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Corporate Directors

To: Cabinet – 31 October 2016

Subject: **REVENUE & CAPITAL BUDGET MONITORING - AUGUST 2016-17**

Classification: Unrestricted

1. SUMMARY

- 1.1 This report provides the budget monitoring position up to 31st August 2016-17 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.
- 1.2 The format of this report is:
- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
 - Appendix 1 – a high level breakdown of the directorate monitoring positions;
 - Appendix 2 – activity information for our highest risk budgets;
 - Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;
- 1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. In the light of further government funding reductions in the short to medium term, it is essential that a balanced revenue position is achieved in 2016-17, as any residual pressures rolled forward into 2017-18 will only compound an already extremely challenging 2017-18 budget position. This forecast revenue pressure of £9.913m (after Corporate Director and Finance Director adjustments), increasing to £10.717m including roll forward requirements, is very clearly a concern, and needs to be managed down to at least a balanced position.
- 1.4 Although we have urged budget managers to be less guarded with their forecasting again this month, the position has in fact worsened again this month, predominately due to SEN Home to School Transport.
- 1.5 Corporate Directors last month agreed that they will manage the following positions, as a minimum, that are not included in the latest forecast, due to the detail of these actions not yet being finalised (at the time of writing this report):

| | £m |
|--|--------|
| Education & Young People's Services | -0.166 |
| Social Care, Health & Wellbeing - Adults | -1.904 |
| Growth, Environment & Transport | -0.558 |
| | <hr/> |
| | -2.628 |

This will reduce the £10.717m forecast overspend to £8.089m. We are awaiting the financial impact of a series of management actions that has been/will be implemented in Specialist Children's Services, and we expect to be able to verbally report that to this meeting. That figure, as verbally reported to last month's Cabinet meeting, will go a long way to determining what further action is needed to eliminate this forecast overspend.

- 1.6 The remainder of this report focusses on the underlying £10.717m forecast overspend.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- ii) **Agree** the changes to the capital programme as detailed in section 6.4.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £10.196m. Corporate Directors have adjusted this position by -£0.531m and the Corporate Director of Finance & Procurement has adjusted the position by +£0.248m, leaving a residual pressure of £9.913m. After allowing for roll forward requirements, the position increases to a pressure of £10.717m. Details of the Corporate Director and Finance Director adjustments and roll forward requirements are provided below in sections 3.4 and 4. respectively. This forecast position, after roll forward requirements, represents a movement of +£0.214m from the position reported to Cabinet in September. The main reasons for this movement are provided in section 3.3 below. In total this position reflects that we are on track to deliver the majority of the £81m of savings included in the approved budget for this year, but further work is urgently required to identify options to eliminate the residual £10.7m forecast pressure. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1a: Directorate **revenue** position

| Directorate | Budget | Net Forecast Variance * | Corporate Director adj | Finance Director adj | Revised Net Variance | Last Reported position | Movement |
|--|----------------|-------------------------|------------------------|----------------------|----------------------|------------------------|---------------|
| | £m | £m | £m | £m | £m | £m | £m |
| Education & Young People's Services | 65.890 | 0.444 | | | 0.444 | -0.553 | 0.997 |
| Social Care, Health & Wellbeing - Specialist Children's Services | 128.478 | 5.801 | | 0.248 | 6.049 | 6.614 | -0.565 |
| Social Care, Health & Wellbeing - Asylum | 0.550 | 2.195 | | | 2.195 | 2.284 | -0.089 |
| <i>Sub Total SCH&W - Specialist Children's Services</i> | <i>129.028</i> | <i>7.996</i> | <i>0.000</i> | <i>0.248</i> | <i>8.244</i> | <i>8.898</i> | <i>-0.654</i> |
| Social Care, Health & Wellbeing - Adults | 369.648 | 2.041 | | | 2.041 | 1.904 | 0.137 |
| Social Care, Health & Wellbeing - Public Health | -0.016 | 0.000 | | | 0.000 | 0.000 | 0.000 |
| Growth, Environment & Transport | 166.541 | 1.089 | -0.531 | | 0.558 | 1.178 | -0.619 |
| Strategic & Corporate Services | 69.852 | 0.020 | | | 0.020 | -0.352 | 0.373 |
| Financing Items | 118.614 | -1.395 | | | -1.395 | -1.395 | 0.000 |
| TOTAL (excl Schools) | 919.556 | 10.196 | -0.531 | 0.248 | 9.913 | 9.679 | 0.234 |
| <i>Schools (E&YP Directorate)</i> | <i>0.000</i> | <i>6.702</i> | | | <i>6.702</i> | <i>6.702</i> | <i>0.000</i> |
| TOTAL | 919.556 | 16.898 | -0.531 | 0.248 | 16.615 | 16.380 | 0.234 |
| Variance from above (excl schools) | | | | | 9.913 | 9.679 | 0.234 |
| Roll forwards - committed | | | | | 0.085 | 0.106 | -0.021 |
| - re-phased | | | | | 0.719 | 0.719 | 0.000 |
| - bids | | | | | 0.000 | 0.000 | 0.000 |
| Total roll forward requirements | | | | | 0.804 | 0.825 | -0.021 |
| (-ve Uncommitted balance / (+ve) Deficit | | | | | 10.717 | 10.504 | 0.214 |

* the variances reflected in appendix 1 & 2 will feature in this column

Table 1b: Directorate **revenue** position after roll forwards:

| Directorate | Variance | Roll Forwards | | Revised Variance | Corporate Director adj | Finance Director adj | Variance after roll fwd & CD adj |
|---|---------------|---------------|------------------|---------------------|------------------------------|----------------------------|---|
| | | committed | un- committed | | | | |
| | | £m | £m | | | | |
| Education & Young People's Services | 0.444 | | 0.719 | 1.163 | | | 1.163 |
| Social Care, Health & Wellbeing - Specialist Children's Services | 5.801 | 0.085 | | 5.886 | | 0.248 | 6.134 |
| Social Care, Health & Wellbeing - Asylum | 2.195 | | | 2.195 | | | 2.195 |
| <i>Sub Total SCH&W - Specialist Children's Services</i> | <i>7.996</i> | <i>0.085</i> | <i>0.000</i> | <i>8.081</i> | <i>0.000</i> | <i>0.248</i> | <i>8.329</i> |
| Social Care, Health & Wellbeing - Adults | 2.041 | | | 2.041 | | | 2.041 |
| Social Care, Health & Wellbeing - Public Health | 0.000 | | | 0.000 | | | 0.000 |
| Growth, Environment & Transport | 1.089 | | | 1.089 | -0.531 | | 0.558 |
| Strategic & Corporate Services | 0.020 | | | 0.020 | | | 0.020 |
| Financing Items | -1.395 | | | -1.395 | | | -1.395 |
| TOTAL (excl Schools) | 10.196 | 0.085 | 0.719 | 11.000 | -0.531 | 0.248 | 10.717 |

3.3 The main reasons for the movement of +£0.214m since the last report are:

3.3.1 Education & Young People's Services:

The movement in the forecast variance (excluding schools and before roll forward requirements) shows an increase of £0.997m this month. The majority of this movement relates to Pupil and Student Transport Services, which has increased by £1.056m, with SEN Home to School transport accounting for a significant proportion of this increase. This increase has come as a bit of a surprise as normally we wait until later in the autumn before receiving confirmation of student numbers requiring assistance with home to school transport arrangements. However, the budget manager's forecast is based on the latest available information provided from colleagues in the Public Transport team directly from the Routewise system. The directorate are now undertaking an urgent exercise with colleagues from Public Transport to validate this forecast position and therefore until this exercise has been completed, this forecast position remains provisional and could change.

3.3.2 Social Care, Health & Wellbeing – Specialist Children's Services:

The current forecast variance represents a reduction of -£0.565m this month. This movement is partly due to a reduction in residential care and secure accommodation of -£0.338m and a reduction in assessment staffing costs of -£0.431m, together with minor movements totalling -£0.044m across some other budget lines. Also within this movement is a Finance Director adjustment of +£0.248m. This has been necessary because the figures for this report are now taken directly from the financial system, but these figures are understated this month due to the forecasts for one budget being omitted from the forecast upload to the system. In order for the forecast to match what has been agreed by the budget manager, this adjustment has been necessary. This is a "teething issue" related to the new monitoring process and procedures have been put in place to avoid this happening again.

3.3.3 Social Care, Health & Wellbeing – Specialist Children's Services – Asylum:

The current forecast pressure of £2.195m represents a minor reduction of -£0.089m since July. The main reduction in the forecast has been for the under 16 age group.

3.3.4 Social Care, Health & Wellbeing – Adult Social Care:

The pressure on Adults Social Care has increased by +£0.137m, which is due to a number of compensating movements, the most significant movements include: overall increasing pressures on permanent residential services across all client groups (+£1.123m) and a net increase in direct payments (+£0.269m). These are offset by reductions in the expected spend on preventative services (-£0.566m) (mainly carer related support services) and the one-off use of monies to relieve the current pressures specifically within Older People services (-£0.385m).

3.3.5 Social Care, Health & Wellbeing – Public Health:

There is an overall movement of -£0.594m since the last reported position in August; this will be transferred to the Public Health reserve, hence no movement is reflected in table 1. This movement is largely accounted for by the forecast for Children's Public Health programmes 0-5 year olds Health Visiting Service which, following contract negotiations, has moved by -£0.432m.

3.3.6 Growth, Environment and Transport:

The current forecast outturn for the directorate is a +£0.558m pressure net of the Corporate Director adjustment set out below in section 3.4.6.10 representing a reduction of -£0.619m since the last report. Increases in General Highways Maintenance and Emergency Response (+£0.112m), Waste Processing (+£0.170m) and Treatment and Disposal of Residual Waste (+£0.274m) have been offset by -£0.531m of Corporate Director adjustments, and by further reductions in Concessionary Fares (-£0.111m) and Other Highways Maintenance and Management (-£0.403m), where the previously reported pressure of +£0.4m, in relation to drainage, has been brought back into balance by management action largely achieved through reduced forecasts for maintenance on the streetlight network, as a result of the roll out of the LED conversion, which is both new technology (low defect rates) and covered by warranty. Other minor variances (-£0.130m) across the directorate arrive back to the -£0.619m movement.

3.3.7 Strategic and Corporate Services:

The Directorate forecast (excluding the Asset Utilisation target) has moved by +£0.373m to an underspend of -£0.493m, whilst the position on Asset Utilisation remains unchanged at +£0.513m, giving an overall small pressure of +£0.020m as shown in table 1a. Within the Directorate forecast, the Infrastructure Division, including Business Services Centre, has moved by +£0.161m which consists of many small variances across all units. Legal Services has moved by +£0.189m to a forecast overspend of +£0.239m, primarily due to the impact on income generation of staff vacancies, recruitment and training of new staff.

3.3.8 Financing Items:

There is no change to the forecast position this month.

3.4 Revenue budget monitoring headlines (please refer to Appendix 1)

3.4.1 Education & Young People's Services

3.4.1.1 The forecast variance of +£0.4m (excluding schools and before roll forward requirements) is made up of a small number of large variances on a number of service lines as follows:

- 3.4.1.2 There is a forecast pressure on Pupil & Student Transport Services of £1.0m. As explained above in paragraph 3.3.1, this forecast, whilst based on the latest available information, is provisional and is subject to change. Once we have completed an exercise looking at the validity of the forecast, which will incorporate the latest student numbers, we will update the forecast position or provide a more detailed explanation of the variance. We hope to have this completed before next month's report.
- 3.4.1.3 A major part of the -£0.9m underspend on Early Help & Prevention for Children and Families relates to Tackling Troubled Families (£0.7m) for which a roll forward request, into the next financial year, will be submitted in order to continue the scheme.
- 3.4.1.4 There is a forecast pressure of £0.2m within Early Years Education & Childcare which predominately relates to the three in-house nurseries. The service has restructured these nurseries, resulting in some one-off costs, and they are currently being relaunched, aiming to reduce costs, increase income and move towards a balanced budget for next year.
- 3.4.1.5 There is a forecast pressure of £0.5m on Other Schools' Related Costs. £0.2m of this relates to payments for employee tribunal cases for former school staff. The remaining pressure of £0.3m relates to revenue maintenance costs that are in excess of the capital grant available.
- 3.4.1.6 There is a forecast underspend of -£0.2m on the Other Services for Young People & School Related Services which relates to school improvement budgets.
- 3.4.1.7 There is a forecast underspend of -£0.2m on EYPS Management & Support Services relating to Education Pensions as capitalisation costs are slightly lower than expected.
- 3.4.2 Social Care, Health & Wellbeing – Specialist Children's Services
- 3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) is a pressure of £5.8m, prior to the Finance Director's adjustment shown in table 1.
- 3.4.2.2 The main areas of pressure continue in elements of Children in Care (Looked After) Services (residential care +£2.5m and independent fostering +£1.2m); Adoption & Other Permanent Children's Arrangements (mostly relating to special guardianship orders +£1.5m) and Children's Assessment Staffing +£1.4m, offset by small underspends against other budgets.
- 3.4.2.3 In summary, the pressures on residential and independent fostering are due to the full year effect of increases in numbers during 2015-16 which have continued into 2016-17; costs rising due to increasing complexity and needs, and in part due to transformation and other savings being unachievable.
- 3.4.2.4 Similarly the pressure on Special Guardianship Orders is due to increased numbers of Orders being granted at court which are greater than the affordable level budgeted for.
- 3.4.2.5 The pressure on Children's Assessment Staffing is primarily in relation to the need to retain agency staff at a higher cost, because of the continuing difficulties in recruiting permanent social workers.

3.4.3 Social Care, Health & Wellbeing – Specialist Children's Services - Asylum

- 3.4.3.1 The current forecast pressure for Asylum is £2.2m. In spite of the commencement of the National Transfer Scheme (NTS) it seems inevitable that this figure will rise. At the time of writing the NTS is barely keeping pace with the current rate of arrivals which remains much reduced from the figures of 2015. Whilst there is some reasonable expectation that it will increase its capacity in order to deal with the new entrants it is looking far less likely that it will achieve the transfer of any of the legacy cases. There is a diminishing opportunity for this as the more settled young people become the more the Council would be open to challenge from individuals about being moved against their best interests. This situation is exacerbated by the age profile of the Unaccompanied Asylum Seeking Children (UASC) in Kent. They are turning 18 at the rate of approximately 30 per month and we know that over 100 will have their eighteenth birthday in January 2017. Under the current financial arrangements it remains the case that the Government does not fund local authorities for the full cost of the over 18, care leaver cohort. In order to avoid a significant escalation in the costs of Asylum to the Council directly, the Government needs to change its funding regime. The Council is actively lobbying the new ministerial team at the Home Office on both this issue and the need to make the NTS mandatory for local authorities to participate.

3.4.4 Social Care, Health & Wellbeing – Adult Social Care

- 3.4.4.1 The forecast variance of +£2.0m reflects total pressures of +£6.7m resulting from the direct provision of services to clients across adult social care, which is partially offset by anticipated underspends on assessment staffing, mainly within Learning Disability and Mental Health (-£1.1m), preventative services (-£1.2m), and other support budgets (-£0.4m), along with use of one-off monies (-£1.9m).
- 3.4.4.2 There are still significant pressures on Mental Health residential care and supported living services (+£2.0m & +£0.7m respectively) and are only partially offset by minor underspends on other community based services (-£0.2m). The service has seen significant increases in the cost of residential care due to both the increased complexities of clients going into care along with financial pressures in the market leading to higher costs.
- 3.4.4.3 Learning Disability direct services are forecasting a total pressure of +£2.3m. Significant pressures on supported living commissioned externally (+£3.6m, see Appendix 2.2) and day care services (+£0.9m) are partially offset by underspends across other services, the most significant including residential care (-£0.8m see Appendix 2.1), direct payments (-£0.2m see Appendix 2.3), shared lives services (-£0.7m), non-residential charging income (-£0.5m). The overall pressure on this service is partially due to the delay in the delivery of transformation, day care and transport savings (+£0.8m). The forecast does however assume that further savings of -£1.5m will be delivered before the end of the financial year.
- 3.4.4.4 Older People and Physical Disability residential and community direct services are forecasting a net pressure of +£1.9m, which includes a number of offsetting variances. The most significant are outlined below: The actual pressure on domiciliary care services is £4.6m of which, £3.5m relates specifically to Older People as outlined in Appendix 2.6. This is partially offset by higher levels of client income resulting from the current activity (-£1.2m), along with underspends against direct payments of -£2.6m. The overall pressure on residential & nursing care is now +£1.2m, mainly due to higher than anticipated demand for older people residential care services (see Appendix 2.4). This forecast also assumes that funding is set aside for winter pressures. If there is no increased spend as a result of winter then

this funding will be available to offset other pressures. In addition, the forecast for Older People and Physical Disability services assumes +£1.1m of the MTFP savings are still to be achieved before the end of the financial year.

