placements. The high unit cost for this type of provision means that even a small increase in activity can produce significant increases in cost.	
- 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	+83			
<u>Children's Services - Children in Need</u>							
- Family Support Services	10,944.5	-1,660.0	9,284.5	+103	+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).	

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 +74	Other minor variances	
					-212	Movement from quarter 2 - Reductions in a number of areas, particularly across disability lines, including: lower Section 17 payments, reduced spend on day care (partly due to day care packages being reviewed or ending) and lower spend on other preventative services.	
Children's Services - Other Social Services							
- Adoption & other permanent care arrangements	12,908.8	-104.0	12,804.8	-326	+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 adoption arrangements being made which require financial support	

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000	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 +146 Movement from quarter 2 - predominately due to increased numbers of SGOs.	
- Asylum Seekers	19,619.1	-19,339.1	280.0	+2,045	+211 +223 +1,803	Pressure relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs being greater than grant receivable and due to ineligibility. Fitting out costs of new temporary reception centre. We are seeking to recoup these costs from Central Government. 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.	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.

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000	-192	Movement from quarter 2 - numbers of additional unaccompanied asylum seeking children, whilst remaining high, have slightly reduced from the previously predicted level due to a slowing down of migrant activity since the high levels experienced in October.
- Care Leavers	6,657.1	-2,105.4	4,551.7	+283	+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 +176 Movement from quarter 2 - initial results of an ongoing validation exercise of current placements suggest an increase in costs of care for young people requiring this service, however as this work continues the forecasts will be revised accordingly. There is also a small increase in staffing costs.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Safeguarding	5,819.3	-1,003.9	4,815.4	-232	-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.	
					+16	Movement from quarter 2, including a movement of -£26k in KCC's share of the re-phasing of the Kent Safeguarding Children Board funding which will be required to roll forward, and other minor offsetting variances of +£42k.	
	45,004.3	-22,552.4	22,451.9	+1,770			
<u>Assessment Services</u>							
- Children's social care staffing	46,410.7	-3,886.3	42,524.4	+943	+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
					-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.	

ANNEX 2

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 +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	
					+72	Movement from quarter 2	
Total SCH&W (SCS)	168,603.2	-35,289.5	133,313.7	+2,354			
Assumed Mgmt Action							
Total SCH&W (SCS) Forecast <u>after mgmt action</u>	168,603.2	-35,289.5	133,313.7	+2,354			

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 £1,516k giving a variance of £443k.
- 3.2 **Table 2** below details the Social Care, Health & Wellbeing Directorate's - 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 ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	70	112	0				Green		
ConTROCC	556	925	-210	-210	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 therefore delivery timescales have been extended but costs will remain within current budget. The final phase is the rollout to internal fostering providers.	Amber	Phase 1 went live in July 2015. Phase 2 completion has moved from December 2015 to May 2016. Phase 3 is scheduled for August 2016.	

Budget Book Heading	2015-16 cash limit per budget book (£000)	2015-16 Working Budget (£000)	2015-16 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Early Help Module (EHM)	276	922	-233	-233	Rephasing	Phase 4 will be delivered next financial year as the Commissioning Services function is currently being redefined.	Amber	Phase 1 went live in June 2015. Phase 2 went live in November 2015. Phase 3 to go live in May 2016. Phase 4 to go live in September 2016.	
Total	902	1,959	-443	-443					

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
NOVEMBER 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	
Total (£k)	+350,459	+5,987	-1,100	+4,887	+77	-	+4,964

1.2

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

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000		£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	8,104.1	-1,144.5	6,959.6	-720	-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	
					-73	Movement from quarter 2	
Support to Frontline Services:							
- Adults Social Care Commissioning & Performance Monitoring	4,045.2	-623.8	3,421.4	-122	-145	Delays in recruitment to vacancies within the Performance & Information Management team	
					-18	Other minor variances	
					+41	Movement from quarter 2	

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability (aged 18+)	17,686.1	-69.5	17,616.6	-373	+531 +74 +647 -1,234 -143 +26 -274	Forecast +1,899 weeks above affordable level of 63,397 weeks Forecast average unit cost +£1.17 above affordable level of £278.27 One-off direct payments Recovery of unspent funds from clients Other local authority income relating to prior year costs for a client who has recently been transferred under Ordinary Residence status Other minor variances Movement from quarter 2 - reduction in activity and unit cost (-£260k), along with an increase in recovery of unspent funds from clients (-£179k) & other minor movements (-£45k), partially offset by an increase in one-off direct payments (+£210k)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Mental Health (aged 18+)	1,052.9	-84.3	968.6	+51	+150 -33 +92 -115 +5 -48	Forecast +1,467 weeks above affordable level of 9,968 weeks Forecast average unit cost -£3.26 below affordable level of £105.31 One-off direct payments Recovery of unspent funds from clients Other minor variances Movement from quarter 2	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000			
- Older People (aged 65+)	14,432.6	0.0	14,432.6	-1,407	-418 +243 +439 -1,224 -9 -438	Forecast -2,235 weeks below affordable level of 78,040 weeks Forecast average unit cost +£3.11 above affordable level of £184.00 One-off direct payments Recovery of unspent funds from clients Other minor variances Movement from quarter 2 - increase in the recovery of unspent funds from clients (-£298k); along with a reduction in activity (-£100k) and other minor movements (-£40k).	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Physical Disability (aged 18-64)	12,097.9	0.0	12,097.9	+294	+1,178 -100 +718 -1,321 +27 -208	Forecast +5,979 weeks above affordable level of 60,472 weeks Forecast average unit cost -£1.65 below affordable level of £198.65 One-off direct payments Recovery of unspent funds from clients Other minor variances Movement from quarter 2 - increase in the recovery of unspent funds from clients (-£135k); along with other minor movements (-£73k)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
Total Direct Payments	45,269.5	-153.8	45,115.7	-1,435			
- Domiciliary Care							
- Learning Disability (aged 18+)	989.5	-14.0	975.5	-316	-271 -3 +12 -54	Forecast -19,626 hours below affordable level of 64,081 hours Forecast average unit cost -£0.05 below affordable level of £13.87 Other minor variances Movement from quarter 2	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Older People (aged 65+) - in house service (KEaH)	7,888.9	-5,415.4	2,473.5	+145	+188 -43	Higher usage of Kent Enablement at Home Service (KEaH) than anticipated for Older People clients Movement from quarter 2	

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
- Older People (aged 65+) - Commissioned Service	£'000 17,263.8	£'000 -10,157.1	£'000 7,106.7	£'000 +9,182	£'000 +7,106 +292 +1,696 +185 +13 -110	Forecast +485,679 hours above affordable level of 1,168,456 hours Forecast average unit cost +£0.25 above affordable level of £14.38 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 Commissioning additional block domiciliary related contracts primarily related to providing additional support within Extra Care Sheltered Housing. Other minor variances Movement from quarter 2 - allocation of prices budget from other adult services A-Z service line to help offset prices pressure (-£411k), partially offset by the commissioning of additional block domiciliary related contracts (+£249k) and other minor movements (+£52k)	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.
- Physical Disability (aged 18-64) - in house service	579.4	0.0	579.4	0			
- Physical Disability (aged 18-64) - Commissioned Service	2,313.5	0.0	2,313.5	+2,883	+2,512 +34 +372	Forecast +180,203 hours above affordable level of 189,847 hours Forecast average unit cost +£0.18 above affordable level of £13.76 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	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

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 +1 -36	Other minor variances Movement from quarter 2	
Total Domiciliary Care	29,035.1	-15,586.5	13,448.6	+11,894			
- Non Residential Charging							
- Learning Disability (aged 18+)	0.0	-3,191.3	-3,191.3	-501	-391 -110	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. Movement from quarter 2 - additional client contributions received towards non-residential care services linked to the increase in activity on other learning disability community based services (i.e. Supported Living)	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	-1,247	-1,087 -160	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. Movement from quarter 2 - additional client contributions received towards non-residential care services	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	-456	-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

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -53 +3	Other minor variances Movement from quarter 2	
Total Non Residential Charging Income	0.0	-12,006.1	-12,006.1	-2,204			
- Nursing & Residential Care							
- Learning Disability (aged 18+)	80,876.3	-6,597.4	74,278.9	-1,842	-2,751 +212 +1,276 -123 -613 +64 +93	Forecast -2,251 weeks below affordable level of 68,129 weeks Leading to a shortfall in client contributions Forecast average unit cost +£18.73 above affordable level of £1,203.48 Independent Sector: forecast average unit client contribution -£1.80 above affordable level of -£92.56 Release of unrealised creditors Other minor variances Movement from quarter 2 - increase in the average unit cost of residential placements (+£221k) and a reduction in the anticipated level of unrealised creditors (+£107k) are partially offset by reductions in activity (-£221k) and other minor movements (-£14k)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Mental Health (aged 18+)	8,414.1	-1,006.5	7,407.6	+1,116	+1,218 -73 +262 +73 -364	Forecast +1,855 weeks above affordable level of 12,652 weeks Leading to an increase in client contributions Forecast average unit cost +£20.74 above affordable level of £636.00 Independent Sector: forecast average unit client contribution +£5.75 below affordable level of -£45.06 Movement from quarter 2 - allocation of prices budget from other adult services A-Z service line to help offset prices pressure (-£359k), along with other minor movements (-£5k)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Older People (aged 65+) - Nursing	37,654.6	-16,250.7	21,403.9	+55	-2,827 +1,086 +645 +884 -24 +291	Forecast -5,570 weeks below affordable level of 73,815 weeks Leading to a shortfall in client contributions Forecast average unit cost +£8.74 above affordable level of £498.75 Independent Sector: forecast average unit client contribution +£11.97 below affordable level of -£206.97 Other minor variances Movement from quarter 2 - increase in the average unit cost of nursing placements (+£193k), along with other minor movements of +£98k (including an increase in activity of +£63k)	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	+291	+135 +156 +88 -20 -68	Additional agency staff to cover staff vacancies, along with higher than anticipated usage of agency staff for specialist care/nursing roles at Gravesham Place. Increase in running costs for Gravesham Place associated with a recharge from Health for staff, clinical items, utilities and unitary charge. Other minor variances for Gravesham Place including reduced health income associated with Registered Nursing Care Contributions (RNCC) Other minor variances within other residential units Movement from quarter 2	
- Older People (aged 65+) - Residential - commissioned service	55,564.5	-29,367.8	26,196.7	+2,089	-4,024 +1,867 +598	Forecast -9,449 weeks below affordable level of 139,119 weeks Leading to a shortfall in client contributions Forecast average unit cost +£4.30 above affordable level of £421.49	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 +605 +1,941 +188 +118 -2 +798	Independent Sector: forecast average unit client contribution +£4.35 below affordable level of -£201.90 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 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. 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. Other minor variances Movement from quarter 2 - 2014-15 related costs where insufficient creditors were set up at the end of the financial year (+£419k) along with an increase in activity (+£578k) and unit cost (+£202k); this is partially offset by the allocation of prices budget from other adult services A-Z service line to help offset prices pressure (-£114k) and an increase in client contributions (-£287k)	The revised timing of the anticipated delivery of phase 2 transformation savings will be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability (aged 18-64)	13,489.3	-1,729.9	11,759.4	-195	-481 +62 -30 -15 +269	Forecast -563 weeks below affordable level of 15,841 weeks Leading to a shortfall in client contributions Forecast average unit cost -£1.91 below affordable level of £857.27 Independent Sector: forecast average unit client contribution -£0.95 above affordable level of -£109.20 Movement from quarter 2 - 2014-15 related costs where insufficient creditors were set up at the end of the financial year (+£105k) along with an increase in activity (+£186k); this is partially offset by other minor movements (-£22k)	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
Total Nursing & Residential Care	216,056.4	-60,421.1	155,635.3	+1,514			
- Supported Living							
- Learning Disability (aged 18+) - in house service	3,787.4	-1,593.7	2,193.7	-338	-100 -279 +21 +20	Completion of the Pathway to Independence project pilot at lower cost than anticipated 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 Other minor variances Movement from quarter 2	
- Learning Disability (aged 18+) - shared lives scheme	3,579.3	-246.9	3,332.4	+147	+137 -43 +27 +26	Forecast +48,849 hours above affordable level of 1,069,507 hours Forecast average unit cost -£0.04 below affordable level of £2.84 Other minor variances Movement from quarter 2	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Learning Disability (aged 18+) - other commissioned supported living arrangements	31,377.8	-118.5	31,259.3	+3,343	+3,236 -159 -327 +124 +11 +458	Forecast +328,227 hours above affordable level of 3,183,542 hours Forecast average unit cost -£0.05 below affordable level of £9.91 Release of unrealised creditors Estimated costs of unfilled block-purchased supported living placements Minor other variances Movement from quarter 2 - increases in activity and marginal increase in unit costs totalling +£694k, partially offset by further release of unrealised creditors of -£257k; balance of +£21k is due to other minor movements	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Older People (aged 65+) - in house service	4,825.0	-4,825.0	0.0	+10	+10	Movement from quarter 2	
- Older People (aged 65+) - commissioned service	395.9	0.0	395.9	+21	+44 -122 +24 +75	Forecast +7,718 hours above affordable level of 48,688 hours Forecast average unit cost -£2.50 below affordable level of £8.23 Other minor variances Movement from quarter 2	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	4,404.5	-210.2	4,194.3	+1,698	+542 +43 +1,389 -322	Mental Health forecast +44,421 hours above affordable level of 177,381 Mental Health forecast average unit cost +£0.24 above affordable level of £11.95 Physical Disability forecast +231,187 hours above affordable level of 300,791 hours Physical Disability forecast average unit cost -£1.07 below affordable level of £7.08	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -53 +99	Other minor variances Movement from quarter 2	
Total Supported Living	48,477.3	-7,101.7	41,375.6	+4,881			
- Other Services for Adults & Older People							
- Adaptive & Assistive Technology	6,106.6	-3,666.2	2,440.4	-120	-190 -341 +175 -11 +247	Estimated savings following the renegotiation of the equipment contract affecting occupational therapy equipment, telecare and the pooled budget arrangement with health to provide equipment Lower than anticipated demand for telecare leading to a reduction in anticipated revenue contribution to capital Higher than anticipated demand for occupational therapy equipment Other minor variances Movement from quarter 2 - predominately due to additional demand for occupational therapy equipment	Savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Community Support Services for Mental Health (aged 18+) - in house service	1,383.8	-64.4	1,319.4	-70	-72 +2	Quarter 2 reported position Movement from quarter 2	
- Community Support Services for Mental Health (aged 18+) - commissioned service	1,716.5	-693.9	1,022.6	-73	-71 -2	Quarter 2 reported position Movement from quarter 2	