3.4.4.5 There is a significant pressure on the equipment budget of +£0.6m resulting from higher than anticipated demand, which is offset by lower expenditure on other preventative services including lower demand for carer's residential respite services (-£1.3m).

3.4.4.6 A management action plan is being worked on, which will hopefully bring the overall pressure on Adult Social Care closer to a balanced budget.

3.4.5 Social Care, Health & Wellbeing – Public Health

3.4.5.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast underspend of -£0.6m.

3.4.5.2 There are pressures forecast on three services: Other Children's Public Health Programmes (+£0.3m) due to increased infant feeding costs and higher than budgeted costs on school nursing, Drug and Alcohol Services (+£0.1m) and Obesity & Physical Activity (+£0.2m) due to the costs of additional Tier 3 Weight Management and Dietetics activity. These pressures have been more than offset by underspends in Targeting Health Inequalities (-£0.4m), which includes underspending resulting from the number of health checks being below the budgeted level, Tobacco Control & Stop Smoking Services (-£0.2m), and Sexual Health Services (-£0.3m) which primarily relate to unrealised creditors set up in 2015-16. Public Health Staffing Advice and Monitoring is also underspending (-£0.2m) due to staff vacancies.

3.4.6 Growth, Environment and Transport

3.4.6.1 The overall variance, before Corporate Director adjustments, for the directorate is a pressure of +£1.1m, with forecasts overspends of +£1.9m being partially offset by forecast underspends of -£0.8m.

3.4.6.2 The three main pressures previously reported to Cabinet remain, with the latest forecasts being Young Persons Travel Pass (YPTP) +£0.5m, Waste +£0.8m and Economic Development & Other Community Services +£0.3m respectively. The Waste variance has increased by £0.4m this month (see section 3.3.6 above) with the other two areas showing minimal changes.

3.4.6.3 The pressure against Young Persons Travel Pass (YPTP) relates to the saving of +£0.540m built into the budget to reflect the reduced take-up and fewer journey numbers seen in 2015-16 at the time the budget was being set. Unfortunately increased journey numbers and cost in the third and fourth quarters of 2015-16 has put this saving at risk. This trend has failed to reverse in the current period but the directorate is looking to reduce the variance through management action and a review of additional capacity payments.

3.4.6.4 Waste is forecasting an overall pressure of +£0.8m (& activity of +5,390 tonnes).

Non-tonnage related pressures in Waste Processing account for +£0.6m of this overspend, as there remains a +£0.3m pressure relating to the re-tender of the dry recyclables contract, as well as +£0.2m of tipping away payments that continue to be required until the capital scheme at Church Marshes Transfer Station in Swale is complete. In addition to the tipping away payments, this month sees a new +£0.2m pressure as a temporary transfer station has had to be procured for a period of 11

weeks. Additional paper and card income of -£0.2m, and other minor efficiencies, bring the net pressure down to +£0.6m. The forecast tonnage for the year for Waste Processing is slightly above budgeted levels (see Appendix 2.15).

The Treatment and Disposal of Residual Waste budget is now showing a net pressure of +£0.3m (as can be seen in Appendix 2.14) rather than the break-even position of last month. Forecast tonnage is now five thousand tonnes in excess of budgeted levels resulting in a +£0.5m pressure, offset by -£0.2m of additional trade waste income. A number of minor pressures are also being offset by favourable price variances.

Management action of -£0.4m has been identified to mitigate the previously reported pressure on the Waste service but timing meant this could not be reflected in the monitoring. A Corporate Director adjustment of -£0.4m has therefore been made.

- 3.4.6.5 Economic Development and Other Community Services is forecasting a pressure of +£0.3m, primarily due to the +£0.5m commercial business rate pool saving being forecast as unlikely to be delivered in the current period. There are ongoing negotiations in terms of the current and future years but the service have prudently held vacancies and phased recruitment to the new structure throughout the year.

In addition, the agreed management charge against the Regional Growth Fund capital scheme has also part-mitigated the pressure, as the staff supporting this project are not base funded and this charge was not previously reflected.

- 3.4.6.6 The pressure on the Coroners service +£0.1m remains in respect of increased activity and unbudgeted costs in relation to payments to an assistant coroner.

- 3.4.6.7 The £0.2m pressure within General Highways Maintenance and Emergency Response is primarily explained by a spate of safety critical works that were undertaken in the month. This will be brought back into balance through a review of existing and future commitments and a corporate director adjust of -£0.1m has been reflected in section 3.4.6.10 below.

- 3.4.6.8 The primary underspends in the directorate relate to Libraries, Registration and Archives (LRA) -£0.3m and Concessionary Fares (ENCTS) -£0.3m which are due to over-delivery of registration income and holding vacancies (LRA) and forecast reduction in journey numbers following national trends (ENCTS). The latter can be seen in Appendix 2.12, whereby journeys are forecast to be -£0.2m under budgeted levels. There are also underspends of -£0.1m shown within the GE&T Management and Support Services line due to vacancies being held and directorate wide expenditure being brought in under budget.

- 3.4.6.9 A Corporate Director adjustment of -£0.4m has been made in this monitoring report to offset the adverse variance of +£0.8m for Waste Services. The Service has been implementing management action to mitigate the forecast overspend but timing meant that this could not be included in the relevant monitoring return. Management action and contract/procurement opportunities will continue to be identified.

In addition, again due to timing, management action to offset the General Highways Maintenance and Emergency Works pressure of +£0.1m could not be reflected in the monitoring system and a further Corporate Director adjustment has been made accordingly.

This reduces the forecast overspend of +£1.1m down to +£0.6m, with further management action currently being identified which will be reflected through the monitoring report in subsequent months, with a view to achieving a balanced position overall by the year end.

3.4.7 Strategic and Corporate Services

- 3.4.7.1 The overall variance for the directorate is +£0.020m which is made up of -£0.5m for the directorate and +£0.5m relating to the Corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets of the Infrastructure & Business Services Centre line of Appendix 1, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings.

3.4.8 Financing Items

The financing items budgets are currently forecast to underspend by £1.4m, which is due to:

- 3.4.8.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relating to 2015-16, result in a forecast underspend of £0.9m.
- 3.4.8.2 A forecast underspend of £0.4m on the net debt charges budget, mainly due to lower than budgeted interest costs, including a reduction in bank charges following the recent retendering for banking services and savings on brokerage fees, as we are not looking to take out any new borrowing this financial year.
- 3.4.8.3 A £0.1m underspend is forecast as a result of lower than budgeted external audit fees.

3.5 **Schools delegated budgets:**

The schools delegated budget is currently forecast to overspend by £6.702m which is due to:

- +£2.171m as a result of an estimated 20 schools converting to academy status and taking their accumulated reserves with them;
- +£2.297m use of schools unallocated reserves to offset pressures on High Needs and Early Years education;
- +£2.234m use of schools unallocated reserves to fund in year schools related pressures.

As a result, schools reserves are forecast to reduce from £46.361m to £39.659m.

3.6 Table 2: **Performance of our wholly owned companies**

| Dividends/Contributions (£m) | Budget | Forecast | From trading surplus | from reserves |
|-------------------------------------|--------|----------|----------------------|---------------|
| Commercial Services | 8.700 | 8.700 | 6.764 | 1.936 |
| GEN2 | 0.542 | 0.542 | 0.542 | 0.000 |

4. **DETAILS OF REVENUE ROLL FORWARDS/RE-PHASINGS**

Table 3: **Breakdown of the roll forward figures shown in tables 1a and 1b.**

| | Committed £m | Uncommitted £m |
|--|-----------------|-------------------|
| Tackling Troubled Families (EYP directorate) | | 0.719 |
| Re-phasing of Kent Children's Safeguarding Board in to 2017-18. This represents KCC's share of the underspend of the KCSB, which under the terms of the multi-agency agreement, KCC has an obligation to fund (SCHW SCS) | 0.085 | |

5. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

- 5.1 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 the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

6. SUMMARISED CAPITAL MONITORING POSITION

- 6.1 There is a reported variance of -£18.283m on the 2016-17 capital budget (excluding schools and PFI). This is a movement of -£7.621m from the previously reported position and is made up of £2.527m real underspend and £5.094m rephasing.

- 6.2 Table 4: Directorate **capital** position

| Directorate | 2016-17 Working budget | 2016-17 Variance | Real variance | Re- phasing variance | Last reported position | | Movement | |
|---|------------------------------|---------------------|------------------|----------------------------|---------------------------|---------------|---------------|---------------|
| | | | | | Real | Rephasing | Real | Rephasing |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Education & Young People's Services | 145.094 | -0.461 | -0.762 | 0.301 | 0.628 | 7.139 | -1.390 | -6.838 |
| Social Care, Health & Wellbeing - Specialist Children's Services | 0.109 | 0.040 | 0.040 | 0.000 | 0.040 | 0.000 | 0.000 | 0.000 |
| Social Care, Health & Wellbeing - Adults | 8.888 | -1.886 | -1.886 | 0.000 | -2.042 | 0.000 | 0.156 | 0.000 |
| Social Care, Health & Wellbeing - Public Health | 0.360 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Growth, Environment & Transport | 131.055 | -15.796 | -4.029 | -11.767 | -2.731 | -13.699 | -1.298 | 1.932 |
| Strategic & Corporate Services | 20.497 | -0.180 | 0.008 | -0.188 | 0.003 | 0.000 | 0.005 | -0.188 |
| Financing Items | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| TOTAL | 306.003 | -18.283 | -6.629 | -11.654 | -4.102 | -6.560 | -2.527 | -5.094 |

6.3 Capital budget monitoring headlines

The movements over £0.100m since previously reported are as follows:

Education & Young People's Services

- Grammar Annex at Sevenoaks: -£6.000m rephasing. Final contracts have now been signed with a revised completion date of August 2017. Rephasing reflects more up to date project plan.
- Modernisation Programme: -£1.700m rephasing. Two modernisation projects are in preliminary stages only.
- Special Schools Review Phase 2: -£1.390m real. Last month a real variance of +£1.390m was reported for 16-17 and a cash limit request was made to cover additional costs at Portal House. It is now considered that this additional spend (and hence the real variance) will be incurred in 17-18. (See cash limit changes at 6.4).
- Priority School Build Programme: +£0.862m rephasing. Reimbursement to the EFA for costs relating to Halfway Houses is to be made earlier than expected.

Social Care, Health & Wellbeing – Specialist Children’s Services

There are no movements reported over £0.100m.

Social Care, Health & Wellbeing – Adults

There are no movements reported over £0.100m.

Social Care, Health & Wellbeing – Public Health

There are no movements reported over £0.100m.

Growth, Environment & Transport

Highways, Transportation & Waste

- LED Conversion: -£1.290m rephasing to reflect current profile and delivery of conversion works.
- Maidstone Gyratory Bypass: -£0.971m real variance. LGF and external funding. Utility diversionary works have significantly reduced during the construction phase and value engineering throughout has realised a reduction in cost.
- Rathmore Road Link: -£0.477m rephasing. The programme has been adjusted to suit the delay to bridge strengthening works to Network Rail structure at Railway Place. Expenditure has been reprofiled using the contractors revised spend profile.
- Highway Major Enhancement: +£0.290m real variance. Resurfacing schemes have been added that will be funded from developer contributions and other external funding.
- Westwood Relief Strategy – Poorhole Lane: movement of -£0.263m from rephasing to a real underspend. Scheme cost has been reduced.
- North Farm Longfield Road: -£0.194m real underspend this month, as detailed analysis has shown a reduction in costs, and this has brought the project back to balance overall with a minor £0.008m forecast overspend..

Environment, Planning and Enforcement and Libraries, Registration and Archives

There are no movements reported over £0.100m.

Economic Development

- Discovery Park Enterprise Zone: +£3.400m rephasing. Figures this month are based on actual financials now confirmed and negotiated with the company (Discovery Park) and drawdown arranged from the funding body. It was previously reported there would be no drawdown this year due to a delay in the construction plan as we were awaiting confirmation from the company. This information has now been received.
- Marsh Million: +£0.163m rephasing. The approval panel have finalised the criteria for awarding funds and there is a potential application awaiting full approval. Therefore the figures have changed to reflect this.

Strategic & Corporate Services

- Modernisation of Assets: -£2.584m real variance. Awaiting virement to New Ways of Working budget.
- New Ways of Working: +£2.584m real variance. Awaiting virement from Modernisation of Assets budget above. Additional funds are required for increased construction costs and additional works associated with incorporation of Case Conference facilities at hub locations across the County, and in order to complete the planned upgrade works, particularly in the East Kent area.
- Common Data Environment (BIM): -£0.188m rephasing. Difficulties in securing an off the shelf package which would meet security requirements. Now looking to procure a more bespoke system, but this will not be in the current financial year.

6.4 CAPITAL BUDGET VIREMENTS/CHANGES TO BUDGETS

- Developer Funded Schemes **(SC,H&WB, Adults)** – increase cash limit in 2016-17 by £0.076m developer contributions.
- LD Good Day Programme **(SC,H&WB, Adults)** – Community Initiatives – decrease cash limit by £0.005m to fund Swanley Gateway (below).
- Swanley Gateway **(S&CS)** – increase cash limit by £0.005m contribution from (see above).
- Special Schools Review Phase 2 **(EYPS)** – request to move last month's requested cash limit change of £1.390m from 16-17 to 17-18.
- Dartford Library Plus **(GET)** – increase cash limit by £0.005m external funding.
- Southborough Hub **(GET)** – increase cash limit by £0.020m developer contributions.
- Tunbridge Wells Cultural Hub **(GET)** – decrease cash limit by £0.020m external funding as costs (and funding) will now be incurred in revenue.
- Sustainable Access to Maidstone Employment Areas **(GET)** – decrease cash limit by £0.390m external funding. This funding will not now be received as other schemes have been prioritised in the area.

7. CONCLUSIONS

- 7.1 It is concerning that the revenue position has deteriorated again this month, which predominately relates to an adverse movement on SEN Home to School Transport. However, the forecasts show the majority of the £81m savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. It is clear that alternative saving plans have not yet been sufficiently developed, but it is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. The objective remains, and will do so throughout this financial year, to eliminate this forecast overspend.

8. RECOMMENDATIONS

Cabinet is asked to:

- 8.1 **Note** the forecast revenue budget monitoring position for 2016-17 and capital budget monitoring position for 2016-17 to 2018-19, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 8.2 **Agree** the changes to the capital programme as detailed in section 6.4.