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Day Care							
- Learning Disability (aged 18+) - in house service	6,627.5	-70.7	6,556.8	-221	-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 -16 Movement from quarter 2		Savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Learning Disability (aged 18+) - commissioned service	7,029.7	0.0	7,029.7	+951	+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 -61 Movement from quarter 2		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	-38	-30 Quarter 2 reported position -8 Movement from quarter 2		
Older People (aged 65+) - commissioned service	945.1	0.0	945.1	-146	-130 Underspend reflecting current demand for services provided by the independent sector -16 Movement from quarter 2		Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2016-19 MTFP
- Physical Disability (aged 18-64)	974.2	0.0	974.2	-39	-23 Quarter 2 reported position -16 Movement from quarter 2		
Total Day Care	16,454.4	-115.7	16,338.7	+507			

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Other Adult Services	3,864.8	-3,695.3	169.5	-3,022	-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.	Realignment of the prices budget will be reflected in the 2016-19 MTFP
					+169	Meals service pressure, primarily due to lower than anticipated client contributions	
					+79	Other minor variances including additional mental health client support costs	
					+1,079	Movement from quarter 2 - predominantly due to the transfer of the prices budget to other A-Z service lines to reflect the outcome of the prices review (including Older People Domiciliary, Mental Health & Older People Residential Care)	

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Safeguarding	2,331.7	-702.1	1,629.6	-11	-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.	
					+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.	
					+312	Movement from quarter 2 - additional commissioning of Deprivation of Liberty assessments by an external agency.	
- Social Support							
- Carers - in house service	3,550.9	-0.3	3,550.6	+84	+69	Quarter 2 reported position	
					+15	Movement from quarter 2	
- Carers - commissioned service	10,440.9	-6,172.1	4,268.8	+911	+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	
					+244	Movement from quarter 2 - increases in provision of services to support carers (respite services) (+£134k), along with 2014-15 related costs where insufficient creditors were set up at the end of the financial year (£110k)	

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Information & Early Intervention	6,517.0	-2,254.9	4,262.1	-99	-100	Lower than anticipated demand for advocacy services	
					-17	Other minor variances	
					+18	Movement from quarter 2	
- Social Isolation	6,269.2	-2,288.5	3,980.7	+66	+115	Payments to voluntary organisations as a result of higher than anticipated demand for Learning Disability services	
					-48	Other minor variances	
					-1	Movement from quarter 2	
Total Social Support	26,778.0	-10,715.8	16,062.2	+962			
- Support & Assistance Service (Social Fund)	1,481.5	0.0	1,481.5	0			
Total Other Services for Adults & Older People	60,117.3	-19,653.4	40,463.9	-1,827			
<u>Community Services</u>							
- Local Healthwatch & NHS Complaints Advocacy	1,138.4	-705.9	432.5	-117	-2	Quarter 2 reported position	
					-115	Movement from quarter 2 - reduction in the anticipated demand for advocacy services	
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Administration	536.1	-150.0	386.1	-31	-32	Quarter 2 reported position	
					+1	Movement from quarter 2	
- 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			
Total Housing Related Support for Vulnerable People	21,922.1	-150.0	21,772.1	-161			

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
<u>Public Health</u>							
- Drug & Alcohol Services (LASAR)	429.9	0.0	429.9	-40	-25	Quarter 2 reported position	
					-15	Movement from quarter 2	
<u>Assessment Services</u>							
- Adult Social Care Staffing	44,648.7	-11,237.9	33,410.8	-5,676	-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	
					-4,157	Movement from quarter 2 - increased underspend resulting from the Government announcement to delay the implementation of phase 2 Care Act reforms (-£4,227k), offset by other minor variances (+£70k)	
Total SCH&W (Adults)	479,244.0	-128,784.7	350,459.3	+5,987			

ANNEX 3

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
Assumed Mgmt Action				-1,100	-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.	
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	479,244.0	-128,784.7	350,459.3	+4,887			

2.

SOCIAL CARE DEBT MONITORING

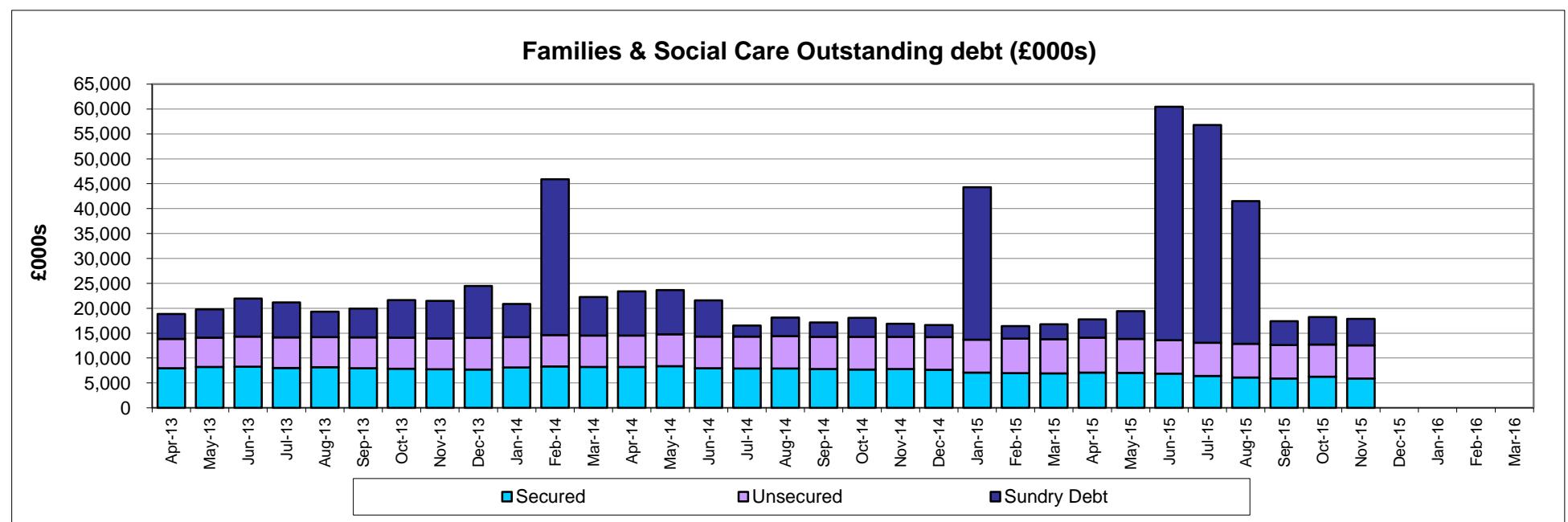
The outstanding debt as at the end of November was £17.848m compared with September's figure of £17.391m excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £5.298m of sundry debt compared to £4.794m in September. It is not unusual 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.