Breakdown of Directorate Monitoring Position

| | Cash Limit | | | Variance | Movement |
|---|--------------|---------------|--------------|-------------|-------------|
| | Gross | Income | Net | Net | Net |
| | £m | £m | £m | £m | £m |
| Education & Young People | | | | | |
| Early Help & Prevention for Children and Families | 28.2 | -9.1 | 19.1 | -0.9 | 0.0 |
| Early Years Education & Childcare | 63.7 | -62.4 | 1.3 | 0.2 | 0.0 |
| Attendance, Behaviour and Exclusion Services | 5.1 | -4.9 | 0.1 | 0.0 | 0.0 |
| High Needs Education Budgets (excl. Schools & Pupil Referral Units) | 31.2 | -31.2 | 0.0 | 0.0 | 0.0 |
| SEN & Psychology Services | 18.0 | -14.7 | 3.4 | 0.0 | 0.0 |
| Other Services for Young People & School Related Services | 17.5 | -13.2 | 4.4 | -0.2 | -0.1 |
| Pupil & Student Transport Services** | 34.2 | -3.7 | 30.5 | 1.0 | 1.1 |
| Other Schools' Related Costs | 33.9 | -33.8 | 0.1 | 0.5 | 0.1 |
| Youth and Offending Services | 5.2 | -3.5 | 1.7 | 0.0 | -0.1 |
| Adult Education and Employments Services for Vulnerable Adults | 13.5 | -14.4 | -0.9 | 0.0 | 0.0 |
| EYP Management & Support Services | 20.1 | -14.0 | 6.1 | -0.2 | 0.0 |
| Sub Total E&YP directorate | 270.8 | -204.9 | 65.9 | 0.4 | 1.0 |
| | | | | | |
| Social Care, Health & Wellbeing | | | | | |
| Learning Disability Adult Services** | 156.9 | -12.4 | 144.5 | 2.3 | 0.3 |
| Physical Disability Adult Services | 36.2 | -4.2 | 32.0 | -0.4 | -0.2 |
| Mental Health Adult Services | 13.8 | -1.7 | 12.2 | 2.5 | 0.0 |
| Older People Adult Services** | 169.5 | -81.9 | 87.6 | 2.3 | 1.2 |
| Adult & Older People Preventative & Other Services | 66.0 | -20.9 | 45.1 | -3.1 | -1.0 |
| Adult's Assessment & Safeguarding Staffing | 43.6 | -6.2 | 37.4 | -1.1 | 0.0 |
| Children in Care (Looked After) Services** | 59.5 | -7.2 | 52.3 | 3.9 | -0.3 |
| Adoption & Other Permanent Children's Arrangements | 11.6 | -0.1 | 11.5 | 1.1 | 0.0 |
| Family Support & Other Children Services | 25.1 | -6.8 | 18.2 | -0.4 | -0.1 |
| Asylum Seekers** | 46.5 | -46.0 | 0.6 | 2.2 | -0.1 |
| Children's Assessment Staffing** | 51.6 | -9.8 | 41.9 | 1.4 | -0.4 |
| Public Health | 77.6 | -76.3 | 1.3 | -0.6 | -0.6 |
| <i>Transfer to/from Public Health Reserve</i> | -1.3 | 0.0 | -1.3 | 0.6 | 0.6 |
| SCH&W Management & Support Services | 17.7 | -2.1 | 15.6 | -0.7 | -0.1 |
| Sub Total SCH&W directorate | 774.3 | -275.7 | 498.7 | 10.0 | -0.8 |
| | | | | | |

Appendix 1

| | Cash Limit | | | Variance | Movement |
|--|----------------|---------------|--------------|-------------|-------------|
| | Gross | Income | Net | Net | Net |
| | £m | £m | £m | £m | £m |
| <u>Growth, Environment & Transport</u> | | | | | |
| Libraries Registrations & Archives | 16.9 | -6.0 | 11.0 | -0.3 | 0.0 |
| Environment | 9.3 | -5.4 | 3.9 | 0.0 | 0.0 |
| Economic Development and Other Community Services | 9.1 | -3.8 | 5.3 | 0.3 | 0.0 |
| General Highways Maintenance & Emergency Response | 8.9 | -0.5 | 8.4 | 0.2 | 0.1 |
| Other Highways Maintenance & Management | 31.3 | -8.1 | 23.2 | 0.0 | -0.4 |
| Public Protection & Enforcement | 11.1 | -2.1 | 8.9 | 0.1 | -0.1 |
| Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols) | 4.6 | -0.7 | 3.9 | 0.0 | 0.0 |
| Concessionary Fares | 17.1 | 0.0 | 17.1 | -0.3 | -0.1 |
| Subsidised Bus Services | 8.3 | -2.2 | 6.0 | 0.0 | 0.0 |
| Young Person's Travel Pass | 14.4 | -6.1 | 8.3 | 0.5 | 0.0 |
| Waste Management | 2.1 | 0.0 | 2.0 | -0.1 | 0.0 |
| Waste Processing** | 29.8 | -1.4 | 28.4 | 0.6 | 0.2 |
| Treatment and Disposal of Residual Waste** | 36.2 | 0.0 | 36.2 | 0.3 | 0.3 |
| GE&T Management & Support Services | 4.0 | -0.1 | 3.9 | -0.1 | 0.0 |
| Sub Total GE&T directorate | 203.0 | -36.5 | 166.5 | 1.1 | -0.1 |
| | | | | | |
| <u>Strategic & Corporate Services</u> | | | | | |
| Contact Centre, Digital Web Services & Gateways | 5.6 | -0.4 | 5.2 | 0.0 | 0.0 |
| Local Democracy | 5.3 | 0.0 | 5.3 | 0.0 | 0.9 |
| Infrastructure (ICT & Property Services) & Business Services Centre | 79.3 | -43.0 | 36.3 | 0.7 | 0.2 |
| Finance & Procurement | 17.1 | -6.2 | 10.8 | -0.3 | 0.1 |
| Engagement, Organisation Design & Development (HR, Comms & Engagement) | 11.4 | -1.8 | 9.6 | -0.2 | 0.0 |
| Other Support to Front Line Services | 16.1 | -11.1 | 5.0 | -0.1 | 0.2 |
| S&CS Management & Support Services | 2.8 | -5.2 | -2.4 | 0.0 | 0.0 |
| Sub Total S&CS directorate | 137.6 | -67.7 | 69.9 | 0.0 | 1.3 |
| | | | | | |
| Financing Items | 135.8 | -17.2 | 118.6 | -1.4 | 0.0 |
| | | | | | |
| TOTAL KCC (Excluding Schools) | 1,521.6 | -602.0 | 919.6 | 10.2 | 1.4 |

**See Appendix 2 & 3 within the monitoring report for further details of key cost drivers of specific service lines

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above and throughout Appendix 2 may not add through exactly due to issues caused by rounding the figures for this report.

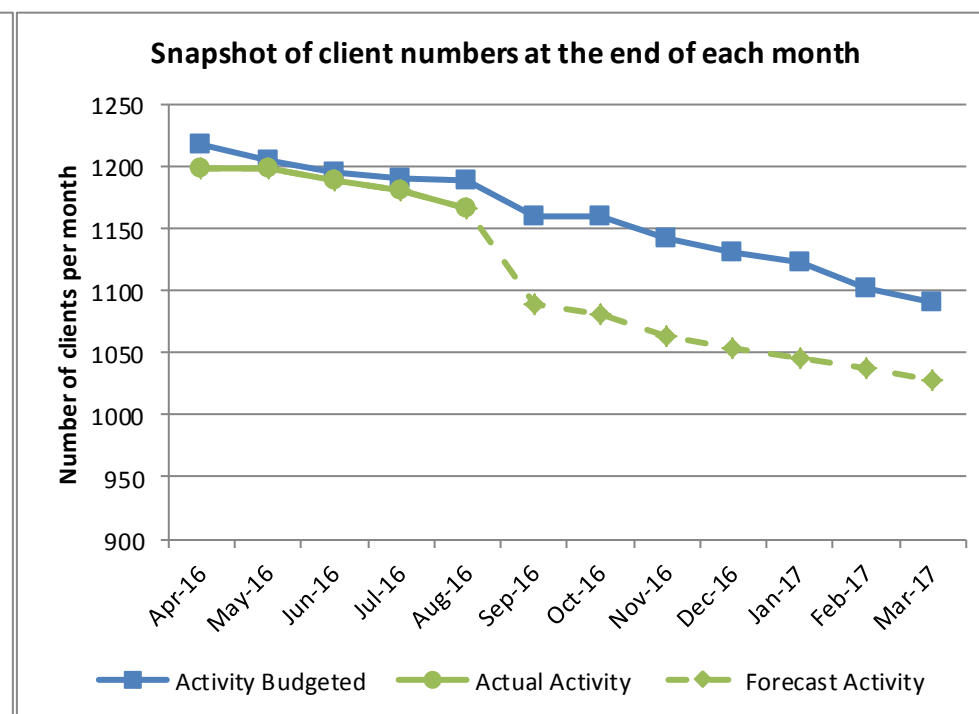
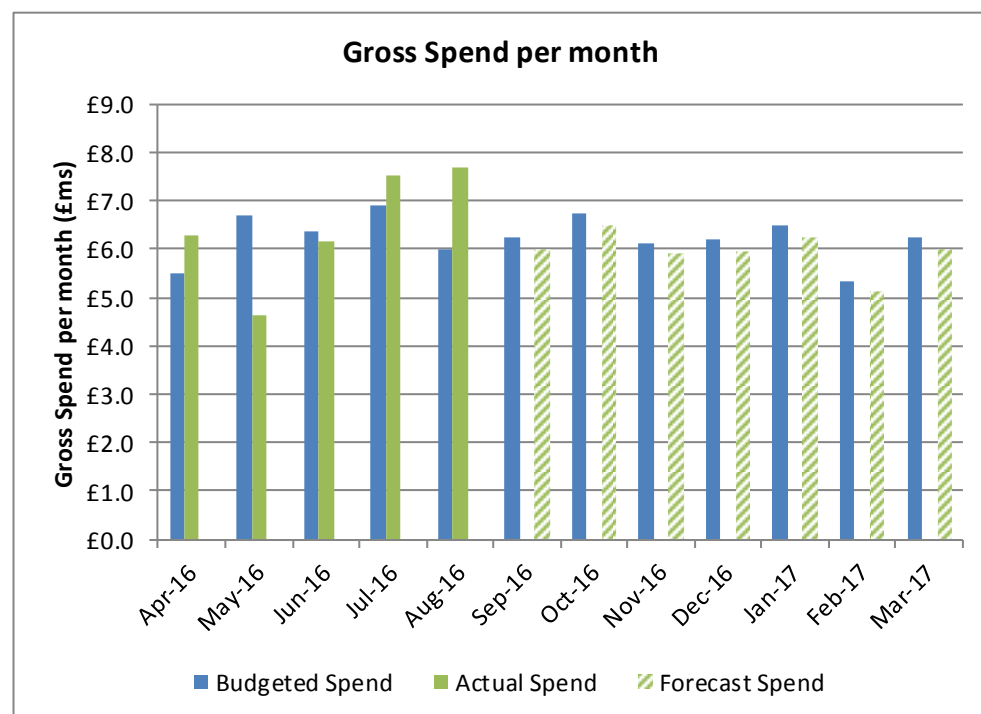
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £74.9 | -£6.1 | £68.8 | 1,090 |
| Forecast | £73.9 | -£5.9 | £68.0 | 1,028 |
| Variance | -£1.0 | £0.2 | -£0.8 | -62 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | 31.5 | 1,189 |
| Actual: Spend/Activity Year to Date | 32.3 | 1,166 |
| Variance as at 31st Aug 2016 | £0.8 | -23 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£1.0m is due to lower than anticipated demand (-£1.0m) and higher unit cost (+£0.5m), along with an allowance for unrealised creditor based on previous years experience (-£0.5m). This is partially offset by lower than expected service user contributions (+£0.2m) linked to the lower demand and higher average contribution per service user leading to a net forecast underspend of -£0.8m.



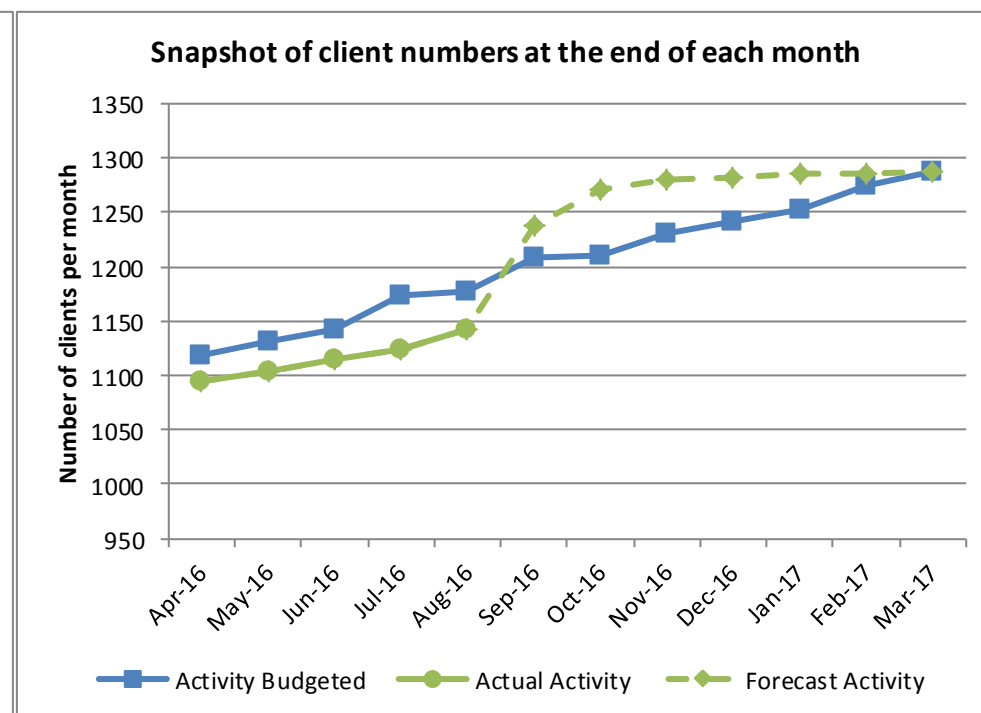
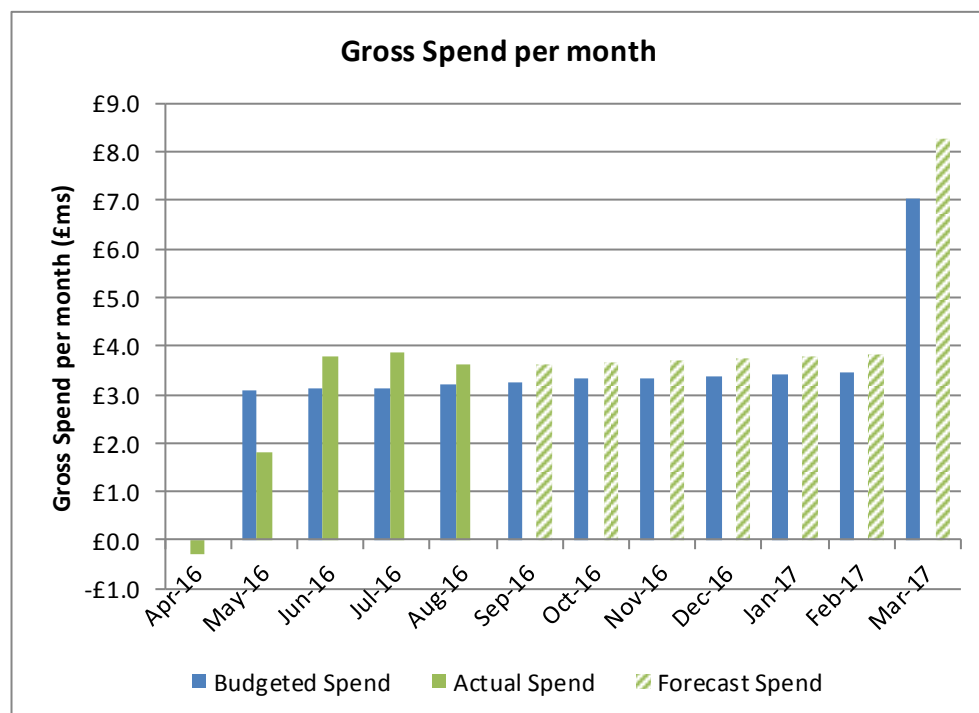
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £39.7 | -£0.2 | £39.5 | 1,288 |
| Forecast | £43.3 | -£0.2 | £43.1 | 1,288 |
| Variance | £3.6 | £0.0 | £3.6 | 0 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | 12.6 | 1,177 |
| Actual: Spend/Activity Year to Date | 12.8 | 1,142 |
| Variance as at 31st Aug 2016 | £0.3 | -35 |

MAIN REASONS FOR FORECAST VARIANCE:

The forecast pressure of +£3.6m is due to higher than anticipated demand (+£5.0m) as clients' eligible needs are greater than originally budgeted for. This is partially offset by a lower unit cost (-£0.8m) due to higher than anticipated contract savings in the first year. In addition an allowance for unrealised creditors based on previous years experience (-£0.8m) along with other minor variances totalling +£0.2m.



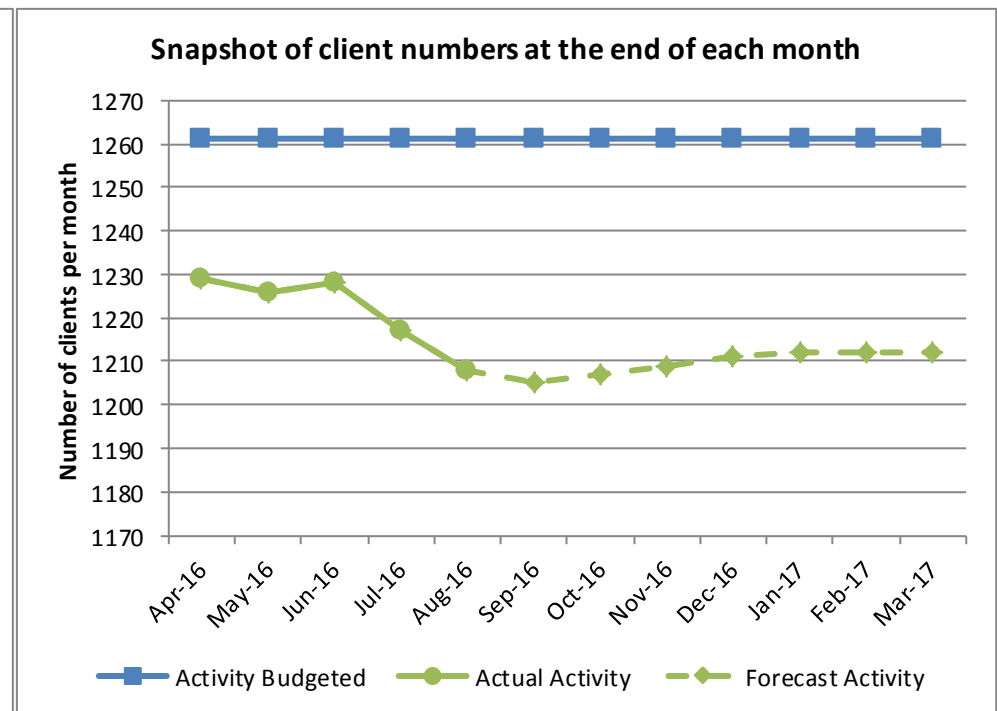
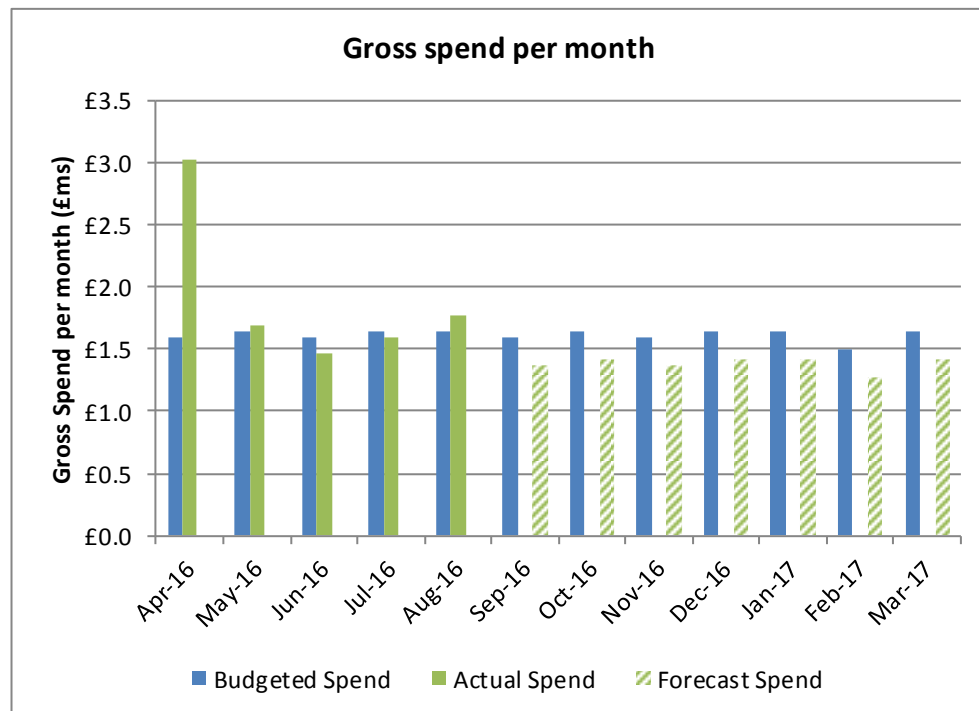
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|-------------|--------------|-----------|-----------------------------------|
| Budget | £19.4 | -£0.9 | £18.5 | 1,261 |
| Forecast | £19.2 | -£0.9 | £18.3 | 1,212 |
| Variance | -£0.2 | £0.0 | -£0.2 | -49 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|-------------|-----------------------------------|
| Budget: Spend/Activity Year to Date | 8.1 | 1,261 |
| Actual: Spend/Activity Year to Date | 9.5 | 1,208 |
| Variance as at 31st Aug 2016 | £1.4 | -53 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.2m is due to lower than anticipated demand (-£0.4m) and higher unit cost (+£0.2m). One-off direct payments (+£0.6m) and prior year costs predominately related to a historic Ordinary Residence case (+£0.3m) is partially offset by the forecast recovery of unspent funds from clients (-£0.8m).



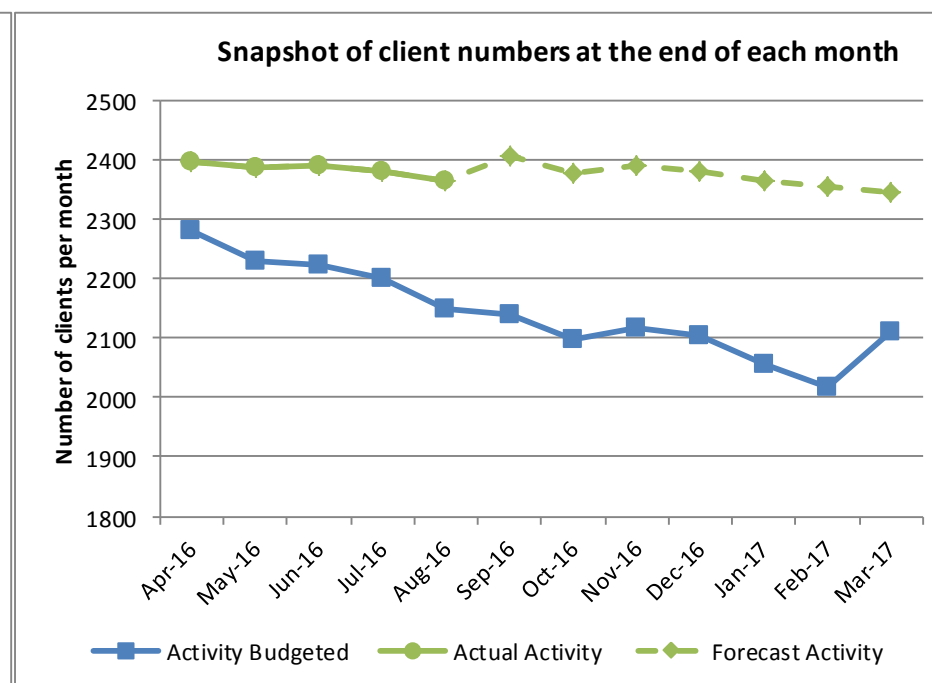
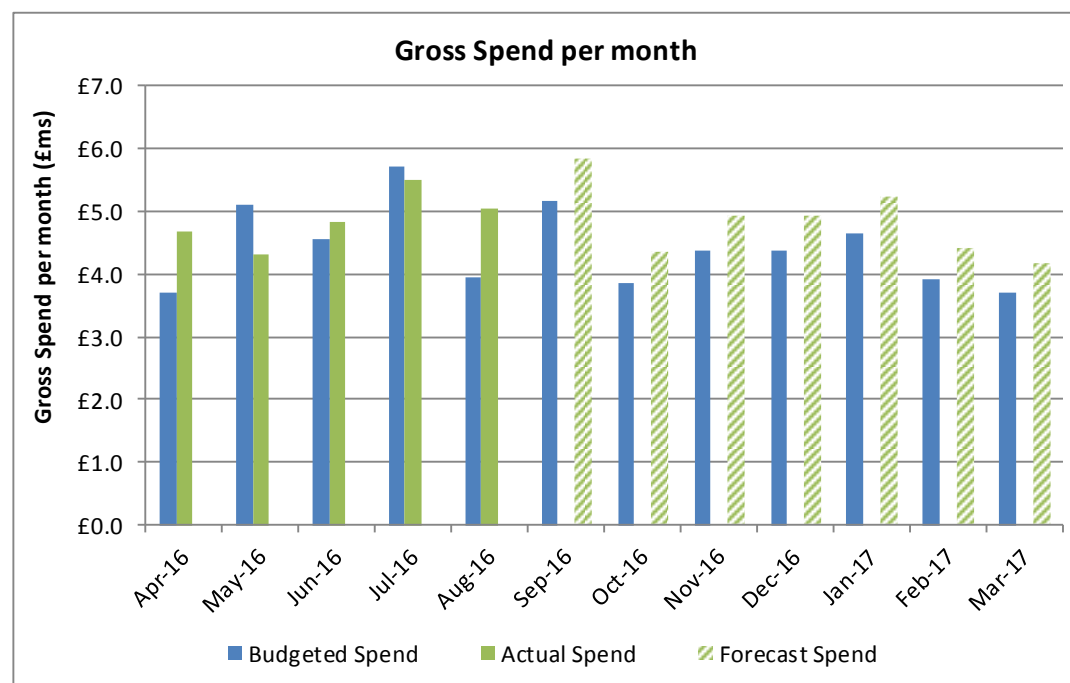
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|-------------|--------------|-----------|-----------------------------------|
| Budget | £53.1 | -£27.8 | £25.4 | 2,112 |
| Forecast | £58.2 | -£29.1 | £29.1 | 2,344 |
| Variance | £5.1 | -£1.4 | £3.8 | 232 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|-------------|-----------------------------------|
| Budget: Spend/Activity Year to Date | £23.0 | 2,149 |
| Actual: Spend/Activity Year to Date | £24.4 | 2,366 |
| Variance as at 31st Aug 2016 | £1.3 | 217 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£5.1m is due to higher than anticipated demand (+£5.3m) and lower unit cost (-£0.1m). This is partially offset by higher than expected service user contributions (-£1.4m) linked to the higher demand (-£2.4m) and a lower average contribution per service user (+£1.0m) leading to a net forecast pressure of +£3.8m.



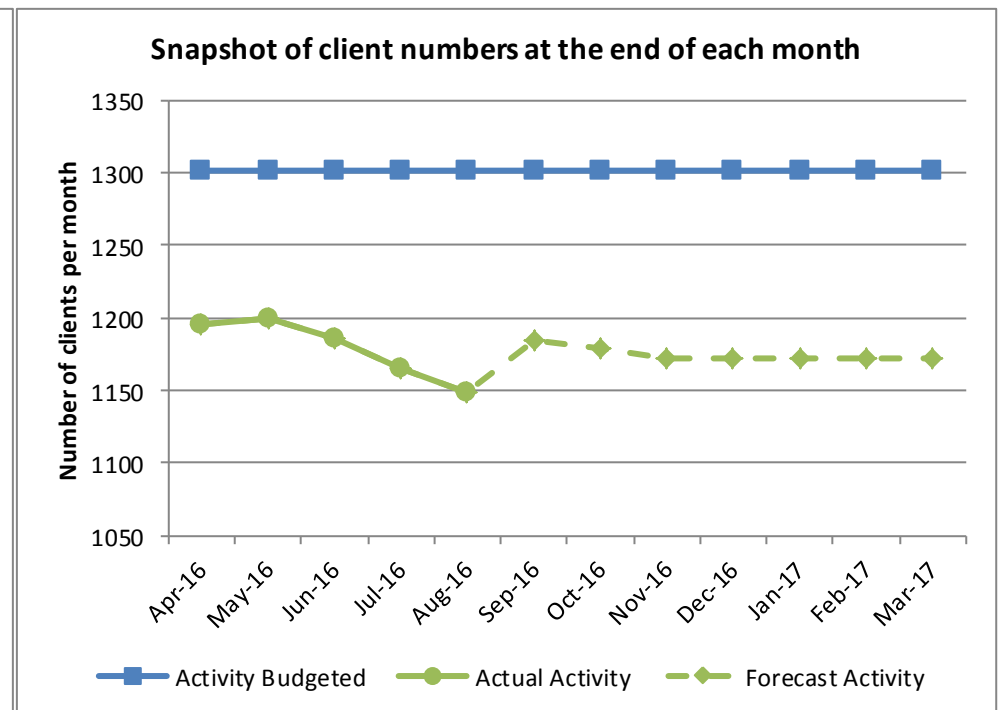
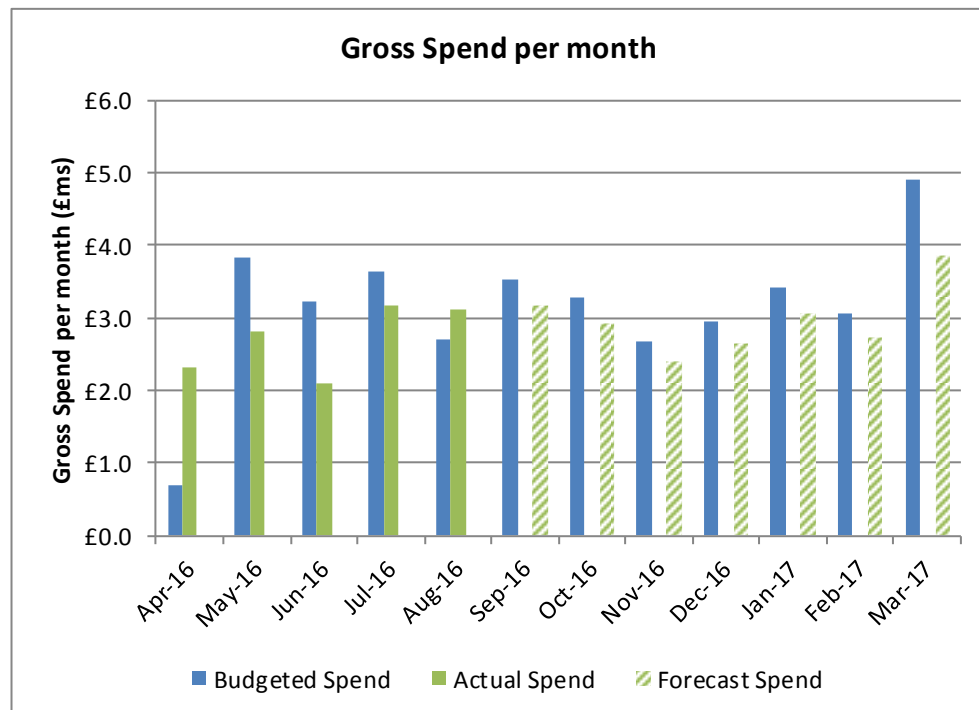
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £37.9 | -£14.6 | £23.3 | 1,301 |
| Forecast | £34.2 | -£13.3 | £21.0 | 1,172 |
| Variance | -£3.7 | £1.4 | -£2.4 | -129 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | 14.1 | 1,301 |
| Actual: Spend/Activity Year to Date | 13.5 | 1,148 |
| Variance as at 31st Aug 2016 | -£0.6 | -153 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£3.7m is due to lower than anticipated demand (-£3.3m) and lower unit cost (-£0.3m), along with non-activity variance against health commissioned beds (-£0.2m). This is partially offset by lower than expected service user contributions (+£1.5m) linked to the lower demand (+£1.2m) and a lower average contribution per service user (+£0.2m) leading to a net forecast underspend of -£2.4m.