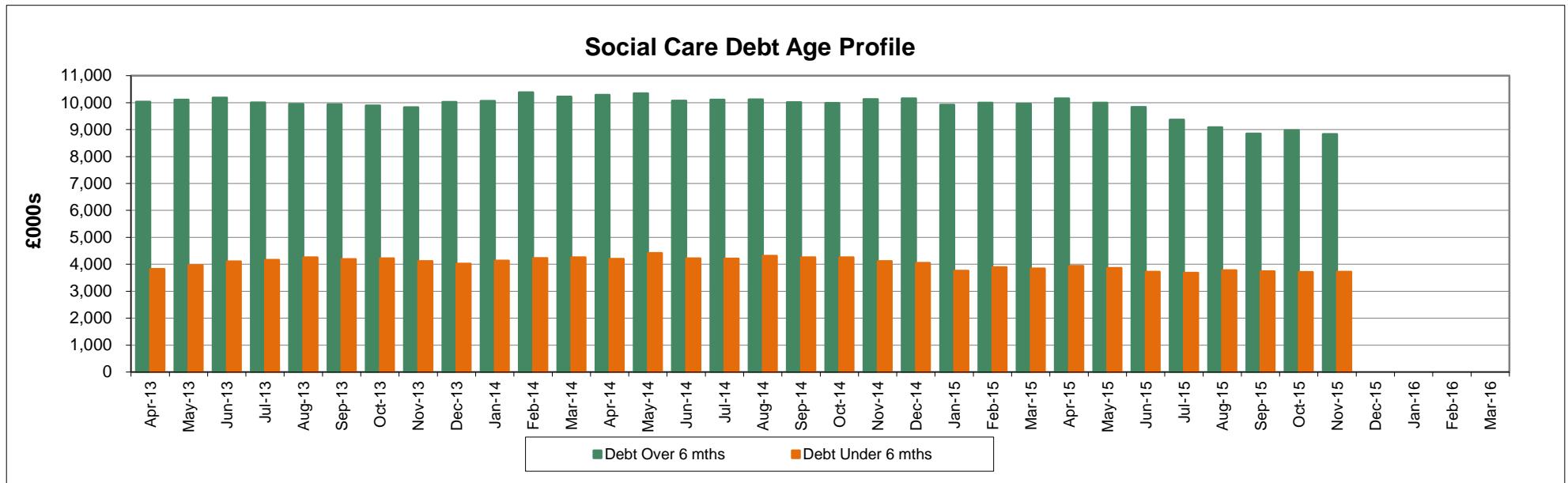
Also within the outstanding debt is £12.550m relating to Social Care (client) debt which is a reduction of £0.047m from the September position. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, 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.

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
Dec-14	16,612	2,406	14,206	10,160	4,046	7,624	6,582
Jan-15	44,315	30,632	13,683	9,926	3,757	7,079	6,604
Feb-15	16,425	2,538	13,887	9,996	3,891	6,973	6,914
Mar-15	16,757	2,955	13,802	9,962	3,840	6,915	6,887
Apr-15	17,764	3,669	14,095	10,155	3,940	7,069	7,026

	Social Care Debt						
Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s	
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
Jul-15	56,795	*	43,741	13,054	9,366	3,688	6,417
Aug-15	41,514	*	28,648	12,866	9,090	3,776	6,075
Sep-15	17,391	4,794	12,597	8,854	3,743	5,913	6,684
Oct-15	18,214	5,532	12,682	8,969	3,713	6,231	6,451
Nov-15	17,848	5,298	12,550	8,831	3,719	5,905	6,645
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.

Social Care debt by Customer Credit Status	September	November	Movement
	£000s	£000s	£000s
Secured	5,913	5,905	-8
Unsecured - Deceased/Terminated Service	1,782	1,763	-19
Unsecured - Ongoing	4,859	4,824	-35
Caution/Restriction (Unsecured)	41	58	17
Health (Unsecured)	2	0	-2
TOTAL	12,597	12,550	-47

Unsecured debt by Client Group	September	November	Movement
	£000s	£000s	£000s
Older People/Physical Disability	6,241	6,115	-126
Learning Disability	315	389	74
Mental Health	128	141	13
TOTAL	6,684	6,645	-39

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 £10,169k (£6,426k excluding PFI) giving a variance of -£40,901k (-£6,866k excluding PFI).

3.2 **Table 2** below details the Social Care Health & Wellbeing Directorate's - 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 ¹	Explanation of Project Status	Actions
Rolling Programmes									
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		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
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 ¹	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 repaved 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 ¹	Explanation of Project Status	Actions
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
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.	Green	Rephasing to 2016-17 previously reported.	
Learning Disability Good Day Programme- Community Initiatives	0	651	-492	-492	-£463k Rephasing -£29k Real - Grant		Green	Rephasing to 2016-17 previously reported.	
Active Care / Active Lives Strategy:									
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.	Green	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 ¹	Explanation of Project Status	Actions
Developing Innovative and Modernising Services:									
Information Technology Projects	0	300	-43	-43	Rephasing		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 are required to ascertain what developments are needed to support the Care Act implementation and changes to business processes. Extended Government deadlines have allowed more time to scope this project.	Green	Budget to be rephased to 2016-17 in line with extended deadlines. 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 ¹	Explanation of Project Status	Actions
Wheelchair Accessible Housing	600	600	-67	-67	Real: developer contributions		Green		
Developer Funded Community Schemes	889	889	-734	-734	-£759k Rephasing +£25k Real - Developer Contributions	Planned contributions towards projects will now be made next year. Providers to consider their business plans and developments following the Autumn Statement.	Amber		
Total	30,049	51,070	-40,901	-40,901					

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
NOVEMBER 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
Total (£k)	-193	-698	+698	-

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 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 has been implemented through a reduction in the fourth quarterly instalment of the PH grant and the cash limits in table 1 below have been reduced accordingly, as approved by Cabinet in November.

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

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	1,095.0	-1,095.0	0.0	-36	-22	<i>Public health grant variance: Other minor variances.</i>	
					-14	<i>Movement from quarter 2</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	+2	+2	<i>Movement from quarter 2</i>	
- Other Children's Public Health Programmes	9,266.5	-9,266.5	0.0	0			
- Drug & Alcohol Services	15,250.3	-15,250.3	0.0	+31	+31	<i>Movement from quarter 2</i>	
- Obesity & Physical Activity	2,347.8	-2,347.8	0.0	0			
- Public Health - Mental Health Adults	2,401.2	-2,401.2	0.0	-9	-9	<i>Movement from quarter 2</i>	
- Public Health Staffing, Advice & Monitoring	3,296.3	-3,296.3	0.0	-160	-156	<i>Public health grant variance: Staffing underspend due to vacancies.</i>	
					-4	<i>Movement from quarter 2</i>	
- Sexual Health Services	13,750.1	-13,750.1	0.0	-398	-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>	