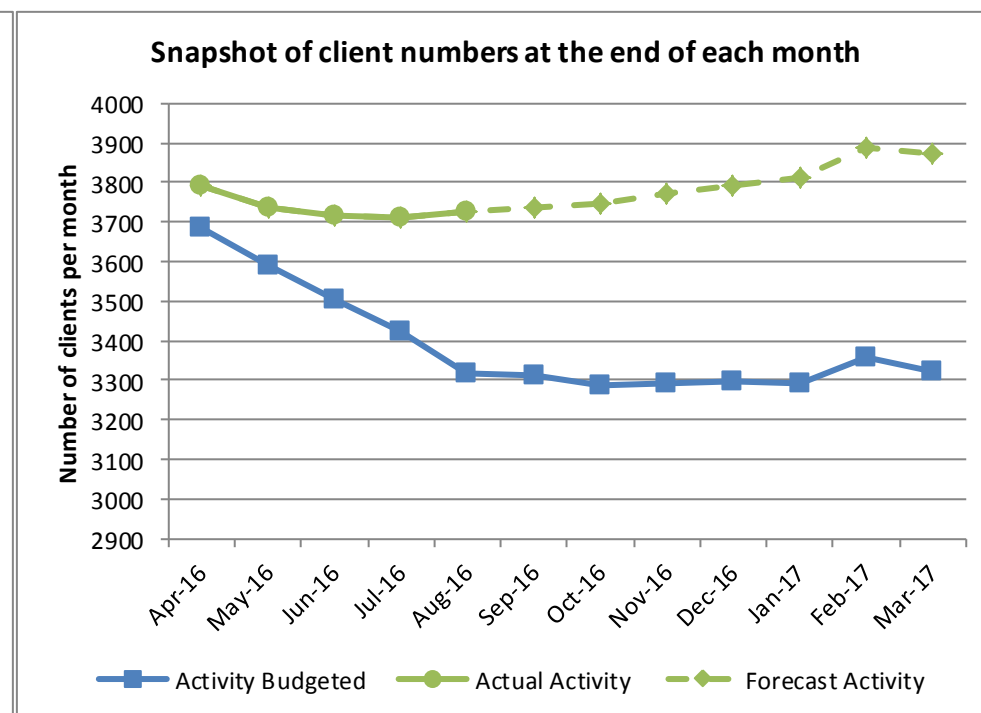
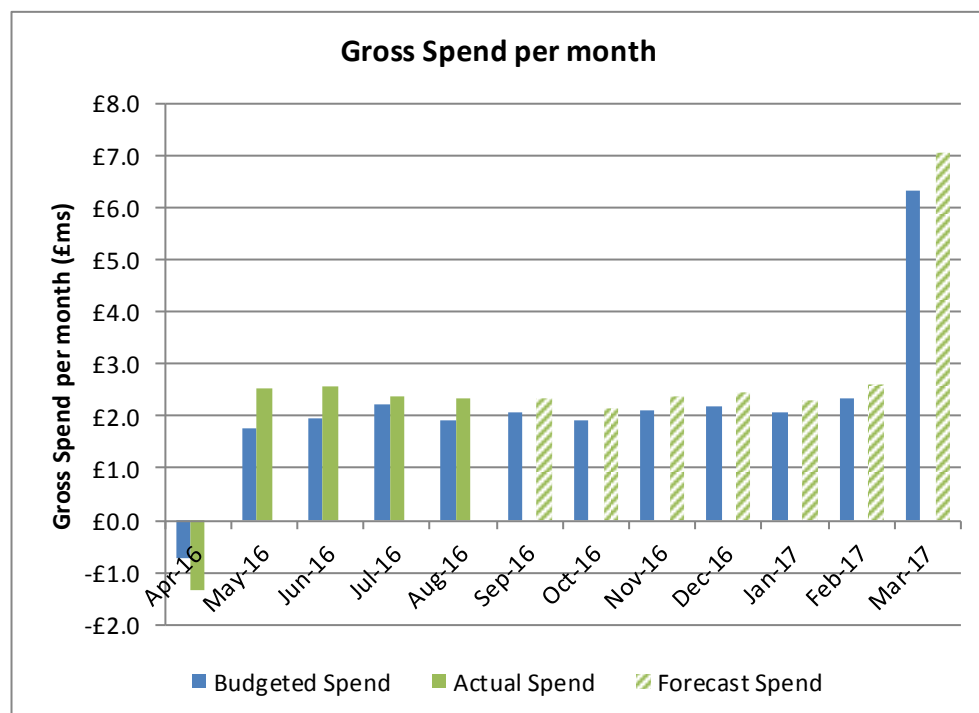
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £26.2 | -£10.2 | £16.0 | 3,321 |
| Forecast | £29.7 | -£10.2 | £19.5 | 3,874 |
| Variance | £3.5 | £0.0 | £3.5 | 553 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | 7.1 | 3,316 |
| Actual: Spend/Activity Year to Date | 8.5 | 3,724 |
| Variance as at 31st Aug 2016 | £1.3 | 408 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£3.5m is due to higher than anticipated demand (+£3.1m) linked to both increased care packages and higher than budgeted client numbers along with a higher unit cost (+£0.1m). Additional extra care support has lead to a pressure of +£0.3m, leading to a net forecast pressure of +£3.5m.



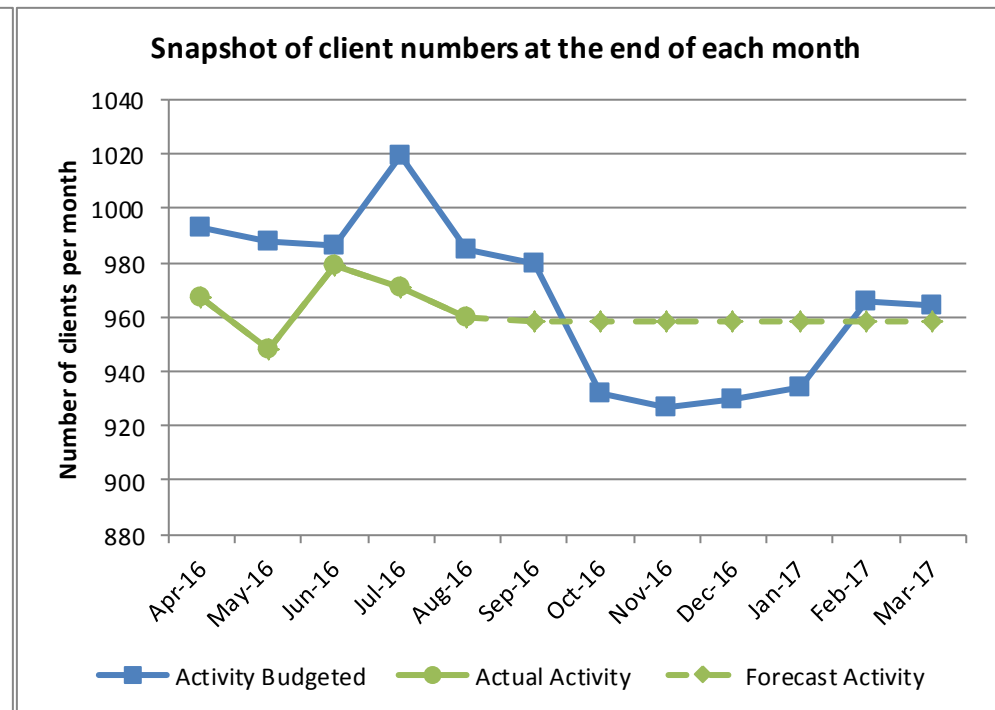
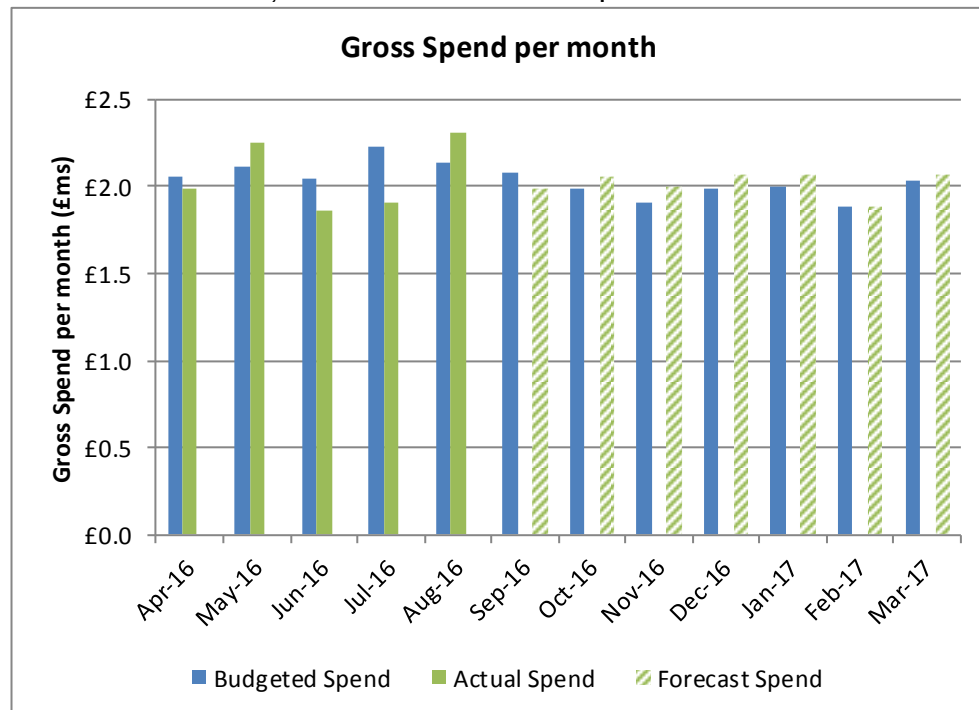
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £24.4 | -£0.5 | £24.0 | 964 |
| Forecast | £24.4 | -£0.2 | £24.2 | 958 |
| Variance | -£0.0 | £0.3 | £0.2 | -6 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | £10.6 | 985 |
| Actual: Spend/Activity Year to Date | £10.3 | 960 |
| Variance as at 31st Aug 2016 | -£0.3 | -25 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast shows a balanced position, but within this there is higher than anticipated demand (+£0.4m) and higher unit cost (+£0.4m), along with non-activity variance explanations of -£0.8m due to -£0.3m funding allocated for prices not committed and -£0.5m due to an underspend on staffing in County Fostering due to current vacancy levels. Combined with the lower than expected income of +£0.3m due to fewer than anticipated fostering placements made for Unaccompanied Asylum Seeking Children (UASC), resulting in lower contributions from the UASC Service, leads to a net forecast pressure of +£0.2m.



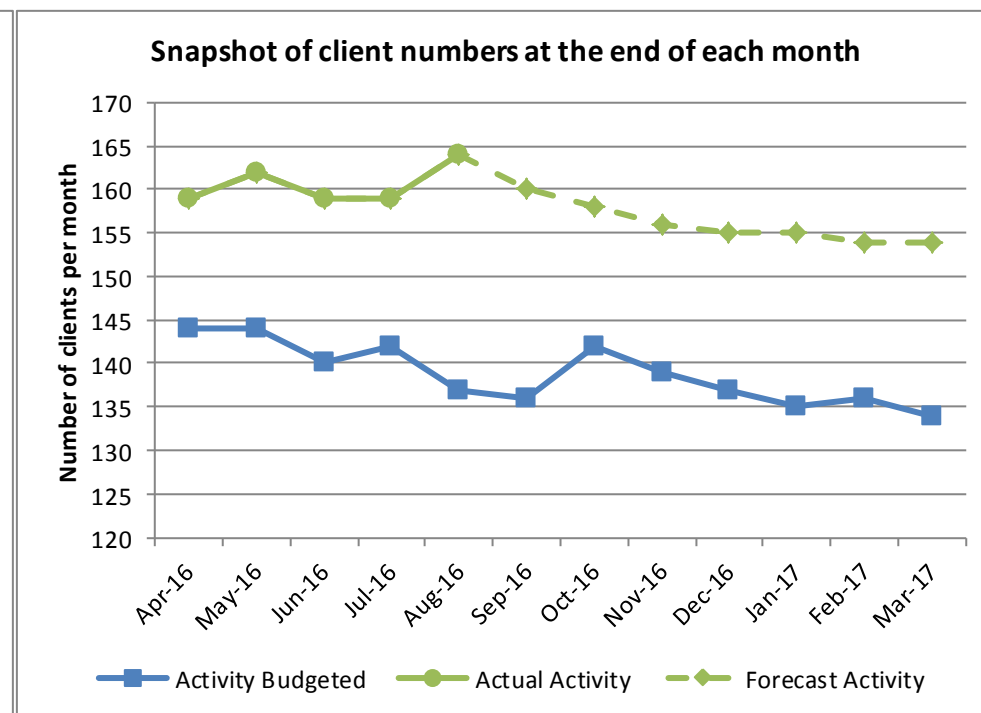
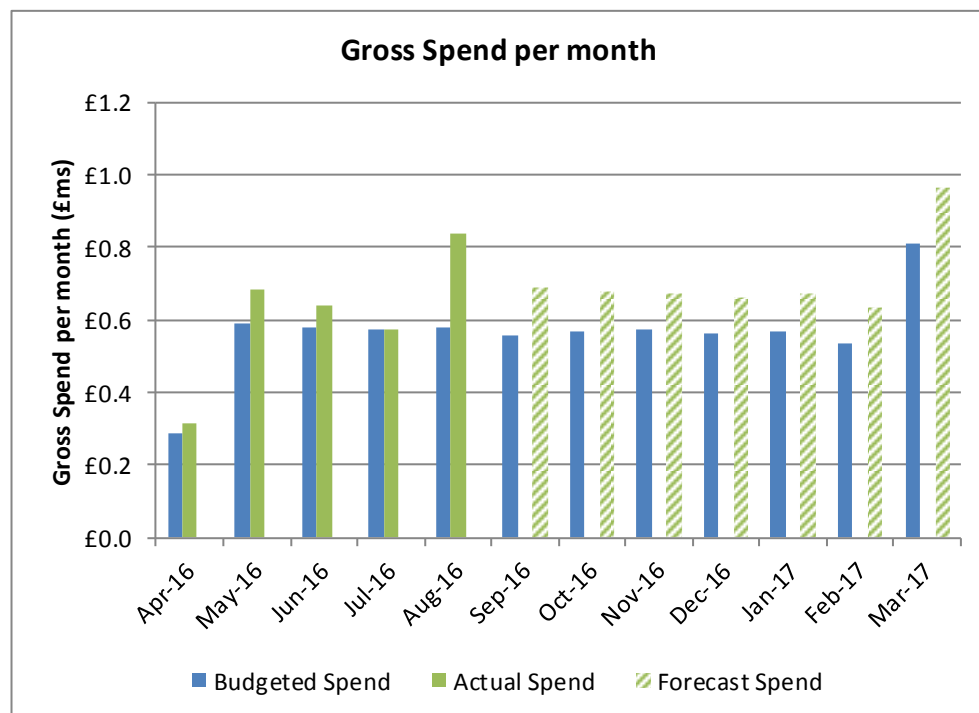
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £6.8 | £0.0 | £6.8 | 134 |
| Forecast | £8.0 | £0.0 | £8.0 | 154 |
| Variance | £1.2 | £0.0 | £1.2 | 20 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | £2.6 | 137 |
| Actual: Spend/Activity Year to Date | £3.1 | 164 |
| Variance as at 31st Aug 2016 | £0.4 | 27 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.2m is due to higher than anticipated demand (+£1.0m) and higher unit cost (+£0.3m).



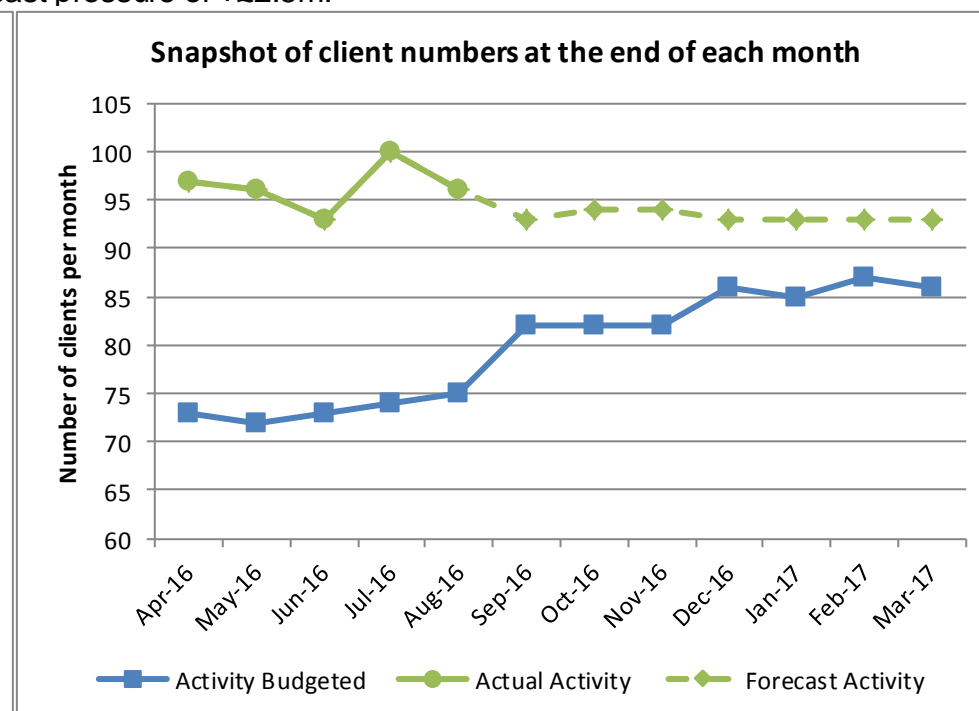
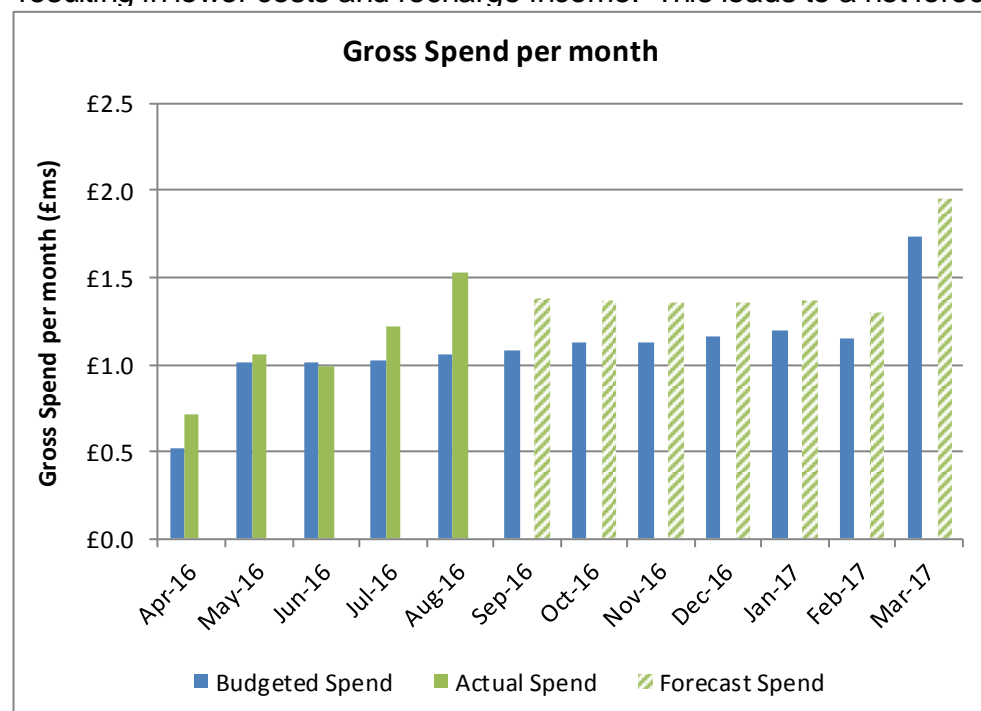
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Client Number as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|--------------------------------|
| Budget | £13.2 | -£2.3 | £10.9 | 86 |
| Forecast | £15.6 | -£2.2 | £13.3 | 93 |
| Variance | £2.4 | £0.1 | £2.5 | 7 |

| Position as at 31st Aug 2016 | Gross £m | Client Number as at 31/08/2016 |
|-------------------------------------|----------|--------------------------------|
| Budget: Spend/Activity Year to Date | £4.6 | 75 |
| Actual: Spend/Activity Year to Date | £5.5 | 96 |
| Variance as at 31st Aug 2016 | £0.9 | 21 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£2.4m is due to higher than anticipated demand (+£2.1m) and higher unit cost (+£0.1m), along with an additional variance of +£0.1m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is further increased by lower than expected income of +£0.1m primarily due to lower than anticipated service income for Children with a Disability, mainly relating to fewer contributions for care costs from Health & Education as a result of an increase in split payments of care at source, resulting in lower costs and recharge income. This leads to a net forecast pressure of +£2.5m.



Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

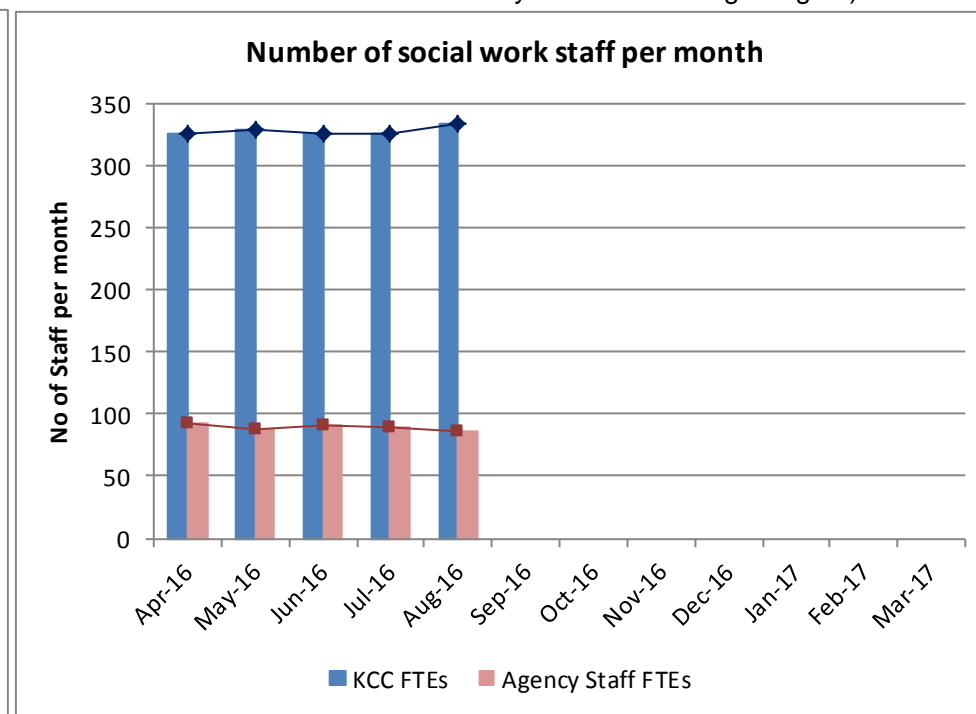
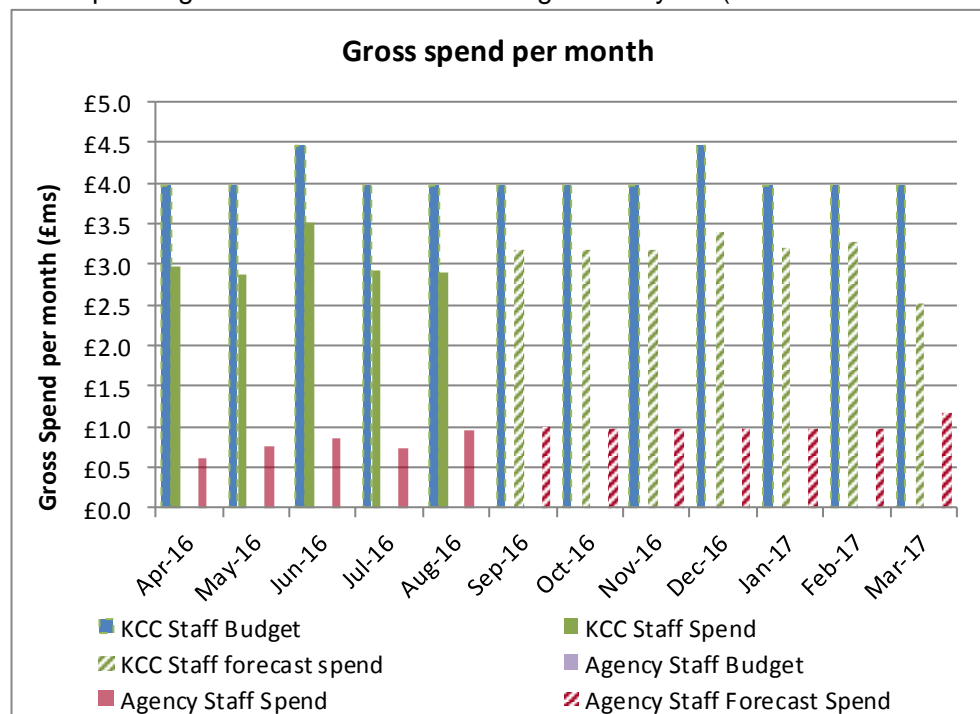
| 2016-17 Forecast | KCC £m | Agency £m | Gross £m |
|-----------------------------|-----------|--------------|-------------|
| Budget | £48.6 | £0.0 | £48.6 |
| Forecast | £37.1 | £11.0 | £48.0 |
| Variance | -£11.5 | £11.0 | -£0.6 |

| as at 31st Aug 2016 | KCC £m | Agency £m | Gross £m |
|--------------------------------|-----------|--------------|-------------|
| YTD Budget | £20.3 | £0.0 | £20.3 |
| YTD Spend | £15.2 | £3.9 | £19.1 |
| YTD Variance | -£5.2 | £3.9 | -£1.3 |

| Staff numbers | KCC FTEs | Agency Nos |
|----------------------|-------------|---------------|
| as at 1st April 2016 | 326.4 | 92.8 |
| as at 31 Aug 2016 | 333.1 | 86.9 |
| YTD Movement | 6.7 | -5.9 |

MAIN REASONS FOR FORECAST VARIANCE:

This measure focusses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers, so every agency worker (who are more expensive than salaried staff) results in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers which contributes to the £1.4m net pressure reported against Children's Assessment staffing in Appendix 1. However, this pressure is offset in the table above by a reduction in the Asylum related gross staffing spend resulting from an expected decline in client numbers due to the planned dispersal programme, but this is matched by a corresponding reduction in income recharges to Asylum (which is not reflected within this indicator as this measure only includes staffing budgets).

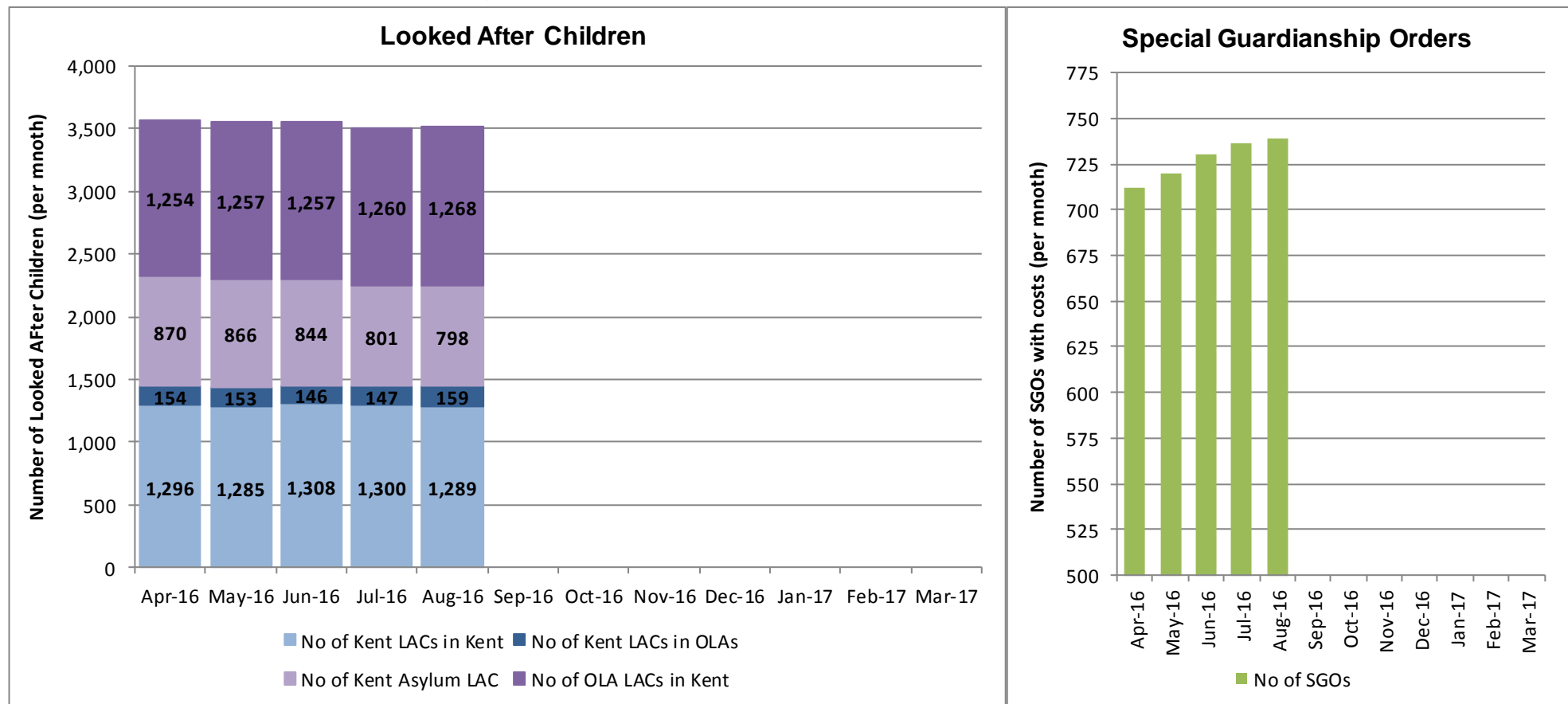


Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. It is important to note, the OLA LAC information has a confidence rating of 36% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming.

There is an overall forecast pressure on the SCS budget, with key parts of this relating to the LAC headings of Commissioned Residential Care and Commissioned and In-House Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), Leaving Care and Preventative Services.

The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.



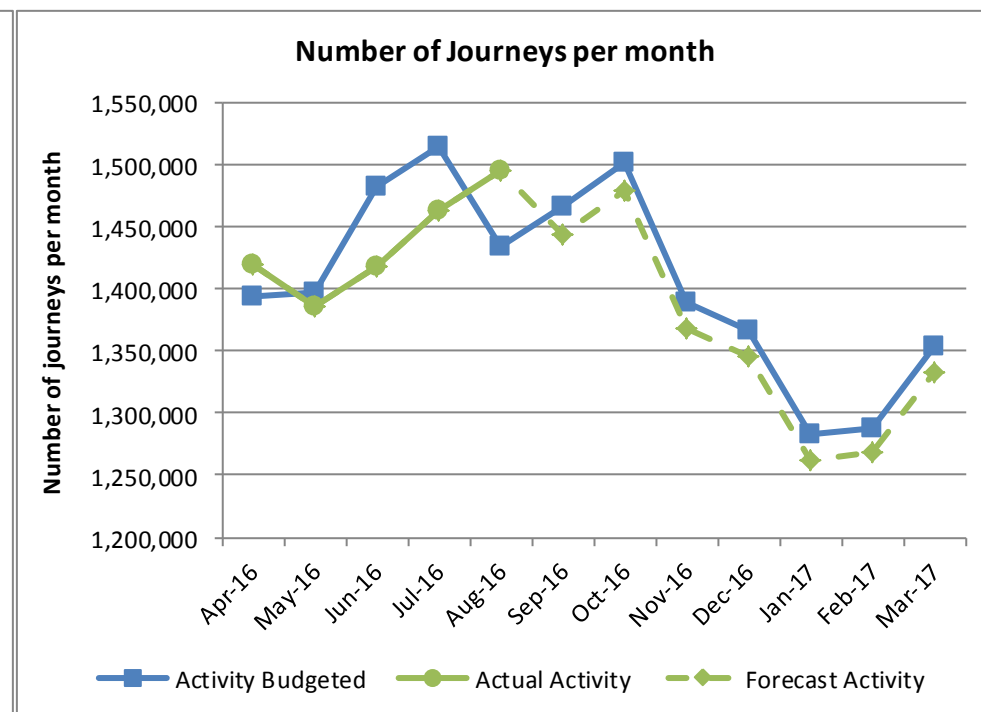
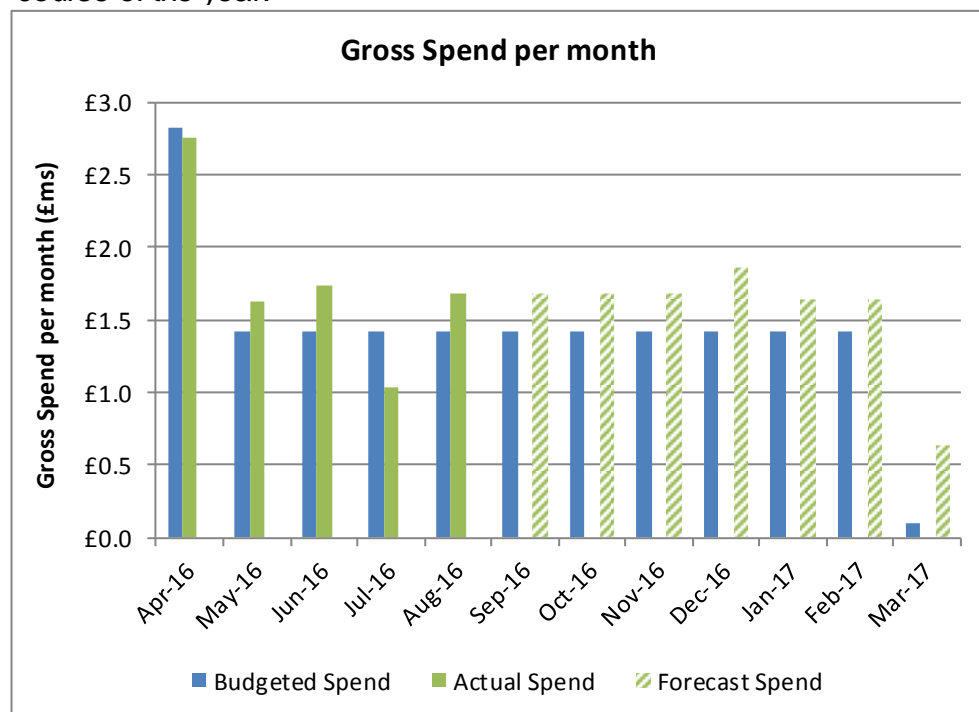
Appendix 2.12: Transport Services - Concessionary fares