ANNEX 4

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -112	<i>Public health grant variance: reduced forecast in activity based contract following reconciliation of quarter 1 activity data.</i>	
					-106	Movement from quarter 2 - primarily a reduction in accommodation costs of community sexual health services as finding suitable premises that meet the standards for delivery of clinical services has been challenging. This has meant that the service has operated at a reduced capacity in a number of locations, particularly in West and North Kent which has contributed to the underspend on premises.	
- Targeting Health Inequalities	5,068.5	-5,261.7	-193.2	-163	-40	<i>Public health grant variance: reduced forecast in activity based contract following reconciliation of quarter 1 activity data.</i>	
					-123	Movement from quarter 2 - minor movements each below £100k.	
- Tobacco Control & Stop Smoking Services	2,975.9	-2,975.9	0.0	+35	+35	<i>Movement from quarter 2</i>	
	67,345.6	-67,538.8	-193.2	-698			
- tfr to(+)from(-) Public Health reserve				+698	+510	<i>Net transfer to the Public Health reserve to offset the public health variances of -£510k shown above.</i>	
					+188	<i>Movement from quarter 2 - further transfer to the Public Health reserve to offset -£188k of movements shown above.</i>	
Total SCH&W (Public Health)	67,345.6	-67,538.8	-193.2	0			

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 Social Care, Health and Wellbeing Directorate's - 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 ¹	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 reprieved to 2016-17.	Green	Rephasing previously reported.	
Total	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
NOVEMBER 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	
Directorate Total (£k)	+173,493	-1,119	-	-1,119	-	-	-1,119

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				
	£'000	£'000	£'000		£'000		
Growth, Environment & Transport							
Strategic Management & Directorate Support budgets	4,635.0	-93.6	4,541.4	-488	-197	Underspend on Highways and Transportation Early Retirements budget.	<i>This is expected to be ongoing and will be reflected in the 2016- 19 MTFP.</i>
					-103	Other minor variances each less than £100k in value.	
					-188	Movement from quarter 2: primarily relates to a revised estimate of staffing costs covered by the Facing the Challenge budget as well as other movements within the staffing budget.	
Children's Services - Education & Personal							
- 14 - 24 year olds (Kent Foundation)	111.9	-59.3	52.6	0			
Community Services:							
- Arts Development (incl. grant to Turner Contemporary)	2,042.3	0.0	2,042.3	-35	-25	Quarter 2 reported position	
					-10	Movement from quarter 2	
- Gypsies & Travellers	563.0	-424.4	138.6	-4	-2	Quarter 2 reported position	
					-2	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Libraries, Registration & Archives	17,668.5	-5,500.3	12,168.2	-390	-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.	This is expected to be ongoing and will be reflected in the 2016-19 MTFP.
					+150	Unachievable saving on rates	This is expected to be ongoing and will be reflected in the 2016-19 MTFP.
					-20	Other minor variances.	
					-208	Movement from quarter 2: increase in registration income mostly from ceremonies -£197k and other minor movements of -£11k.	
- Sports Development	1,733.1	-1,094.0	639.1	-3	-1	Quarter 2 reported position	
					-2	Movement from quarter 2	
	22,006.9	-7,018.7	14,988.2	-432			
<u>Environment:</u>							
- Country Parks & Countryside Access	2,431.8	-1,801.6	630.2	-48	-22	Quarter 2 reported position	
					-26	Movement from quarter 2	
- Environmental Management (incl Coastal Protection)	3,299.6	-1,855.3	1,444.3	-18	-14	Quarter 2 reported position	
					-4	Movement from quarter 2	
- Public Rights of Way	1,731.2	-89.0	1,642.2	-11	+2	Quarter 2 reported position	
					-13	Movement from quarter 2	
	7,462.6	-3,745.9	3,716.7	-77			
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,230.8	0.0	3,230.8	-467	-467	Movement from quarter 2: the mild weather throughout October to December has resulted in significantly fewer salting runs than budgeted	
- Bridges & Other Structures	2,186.5	-221.9	1,964.6	-61	-59	Quarter 2 reported position	
					-2	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- General maintenance & emergency response	11,786.9	-475.8	11,311.1	+1,282	+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.	
					+1,076	Movement from quarter 2: +£1,062k additional expenditure relating to the extended potholes find and fix campaign and +£14k of other minor movements.	
- Highway drainage	2,981.8	0.0	2,981.8	+399	+81	Quarter 2 reported position	
					+318	Movement from quarter 2: additional +£400k of expenditure on drainage projects as part of the extended potholes find and fix campaign, and -£82k of other minor changes.	
- Streetlight maintenance	3,419.0	-154.0	3,265.0	+287	+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.	
					-51	Movement from quarter 2	
	23,605.0	-851.7	22,753.3	+1,440			
- Highways Management:							
- Development Planning	1,894.9	-2,135.2	-240.3	-38	-73	Quarter 2 reported position	
					+35	Movement from quarter 2	
- Highways Improvements	1,673.9	-33.3	1,640.6	-88	-39	Quarter 2 reported position	
					-49	Movement from quarter 2	
- Road Safety	2,834.3	-2,145.4	688.9	-126	-59	Quarter 2 reported position	
					-67	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Streetlight energy	6,007.7	0.0	6,007.7	-523	-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.	
					+8	Movement from quarter 2	
- Traffic management	5,022.4	-3,363.2	1,659.2	-508	-63	Quarter 2 reported position	
					-445	Movement from quarter 2: revised estimates of income relating to the Kent Permit Scheme and streetworks budgets, including additional penalties imposed on utility companies.	
- Tree maintenance, grass cutting & weed control	3,234.0	0.0	3,234.0	-7	+45	Quarter 2 reported position	
					-52	Movement from quarter 2	
	20,667.2	-7,677.1	12,990.1	-1,290			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,321.6	0.0	1,321.6	-98	-17	Quarter 2 reported position	
					-81	Movement from quarter 2	
- Planning Applications	1,112.7	-650.0	462.7	+4	+3	Quarter 2 reported position	
					+1	Movement from quarter 2	
	2,434.3	-650.0	1,784.3	-94			
<u>Public Protection</u>							
- Community Safety (incl Community Wardens)	2,436.8	-68.8	2,368.0	-41	-16	Quarter 2 reported position	
					-25	Movement from quarter 2	
- Coroners	3,737.0	-985.7	2,751.3	+113	+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.
					+20	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Emergency Response & Resilience (incl Flood Risk Management)	1,397.6	-180.7	1,216.9	+36	+46	Quarter 2 reported position	
					-10	Movement from quarter 2	
- Trading Standards (incl. Kent Scientific Services)	3,817.4	-1,014.8	2,802.6	-97	-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.	
					-53	Movement from quarter 2	
	11,388.8	-2,250.0	9,138.8	+11			
<u>Regeneration & Economic</u>							
- Regeneration & Economic Development Services	5,443.4	-1,578.1	3,865.3	+90	+72	Quarter 2 reported position	
					+18	Movement from quarter 2	
<u>Schools Services</u>							
- Other Schools Services (road crossing patrols)	453.3	0.0	453.3	-2	-7	Quarter 2 reported position	
					+5	Movement from quarter 2	
<u>Transport Services:</u>							
- Concessionary Fares	16,206.0	-27.0	16,179.0	+536	+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.
					+133	Movement from quarter 2: increased operator costs following the reconciliation of data provided by the bus companies on journey numbers for quarter 2.	
- Subsidised Socially Necessary Bus Services (incl Kent Karrier)	9,329.2	-2,348.8	6,980.4	-1	-1		
- Transport Operations	1,427.6	-77.5	1,350.1	-28	0	Quarter 2 reported position	
					-28	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net		£'000		
	£'000	£'000	£'000	£'000	£'000		
- Transport Planning	1,238.5	-918.8	319.7	-27	-40	Quarter 2 reported position	
					+13	Movement from quarter 2	
- Young Person's Travel Pass	14,393.1	-5,595.6	8,797.5	-737		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.
					-737	Movement from quarter 2: the forecast has reduced to reflect lower than affordable number of passes in circulation, together with a reduction in the number of journeys estimated for the year following the reconciliation of data provided by the bus companies for quarter 2.	
	42,594.4	-8,967.7	33,626.7	-257			
Waste Management							
- Waste Compliance, Commissioning & Contract Management	845.4	0.0	845.4	+19	-39	Quarter 2 reported position	
					+58	Movement from quarter 2	
- Partnership & development	728.6	-114.2	614.4	-70	-47	Quarter 2 reported position	
					-23	Movement from quarter 2	
- Closed Landfill Sites	772.2	-16.0	756.2	-152	-177	Underspend as works have been delayed until next financial year.	
					+39	Other minor variances.	
					-14	Movement from quarter 2	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Waste Processing							
- Landfill Tax	4,745.3	0.0	4,745.3	-272	+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.
					-412	Movement from quarter 2 resulting from a reduction of 5,000 tonnes in the amount of residual waste sent to landfill.	
- Operation of Waste Facilities	16,893.7	-746.4	16,147.3	-1,480	-780	Management fees at waste facilities sites.	This saving is expected to be ongoing and will be reflected 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.	The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP
					-110	Other minor variances, each below £100k in value.	
					-541	Movement from quarter 2: additional savings of -£257k resulting from contract changes at household waste recycling centres and transfer stations, and a further movement of -£101k in management fees at waste facilities sites. The remaining reduction of - £183k relates to small movements in a number of areas including haulage fees, maintenance, and recycling bonuses.	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Payments to Waste Collection Authorities (District Councils)	6,178.9	0.0	6,178.9	+3	+13	An additional 200 tonnes of waste on which recycling credits are paid.	
					-14	Other minor variances.	
					+4	Movement from quarter 2	
- Recycling Contracts & Composting	7,211.6	-1,149.9	6,061.7	-405	+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.
					-376	Price paid is below budgeted estimate; this relates primarily to in-vessel composting.	This underspend is ongoing and will be reflected in the 2016-19 MTFP.
					-107	Additional income as the price received for recyclables, especially for paper and card, is greater than budgeted.	
					+13	Other minor variances.	
					-14	Movement from quarter 2 including a -£142k reduction as forecast tonnage has reduced by -7,000 tonnes; +£158k cost passed on to KCC by the contractor as under the terms of the material recycling facilities contract any recyclable materials collected that contain more than 10% contamination incur additional costs; and -£30k of other minor changes.	

ANNEX 5

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Treatment & Disposal of Residual Waste	30,713.3	-480.2	30,233.1	+2,337	+1,624 -245 +54 +20 +105 +25 +754	An additional +16,200 tonnes of residual waste dealt with at Allington Waste to Energy plant. Price variance on Waste to Energy tonnage. An additional +1,200 tonnes of residual waste sent to landfill. Budgeted price increase for landfill tax is below actual requirements Shortfall in trade waste income Other minor variances Movement from quarter 2: an additional +7,800 tonnes of residual waste dealt with at Allington Waste to Energy +£785k; a reduction of -5,000 tonnes of residual waste sent to landfill -£91k; increased shortfall in trade waste income +£24k; other minor changes +£36k.	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. The pressure resulting from increased tonnage needs to be addressed in the 2016-19 MTFP This will need to be addressed in the 2016-17 budget build.
	68,089.0	-2,506.7	65,582.3	-20			
Total GE&T	208,891.8	-35,398.8	173,493.0	-1,119			
Assumed Mgmt Action							
Total Forecast <u>after</u> mgmt action	208,891.8	-35,398.8	173,493.0	-1,119			

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 £109,602k giving a variance of -£15,603k.

3.2 **Table 2** below details the Growth, Environment and Transport Directorate's 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 ¹	Explanation of Project Status	Actions
Rolling Programmes									
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	

ANNEX 5

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 ¹	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	765	765	Real: -£50k grant, +£760k Developer Contributions, + £55k External Other	Additional footway scheme funded by £260k 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. +£55k external income for additional drainage works.	Green	Rolling Programme	Decrease 2015-16 cash limit -£50k grant

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Integrated Transport Schemes under £1 million	3,968	4,682	-44	-44	Rephasing: -£509k Developer Contributions Real: Revenue +£465k	Rephasing works at the Bat & Ball junction to summer 2016-17 due to utility companies working in this area this summer. Rephasing for a scheme at Thistle Hill due to design issues, Rephasing at St Johns Road as scheme has been postponed pending designs for a Tunbridge Wells LGF scheme. Plus rephasing on various smaller schemes. +£465k Public Transport to purchase additional buses and Community transport minibuses from revenue.	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 ¹	Explanation of Project Status	Actions
Individual Projects									
Dartford Library Plus	434	434	-418	-418	Rephasing: Capital Receipt -£125k Developer Contributions -£284k External -£9k	Rephasing of £418k for progression of project which will now commence in 2016-17.	Amber	Amber status due to project now progressing in 2016-17 - completion date March 2017.	
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 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.	

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Sustainable Access to Maidstone Employment Areas	820	805	-670	-670	Rephasing: Grant -£670k	Rephasing variance: see below *	Green		
Sustainable Access to Education & Employment	200	187	0	0			Green		
Broadband Contract 1	9,763	13,075	-926	-926	Real: +£37k grant Rephasing: -£963k Prudential	Real: Additional grant expected for the Broadband Voucher scheme. Rephasing: The completion date for the Satellite scheme has been moved in Kent and Medway from December 2015 to December 2017 following a variation of contract by Government.	Amber	New completion date of December 2017.	
Broadband Contract 2 (formerly Superfast Extension Programme)	0	0	155	155	Rephasing: Grant	KCC has agreed with BDUK and BT to accelerate the deployment timeframes for the Contract 2 project. This will bring forward spend from the BDUK grant into 2015-16.	Green		

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Cyclopark	0	3	87	87	Real: prudential	Funded by underspend on Swale Parklands and Incubator Development.	Green		
Empty Property Initiative	2,500	3,868	-821	-821	Rephasing: -£956k External other Real: +£135k revenue	Spend has been re-aligned to match expected project loan repayments. Revenue received from interest on late repayments of loans.	Green	This has no effect on the completion date of the project. This is a revolving loan scheme.	
Eurokent Road (East Kent)	62	68	0	0			Green		
Folkestone Heritage Quarter	680	948	0	0			Green		
Incubator Development	0	902	625	625	Real: -£75k prudential and +£700k External other	-£75k to cover spend on Cyclopark and £700k reflecting loan advances to businesses following receipt of new external funding from the Growing Places Fund.	Green		Increase 2015-16 cash limit by +£700k External other
Innovation Investment Initiative (i3) (Kent & Medway Growth Hub)	0	0	1,000	1,000	Real: External other	Funding from the Government's Local Growth Fund for the provision of loans to small and medium enterprises with the potential for innovation and growth, helping them to improve their productivity and create jobs.	Green		