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | No of journeys to 31/03/2017 |
|-------------------------------|-------------|--------------|-----------|---------------------------------|
| Budget | £17.1 | -£0.0 | £17.1 | 16,867,404 |
| Forecast | £19.7 | -£2.8 | £16.8 | 16,680,002 |
| Variance | £2.5 | -£2.8 | -£0.3 | -187,402 |

| Position as at 31st Aug 2016 | Gross £m | No of journeys to 31/08/2016 |
|-------------------------------------|-------------|---------------------------------|
| Budget: Spend/Activity Year to Date | £8.5 | 7,220,179 |
| Actual: Spend/Activity Year to Date | £8.8 | 7,181,102 |
| Variance as at 31st Aug 2016 | £0.3 | -39,077 |

MAIN REASONS FOR FORECAST VARIANCE:

The net forecast underspend -£0.3m is due to lower than anticipated demand (-£0.2m), along with other minor variances (-£0.1m). The forecast is based on actual activity for April to July, with estimates for the remaining months; the unit has received draft actuals for August which show an increase in the number of journeys following the extended period of hot and dry weather. This is considered to be a one off and estimates for the remaining months continue to support the reported underspend, although this position will continue to be reviewed over the course of the year.



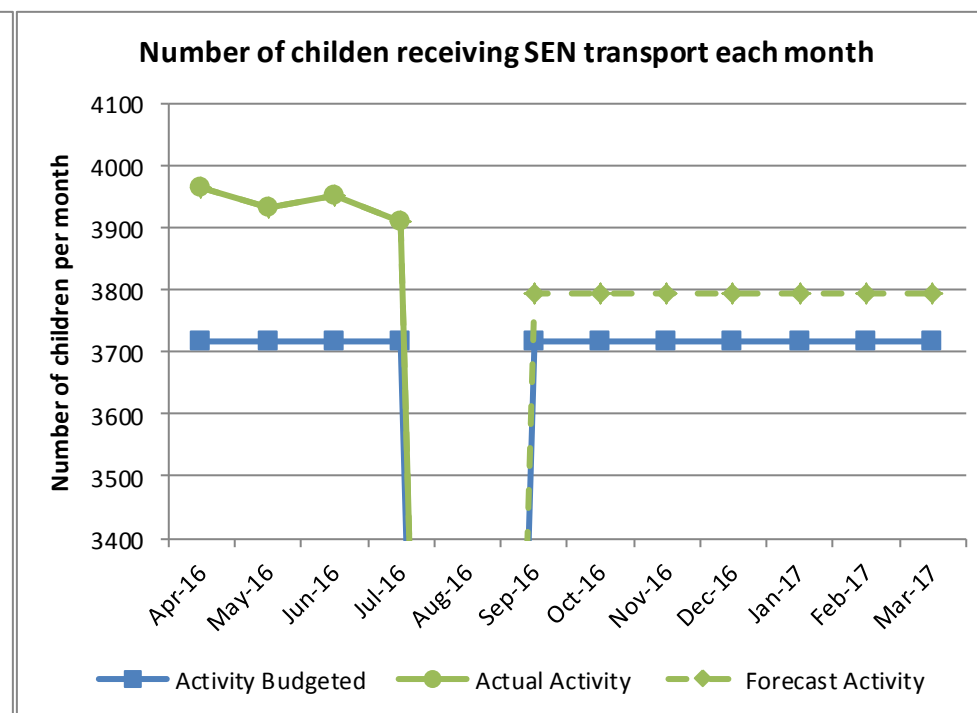
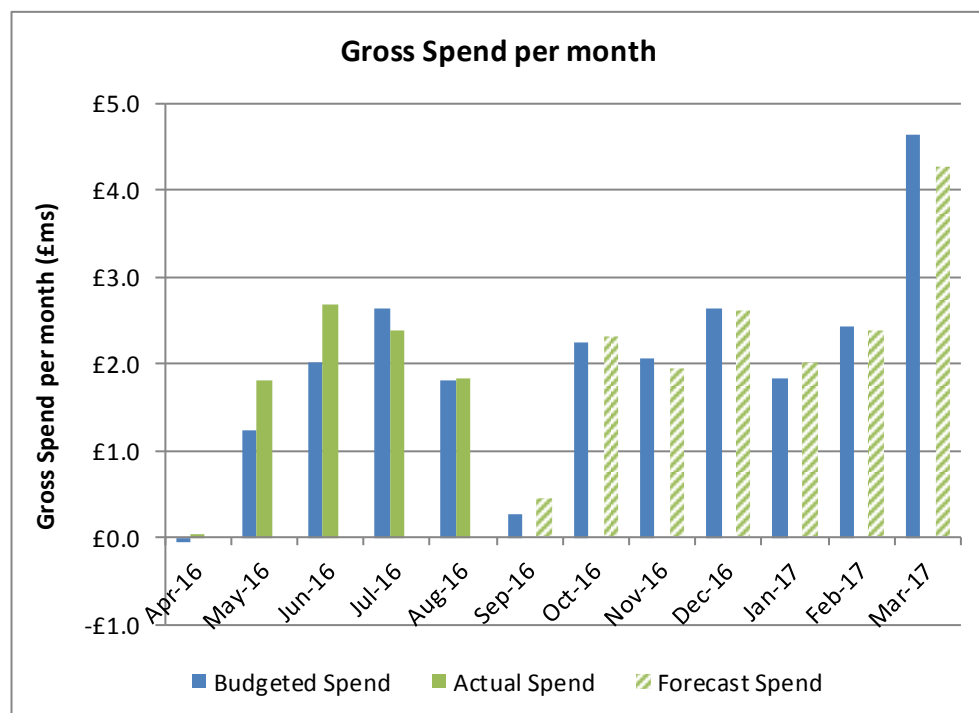
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | No of pupils as at 31/03/2017 |
|-------------------------------|----------|-----------|--------|-------------------------------|
| Budget | £23.8 | -£0.8 | £23.0 | 3,717 |
| Forecast | £24.7 | -£0.8 | £23.9 | 3,795 |
| Variance | £0.9 | -£0.0 | £0.9 | 78 |

| Position as at 31st Aug 2016 | Gross £m | No of pupils as at 31/08/2016 |
|-------------------------------------|----------|-------------------------------|
| Budget: Spend/Activity Year to Date | £7.6 | 0 |
| Actual: Spend/Activity Year to Date | £8.8 | 0 |
| Variance as at 31st Aug 2016 | £1.1 | 0 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.9m is due to higher than anticipated demand (+£0.7m) and higher unit cost (+£0.6m), along with a non-activity variance of -£0.4m predominately due to lower than anticipated spend on Personal Transport Budgets and a cessation of payments to Pupil Referral Units, leading to a net forecast pressure of +£0.9m. There are no school journeys made in August, but the average forecast level for September to March is 3,795 pupils, 78 pupils over the affordable level.



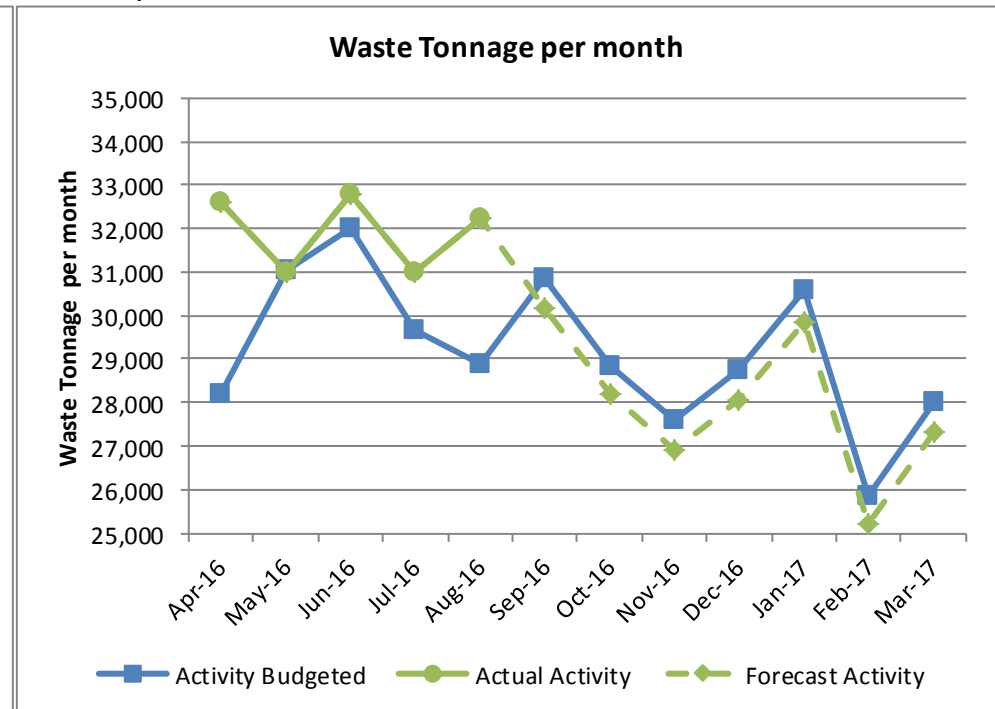
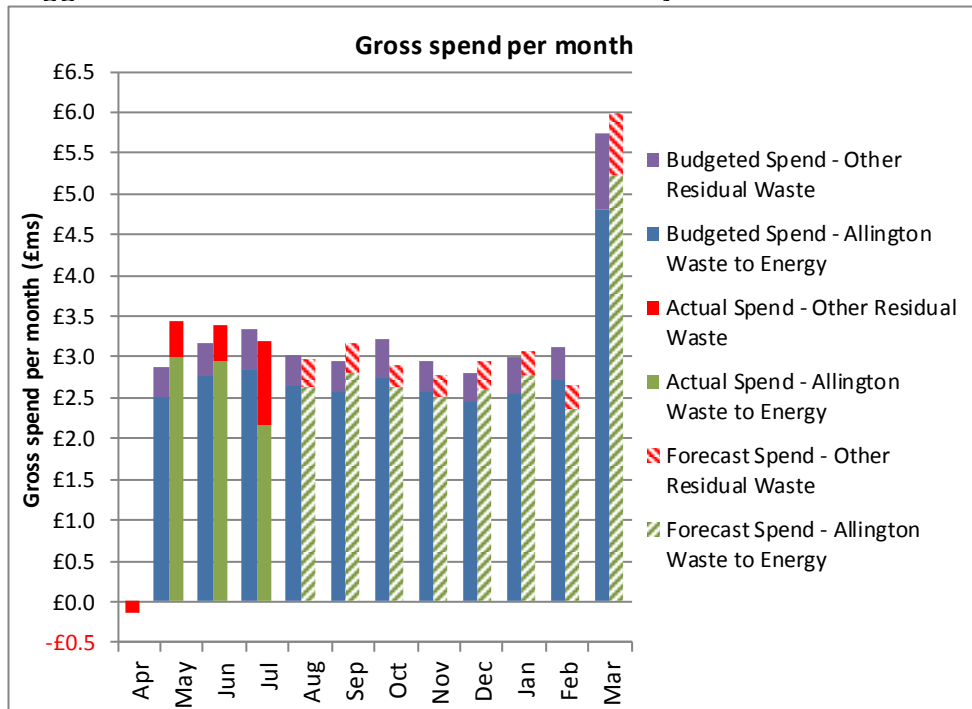
Appendix 2.14: Treatment and disposal of residual waste

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Waste Tonnage to 31/03/2017 |
|-------------------------------|-------------|--------------|-----------|--------------------------------|
| Budget | £36.2 | £0.0 | £36.2 | 350,222 |
| Forecast | £36.7 | -£0.2 | £36.4 | 355,326 |
| Variance | £0.5 | -£0.2 | £0.3 | 5,104 |

| Position as at 31st Aug 2016 | Gross £m | Waste Tonnage to 31/08/2016 |
|-------------------------------------|-------------|--------------------------------|
| Budget: Spend/Activity Year to Date | £12.4 | 149,775 |
| Actual: Spend/Activity Year to Date | £13.1 | 159,600 |
| Variance as at 31st Aug 2016 | £0.7 | 9,825 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.5m is due to higher than anticipated demand (+£0.5m), although some of this relates to trade waste, the cost of which is covered through income, and lower unit cost (-£0.1m), along with other minor variances (+£0.1m). This is offset by higher than expected income (-£0.2m), from trade waste tonnes, leading to a net pressure of +£0.3m. The forecast is based on actual activity for April to July, with estimates for the remaining months; the division has recently received figures for August (included within graph below) which could suggest that the forecast is understated and may result in an increased financial pressure next month.



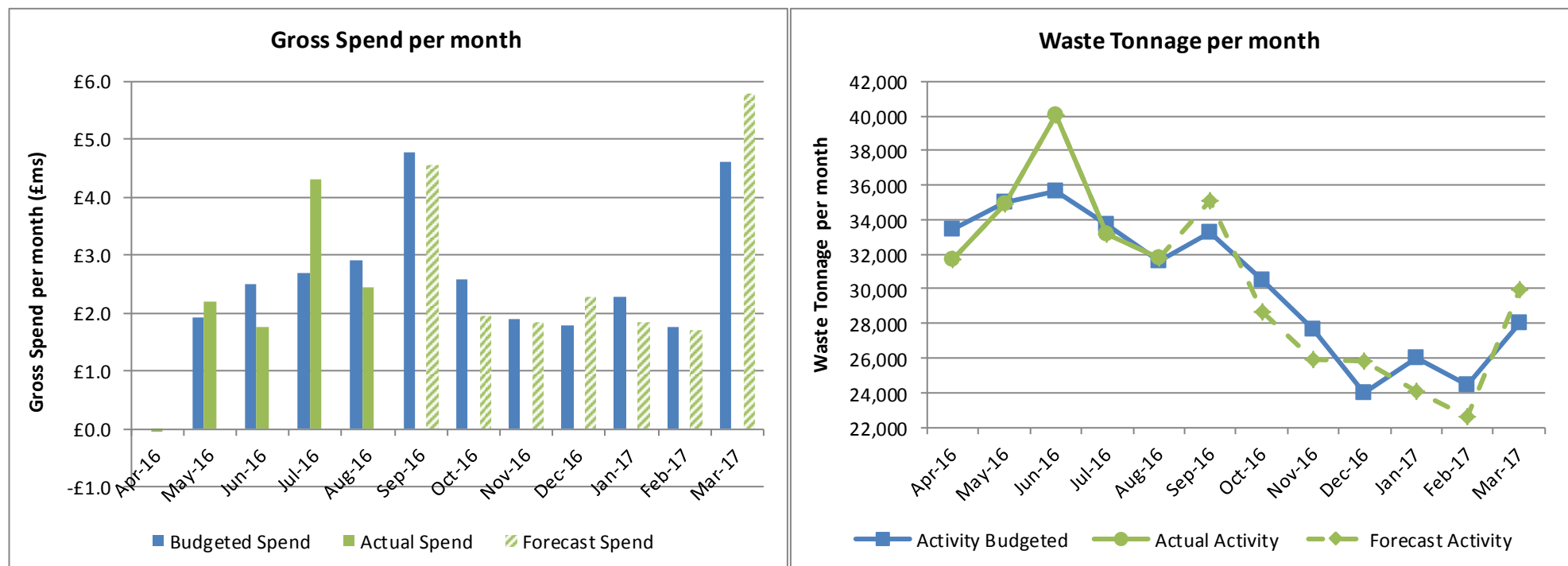
Appendix 2.15: Waste Processing

| 2016-17 Total Forecast | Gross £m | Income £m | Net £m | Waste Tonnage to 31/03/2017 |
|-------------------------------|-------------|--------------|-----------|--------------------------------|
| Budget | £29.8 | -£1.4 | £28.4 | 363,472 |
| Forecast | £30.6 | -£1.6 | £29.0 | 363,758 |
| Variance | £0.8 | -£0.2 | £0.6 | 286 |

| Position as at 31st Aug 2016 | Gross £m | Waste Tonnage to 31/08/2016 |
|-------------------------------------|-------------|--------------------------------|
| Budget: Spend/Activity Year to Date | £10.0 | 169,511 |
| Actual: Spend/Activity Year to Date | £10.7 | 171,627 |
| Variance as at 31st Aug 2016 | £0.6 | 2,116 |

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.8m is due to the re-procurement of the dry recyclables contract (+£0.3m); increased tipping away payments (+£0.3m) as well as a new cost of re-providing a temporary transfer station while Church Marshes is closed for re-development (+£0.2m). Additional paper and card income (-£0.2m) reduces this to a net forecast pressure of +£0.6m. The forecast is based on actual activity to July, with estimates for the remaining months; recently received figures for August (included within the graph below) could suggest that forecast tonnage is understated however it may not lead to an increased financial forecast as not all changes in waste types attract an additional cost.