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Marsh Million	0	517	400	400	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		
No Use Empty - Rented Affordable Homes - Extension	673	673	-264	-264	Real: +£34k and -£298k External other	+£34k from the original programme above and -£298k forecast reduction in the potential level of HCA funding based on the current number of actual units identified, which fit the criteria for support.	Green		
Old Town Hall, Gravesend	0	27	-27	-27	Real: Capital Receipt		Green		
Regeneration Fund Projects	0	212	0	0			Green		
Regional Growth Fund - Expansion East Kent	2,141	15,286	470	470	Real: Grant	Use of interest earned on grant balances in line with the grant agreement.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	3,577	3,554	0	0			Green		

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Rural Broadband Demonstration Project	0	48	65	65	Real: 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.	
Energy and Water Efficiency Investment Fund - External	185	278	171	171	Real: External +£100k: Revenue +£33k: Rephasing: +£38k prudential	Additional Salix funding for additional school energy reduction schemes. Increase in budget to reflect the current loan repayment schedule for existing LED school projects.	Green		
Energy Reduction and Water Efficiency Investment - KCC	138	256	14	14	Real: +£14k revenue		Green		

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Sandwich Sea Defences	435	435	0	0			Green	Project complete.	
Coldharbour Gypsy Site	0	0	0	0			Green	Project complete.	
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
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		
Kent Highway Services:									
East Kent Access Phase 2 - Major Road Scheme	2,524	2,298	-800	-800	Rephasing: prudential revenue.	Rephasing to cover land compensation payments in future years.	Green	Scheme is complete.	
Rathmore Road Link	1,530	2,034	-288	-288	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Kent Thameside Strategic Transport Programme	430	428	-228	-228	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	
Lorry Park	1,990	2,000	-2,000	-2,000	Real: prudential	This scheme is no longer progressing following the 2015 Spending Review announcement that the Government has allocated funds for a new permanent lorry park. However, KCC will continue to work with Highways England in regard to provision of an overnight solution in addition to the proposed lorry storage facility.			
North Farm Longfield Road, Tunbridge Wells	1,021	3,232	0	0			Green		
Rushenden Link (Sheppney) - 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.	

ANNEX 5

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 ¹	Explanation of Project Status	Actions
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	-1,500	-1,500	Rephasing: -£858k Prudential -£642k External	Station design option selection and approval process has taken longer than anticipated. Therefore track access for survey information has been limited and will be carried out over the Christmas period resulting in delayed completion of GRIP Stage 3. The planning application cannot be submitted until completion of GRIP Stage 3.	Amber	Revised completion date 30 September 2019	

ANNEX 5

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 ¹	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	-2,500	-2,500	Rephasing: loan	Rephasing of £2.5m to 2016-17 as tender invitation extended and therefore start of works delayed until March 2016.	Green	No impact on completion date.	
Sittingbourne Town centre regeneration	4,500	2,500	-1,700	-1,700	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	
Middle Deal Transport Improvements	1,500	1,500	-1,450	-1,450	Real: -£0.75m developer contributions Rephasing: -£0.7m grant	Real variance: The match funding will be held by the third party that is delivering the scheme and will therefore not go through KCC's books. Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Chart Road, Ashford	1,340	1,776	-380	-380	Rephasing: developer contributions	Rephasing variance: see below *	Green	Rephasing previously reported.	

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Victoria Way	0	484	-100	-100	Rephasing: Grant	Rephasing to cover land compensation payments in future years.	Green		
Drovers Roundabout junction	0	154	0	0			Green		
M20 Junction 4 Eastern Over bridge	2,800	2,799	-2,095	-2,095	Rephasing: -£2,105k (developer contributions & grant) Real: +£10k grant	Rephasing variance: see below *	Green	Rephasing previously reported.	
A26 London Rd/Staplehurst Rd/Yew Tree Junction	1,200	1,192	-900	-900	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	
A28 Sturry Rural Integrated Transport Package - Canterbury	520	537	-500	-500	Rephasing: -£500k (grant & developer contributions)	Rephasing variance: see below *	Green	Rephasing previously reported.	
Maidstone Gyratory Bypass	500	416	880	880	Rephasing: +£840k (grant and ex other) Real: +£40k grant	Rephasing variance: see below *	Green		
Folkestone Seafront	500	490	99	99	Real: +£99k Developer Contributions	Additional elements added to the scheme funded by developer contributions.	Green		

ANNEX 5

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 ¹	Explanation of Project Status	Actions
Tonbridge Town Centre Regeneration	2,220	2,181	-331	-331	Real: +£50k grant Rephasing: -£381k grant	Real variance: +£50k Footways works funded by Highways Major Maintenance. Rephasing variance: see below *	Green	Rephasing previously reported.	Increase 2015-16 cash limit +£50k grant
Sturry Link Road- Canterbury	250	238	80	80	Rephasing: Grant	Rephasing variance: see below *	Green		
West Kent Local Sustainable Transport- Tackling Congestion	965	946	5	5	Real: +£5k grant		Green		
Kent Strategic Congestion Management	800	787	0	0			Green		
Kent Sustainable Intervention programme for growth	500	484	-200	-200	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	
Kent Thameside LSTF	2,428	2,408	-328	-328	Rephasing: grant	Rephasing variance: see below *	Green	Rephasing previously reported.	

ANNEX 5

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 ¹	Explanation of Project Status	Actions
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.	
Total	101,707	125,205	-15,603	-15,603					

* Rephasing of schemes following realignment of cost and associated funding due to nature of SELEP schemes. The budgets will be amended as part of the 2016-19 budget process.

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
NOVEMBER 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	
Total Directorate (£k)	+71,952	-1,571	-	-1,571	-	-	-1,571

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				
	£'000	£'000	£'000	£'000	£'000		
Strategic & Corporate Services							
Strategic Management & Directorate Support Budgets	3,059.7	-5,168.2	-2,108.5	-53	-50	Quarter 2 reported position	
					-3	Movement from quarter 2	
Community Services							
- Contact Centre & Citizens Advice Help Line	2,421.5	-387.3	2,034.2	+251	+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	
					+18	Movement from quarter 2	

ANNEX 6

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Customer Relationship (including Gateways)	1,315.0	-35.0	1,280.0	+182	+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	
					-4	Movement from quarter 2	
	3,736.5	-422.3	3,314.2	+433			
<u>Local Democracy</u>							
- Community Engagement	328.0	0.0	328.0	+30	+36	Quarter 2 reported position	
					-6	Movement from quarter 2	
- County Council Elections	570.0	0.0	570.0	0			
- Local Member Grants	2,704.4	0.0	2,704.4	-700	-700	Movement from quarter 2 based on the anticipated level of projects predicted to be approved before year end	
- Partnership arrangements with District Councils	2,163.2	0.0	2,163.2	-3	-3	Movement from quarter 2	
	5,765.6	0.0	5,765.6	-673			

ANNEX 6

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
<u>Support to Frontline Services</u>							
- Business Services Centre	41,855.8	-41,855.8	0.0	-566	-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	
					-221	Movement from quarter 2: includes many revised estimates, each below £100k in value	
- Business Strategy	3,216.3	-82.0	3,134.3	-143	-27	Quarter 2 reported position	
					-116	Movement from quarter 2	
- Communications & Consultation	3,055.1	-531.0	2,524.1	-278	-94	Staffing vacancies held pending restructure of the Engagement, Organisation Design & Development division	
					-135	Other minor variances, each below £100k in value	
					-49	Movement from quarter 2	
- Democratic & Members	3,793.1	-142.0	3,651.1	-8	-26	Quarter 2 reported position	
					+18	Movement from quarter 2	
- Finance & Procurement	18,525.7	-8,192.6	10,333.1	-157	+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	
					-115	Movement from quarter 2	