Appendix 2.16: All Staffing Budgets (excluding schools)

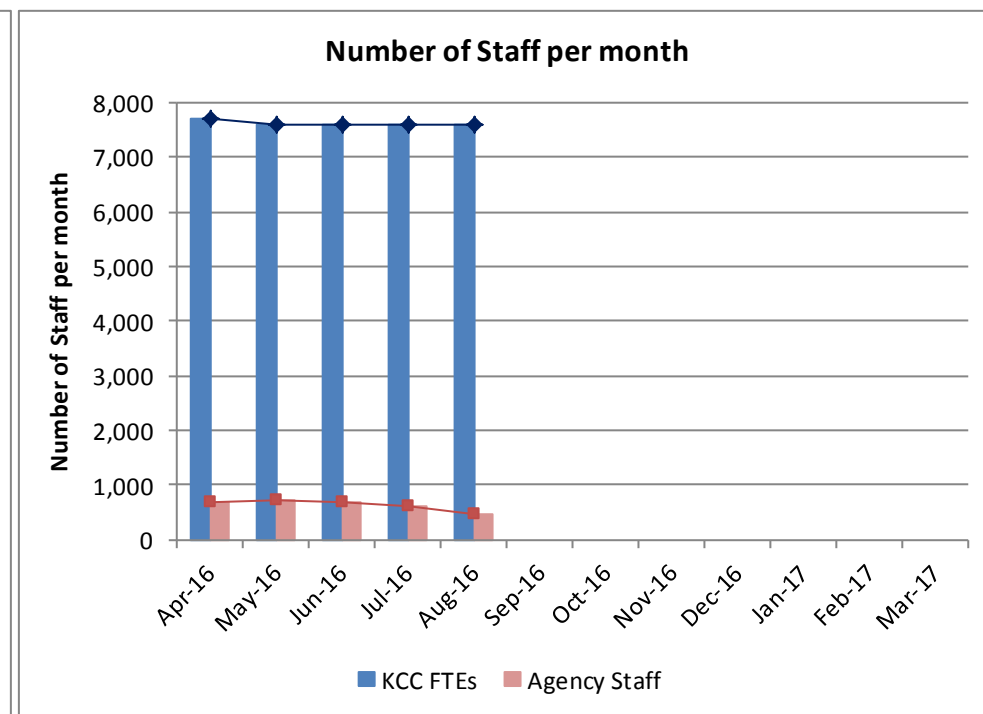
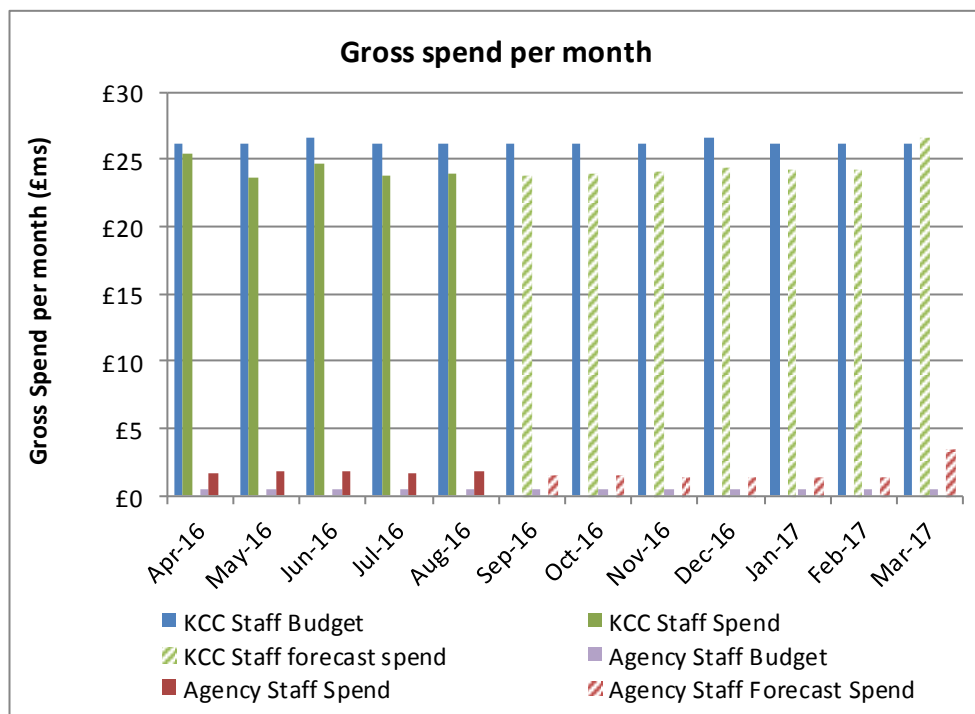
| 2016-17 Forecast | KCC £m | Agency £m | Gross £m |
|-----------------------------|-----------|--------------|-------------|
| Budget | £314.4 | £5.8 | £320.2 |
| Forecast | £293.6 | £21.9 | £315.5 |
| Variance | -£20.8 | £16.1 | -£4.7 |

| as at 31st Aug 2016 | KCC £m | Agency £m | Gross £m |
|--------------------------------|-----------|--------------|-------------|
| YTD Budget | £131.1 | £2.4 | £133.5 |
| YTD Spend | £121.3 | £8.8 | £130.1 |
| YTD Variance | -£9.7 | £6.4 | -£3.3 |

| Staff numbers | KCC FTEs | Agency Nos |
|----------------------|-------------|---------------|
| as at 31st Mar 2016 | 7,719.59 | 671 |
| as at 31st Aug 2016 | 7,597.65 | 476 |
| YTD Movement | -121.94 | -195 |

MAIN REASONS FOR FORECAST VARIANCE:

There is a significant underspend against KCC staff budgets but this is largely offset by an overspend on agency staff. Vacancies are being held pending the outcome of restructuring and the uncertainty around future budget cuts, which is contributing to the overall underspend against the combined KCC & Agency staff budgets.



Unaccompanied Asylum Seeking Children (UASC)**1. Forecast position compared to budget by age category**

The current position is a forecast overspend of £2.2m as detailed below:

| | Cash Limit | | | Forecast Variance | | |
|-------------------------------|-------------|--------------|------------|-------------------|--------------|------------|
| | Gross £m | Income £m | Net £m | Gross £m | Income £m | Net £m |
| Aged under 16 | 13.1 | -13.1 | 0.0 | -5.6 | 5.1 | -0.5 |
| Aged 16 & 17 | 25.0 | -25.0 | 0.0 | -3.6 | 4.8 | 1.2 |
| Aged 18 & over (care leavers) | 8.4 | -7.9 | 0.6 | -1.3 | 2.8 | 1.5 |
| | 46.5 | -46.0 | 0.6 | -10.5 | 12.7 | 2.2 |

2. Grant rates compared to actual forecast unit costs by age category

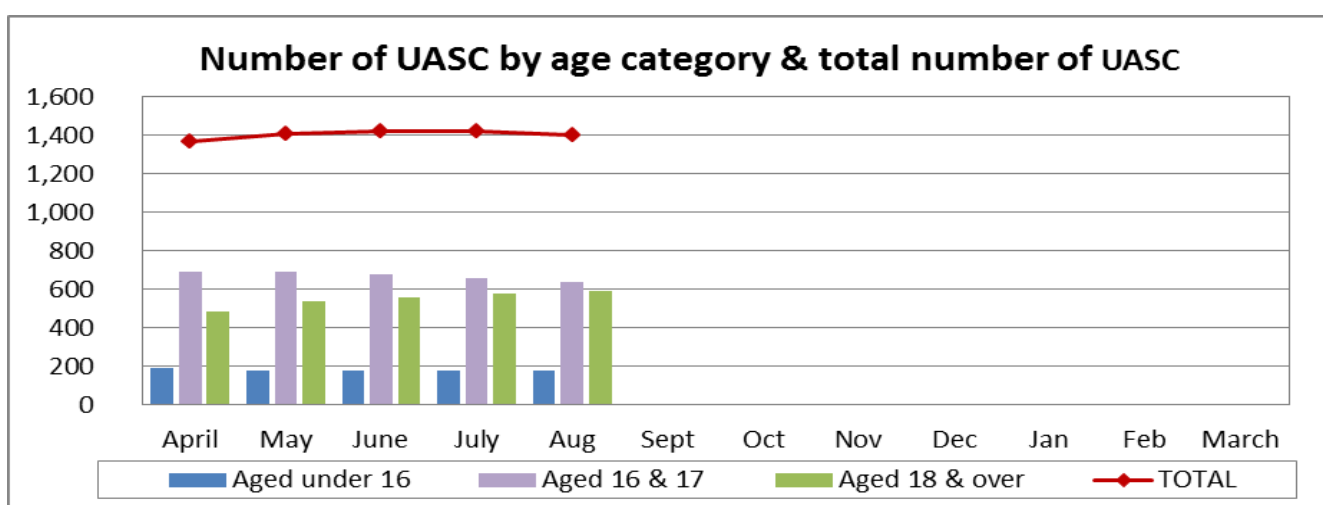
| | Grant rate per week | Forecast Unit cost per week | Difference |
|-------------------------------|------------------------|--------------------------------|------------|
| Aged under 16 | £1,050 | £937 | -£113 |
| Aged 16 & 17 | £700 | £669 | -£31 |
| Aged 18 & over (care leavers) | £200 | £234 | £34 |

The grant rate shown is paid for all periods of time that qualify as eligible under Home Office grant rules.

The forecast unit cost per week is for all UASC, including both those who are eligible and ineligible for the grant under Home Office grant rules.

3. Number of UASC & Care Leavers by age category

| | Aged under 16 | Aged 16 & 17 | Aged 18 & over | TOTAL |
|-------|---------------|--------------|----------------|-------|
| April | 191 | 689 | 486 | 1,366 |
| May | 181 | 691 | 539 | 1,411 |
| June | 182 | 679 | 561 | 1,422 |
| July | 182 | 660 | 577 | 1,419 |
| Aug | 176 | 638 | 590 | 1,404 |
| Sept | | | | |
| Oct | | | | |
| Nov | | | | |
| Dec | | | | |
| Jan | | | | |
| Feb | | | | |
| March | | | | |



The number of Asylum LAC shown in Appendix 2.11 is different to the total number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

4. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

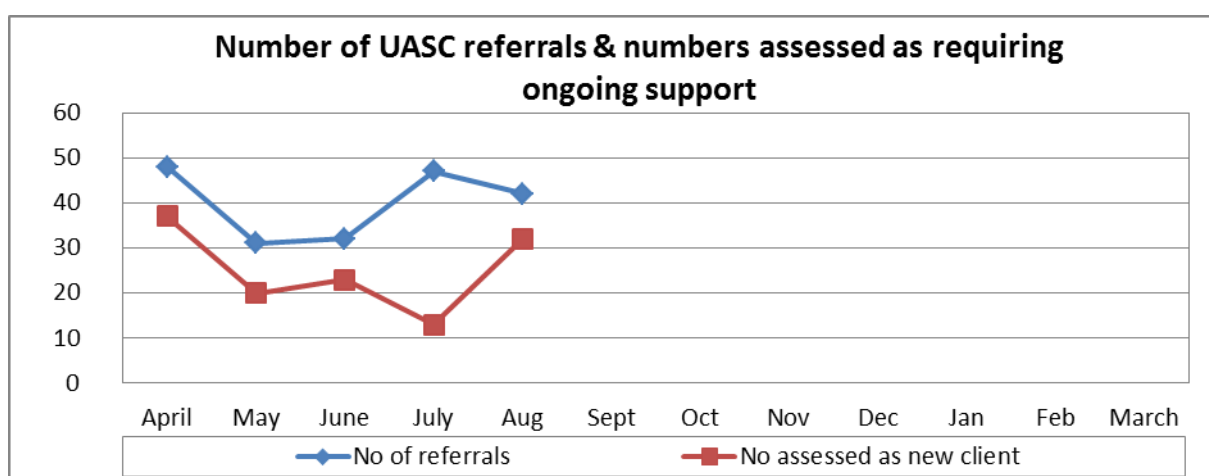
| | Eligible Clients | of which AREs | Ineligible Clients | of which AREs | Total Clients | Total AREs |
|-------|------------------|---------------|--------------------|---------------|---------------|------------|
| April | 1,158 | 7 | 208 | 56 | 1,366 | 63 |
| May | 1,171 | 7 | 240 | 51 | 1,411 | 58 |
| June | 1,181 | 12 | 241 | 45 | 1,422 | 57 |
| July | 1,187 | 12 | 232 | 47 | 1,419 | 59 |
| Aug | 1,156 | 19 | 248 | 42 | 1,404 | 61 |
| Sept | | | | | 0 | 0 |
| Oct | | | | | 0 | 0 |
| Nov | | | | | 0 | 0 |
| Dec | | | | | 0 | 0 |
| Jan | | | | | 0 | 0 |
| Feb | | | | | 0 | 0 |
| March | | | | | 0 | 0 |

Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or “continued in time” appeal applications to be classed as an eligible client.

5. Numbers of UASC referrals, assessed as requiring ongoing support

| | No of referrals | No assessed as new client | % |
|-------|-----------------|---------------------------|-----|
| April | 48 | 37 | 77% |
| May | 31 | 20 | 65% |
| June | 32 | 23 | 72% |
| July | 47 | 13 | 28% |
| Aug | 42 | 32 | 76% |
| Sept | | | |
| Oct | | | |
| Nov | | | |
| Dec | | | |
| Jan | | | |
| Feb | | | |
| March | | | |
| TOTAL | 200 | 125 | 63% |



6. Total number of dispersals – new referrals & existing UASC

| | Arrivals who have been dispersed post new Government Dispersal Scheme (w.e.f 01 July 16) | Former Kent UASC who have been dispersed (entry prior to 01 July 16) | TOTAL |
|-------|--|--|-------|
| April | | 12 | 12 |
| May | | 4 | 4 |
| June | | 10 | 10 |
| July | 14 | 11 | 25 |
| Aug | 32 | | 32 |
| Sept | | | 0 |
| Oct | | | 0 |
| Nov | | | 0 |
| Dec | | | 0 |
| Jan | | | 0 |
| Feb | | | 0 |
| March | | | 0 |
| TOTAL | 46 | 37 | 83 |

The 46 arrivals that have been dispersed in July and August are included within the referrals in table 5. The dispersal process has been slower than expected and has resulted in Kent becoming involved in some of the work or assessment for these clients prior to their dispersal and are therefore counting as a referral. It is expected that we will get to the point where clients are dispersed more quickly and therefore will not be included in the referral numbers.