ANNEX 6

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Human Resources	9,029.8	-1,301.9	7,727.9	-93	-81	Quarter 2 reported position	
					-12	Movement from quarter 2	
- Information, Communications & Technology	16,847.4	-1,742.8	15,104.6	+467	+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	
					+47	Movement from quarter 2	
- 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	33,469.3	-8,779.8	24,689.5	-500	-252	Minor variances relating to Corporate Landlord each below £100k in value	
					-248	Movement from quarter 2: includes - £174k rental saving generated from the purchase of Brook House plus other lesser Corporate Landlord variances	

ANNEX 6

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
- Transformation	0.0	0.0	0.0	0		see Financing Items (Annex 7) for details	
	138,481.0	-73,500.1	64,980.9	-1,278			
Total S&CS	151,042.8	-79,090.6	71,952.2	-1,571			
Assumed Management Action							
Total S&CS Forecast <u>after</u> mgmt action	151,042.8	-79,090.6	71,952.2	-1,571			

3. CAPITAL

3.1 The Strategic and Corporate Services working budget for 2015-16 is £27,782k. The forecast against the 2015-16 budget is £25,125k giving a variance of -£2,657k.

3.2 **Table 2** below details the Strategic & Corporate Services 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 ¹	Explanation of Project Status	Actions
Rolling Programmes									
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	-2,908	-2,908	Rephasing: prudential	A forward modernisation programme is being developed by the TFM providers, hence large programmes of work are being re-phased to later years. Priority work is continuing.	Green		

ANNEX 6

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 ¹	Explanation of Project Status	Actions
Individual Projects									
Building Information Modelling (BIM)	65	123	0	0			Green		
Connecting with Kent	0	97	0	0			Green		
Customer Relationship Management Solution	842	842	-200	-200	Rephasing: Prudential	Procurement for the Customer Feedback solution is due to start in January 2016, hence spend has been rephased to 2016-17.	Amber	Amber until completion date agreed.	
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 management solution for the document and file storage requirements derived from the New Ways of Working Strategy.	Amber		

ANNEX 6

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 ¹	Explanation of Project Status	Actions
Enterprise Resource Programme	0	62	0	0			Green		
Herne Bay Gateway	427	476	-430	-430	Rephasing: prudential	Delayed following the need for value engineering to ensure project is viable and represents value for money	Amber	Project will start in the next financial year.	
HR System Development	60	59	0	0			Green		
Innovative Schemes Fund	0	242	-122	-122	Real: +£104k external funding and -£73k capital receipt Rephasing: -£153k Capital receipt	-£73k to be used to fund an overspend on the PAMS project below. +£104k towards a software solution to monitor developer contributions across the authority. -£153k rephasing of remaining budget which will not now be required until next financial year.	Green		
LIVE Margate	4,032	5,125	-831	-831	Rephasing: prudential	Rephasing following the elongated tender phase of a property purchase and the cancellation of a proposed strategic acquisition due to unforeseen difficulties surrounding the release of legal charges.	Amber	Revised completion date 31st March 2017.	

ANNEX 6

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 ¹	Explanation of Project Status	Actions
New Ways of Working	4,200	8,627	0	0			Green		
Property Asset Management System	0	54	73	73	Real: Capital receipts	£73k additional funding is required to complete phase 1 of this project. To be funded from the underspend on the Innovative Schemes Fund above.	Red	The status reflects the need for additional funding which has had to be found from elsewhere within the S&CS capital programme and a new revised completion date of January 2016.	
Property Investment & Acquisition Fund	3,000	3,000	2,775	2,775	Rephasing: Capital receipts	A strategic acquisition approved in November will complete this year.	Amber	The bringing forward of budget into 2015-16 could create a potential funding issue.	
Sustaining Kent - Maintaining the Infrastructure	0	0	11	11	Real: +£11k external funding		Amber	Amber status reflects unforeseen additional costs.	

ANNEX 6

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 ¹	Explanation of Project Status	Actions
Swanley Gateway	308	626	6	6	Real: +£6k developer contributions		Amber	Amber status reflects unforeseen additional costs.	Increase 2015-16 cash limit: +£6k developer contributions.
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.	
S&CS Directorate	20,582	27,782	-2,657	-2,657					

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
NOVEMBER 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	
Total (£k)	+128,878	-4,409	-	-4,409	-	-	-4,409

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				
	£'000	£'000	£'000	£'000	£'000		
Financing Items							
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	+699	+997	Forecast transfer to Insurance reserve of surplus on Insurance Fund (see below)	
					-298	Movement from quarter 2 relating to reduced transfer to the Insurance reserve (see below).	

ANNEX 7

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000		
Insurance Fund	4,999.0	0.0	4,999.0	-699	-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.	
					+298	Movement from quarter 2: an anticipated further levy payment & increase in the outstanding claims potential relating to the Municipal Mutual Scheme of Arrangements which is expected to generate a further clawback from the Council to meet outstanding liabilities for the insurer and the impact of an increase in insurance premiums from Jan 16 is partially offset by a reduction in overall claims reserves following finalisation of the tender of insurances for 2016 and a reduction in value for a couple of notable claims.	
Modernisation of the Council	2,941.9	0.0	2,941.9	0			
Net Debt Charges (incl Investment Income)	128,481.0	-8,178.0	120,303.0	-625	-342	Increased interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends.	
					-283	Movement from quarter 2 - further increased interest on cash balances as a result of higher cash balances, investing for longer durations and increased dividends.	
Other	949.0	-36.0	913.0	0			

ANNEX 7

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross £'000	Income £'000	Net £'000				
Unallocated	649.9	0.0	649.9	-3,627	-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 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. -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. +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.	-2,071	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.

ANNEX 7

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	Net				
	£'000	£'000	£'000	£'000	£'000 -977	Movement from quarter 2: -£500k increase in estimated Education Services Grant due to fewer than estimated number of schools converting to academies during the year; -£477k increase in estimated retained levy as a result of being in a Business Rate pool with 10 of the Kent District Councils	
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 -225 -5,396 +225 +404 -404 +4,246 -226 -4,246 +226 +730 +57	0-25 Children's Services Transformation implementation Movement from quarter 2 Drawdown from reserves to meet the costs of 0-25 Children's Services Transformation implementation Movement from quarter 2 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 Movement from quarter 2 Drawdown from reserves to meet the costs of Adults Social Care Transformation Phase 2 implementation Movement from quarter 2 Facing the Challenge costs in excess of the budget of £2,264.8k, to be met by further drawdown from reserves Movement from quarter 2	

ANNEX 7

Budget Book Heading	Cash Limit			Variance Net	Explanation		Management Action/ Impact on MTFP/Budget Build
	Gross	Income	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	
					-57	Movement from quarter 2	
Total Financing Items	143,792.0	-14,914.0	128,878.0	-4,409			
Assumed Management Action				0			
Total Fin Items Forecast after mgmt action	143,792.0	-14,914.0	128,878.0	-4,409			