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Corporate Directors

To: CABINET – 30 October 2017

Subject: **REVENUE & CAPITAL BUDGET MONITORING – AUGUST 2017-18**

Classification: Unrestricted

1. SUMMARY

- 1.1 This report provides the budget monitoring position up to 30 August 2017-18 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 2017-18, as any residual pressures rolled forward into 2018-19 will only compound an already extremely challenging 2018-19 budget position. This forecast revenue pressure of £11.226m (after Corporate Director adjustments) is clearly very concerning and needs to be managed down to at least a balanced position.
- 1.4 Although budget managers are urged to be less guarded when forecasting, this month's reported position has worsened, predominately due to Adult Social Care.
- 1.5 After further discussion at Directorate and Corporate Management Teams about how this can be managed, the following points should be factored in:
- a) despite the current forecast overspend in Adults, the DMT are confident that they can correct the position. Some of the forecast spend now includes the impact of the measures taken to improve market sustainability and reduce delayed transfers of care from hospitals and this therefore releases some of the forecast spend shown against the 'new monies'. Other action will be taken that will not impact on client care. These together are expected to remove the forecast overspend on Adults, although of course there is the potential for unexpected demand through the second half of this year.
- b) The Growth, Environment and Transport DMT are also confident they will balance their budget, and the movement in their forecast since last month is a good indicator of that.

- c) The Leader and Cabinet Member are meeting the Minister with responsibility for immigration at the end of October, to put our case for appropriate funding for caring for young Asylum Seekers. We expect some success as a result.
- d) The previous monitoring report informed Cabinet that the Finance Team would work with corporate directors to identify opportunities to reduce the in-year spend, whilst also identifying the service impact and potential longer-term cost of short-term decision making. The directorates have identified the following opportunities:
- Children, Young People and Education: opportunities include holding non essential vacancies for longer, to delay or stop purchasing equipment and to stop room hire and refreshments.
 - Growth, Environment and Transport: potential savings have been identified from across the directorate, with the Coroners Service releasing part of the Medical Examiners budget following a delay in the potential implementation date of this new service; a one-off release of a reserve due to the RFID+ pilot costs being lower than expected, as well as directorate wide review of income forecasts and use of reserves.
 - Strategic and Corporate Services: potential savings identified through stopping uncommitted spend on Member grants, no further spend in training and ending contracts with supernumery project and programme managers.

Further work is required to substantiate the value of the potential savings identified although prudent estimates suggest this could deliver around £3m – 4m.

- 1.6 Given the positive outlook from a) to c) above, it is not proposed to implement a block on the more sensitive issues shown at d) above.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, 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 5.4.

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 £13.617m. Corporate Directors have adjusted this position by -£2.391m, leaving a residual pressure of £11.226m. Details of the Corporate Director adjustments are provided below in sections 3.4. This forecast position represents a movement of +£0.232m (excluding Schools) from the July position. The main reasons for this movement are provided in section 3.3 below. In 2017-18, we have £73m of savings to deliver and to achieve this we need to urgently identify options to eliminate the residual £11m forecast pressure. Currently there have been no requests for roll forwards. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1: Directorate revenue position

Directorate	Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
	£m	£m	£m	£m	£m	£m
Children, Young People & Education - Education & Young People	58.792	2.895	-0.400	2.495	2.446	0.050
Children, Young People & Education - Specialist Children's Services	112.732	1.748	-0.050	1.698	1.607	0.090
Children, Young People & Education - Asylum	0.550	3.914		3.914	3.908	0.006
<i>Sub Total Children, Young People & Education</i>	<i>172.074</i>	<i>8.557</i>	<i>-0.450</i>	<i>8.107</i>	<i>7.961</i>	<i>0.147</i>
Adult Social Care & Health - Disabled Children Services	20.754	0.679		0.679	0.628	0.051
Adult Social Care & Health - Adults	396.298	4.577	-1.541	3.036	2.535	0.500
Adult Social Care & Health - Public Health	-0.011	0.000		0.000	0.000	0.000
<i>Sub Total Adult Social Care & Health</i>	<i>417.041</i>	<i>5.256</i>	<i>-1.541</i>	<i>3.715</i>	<i>3.164</i>	<i>0.551</i>
Growth, Environment & Transport	166.756	0.961	-0.400	0.561	1.102	-0.540
Strategic & Corporate Services	71.175	0.297		0.297	0.223	0.075
Financing Items	111.009	-1.455		-1.455	-1.455	0.000
TOTAL (excl Schools)	938.054	13.617	-2.391	11.226	10.993	0.232
<i>Schools (CYP&E Directorate)</i>	<i>0.000</i>	<i>15.425</i>		<i>15.425</i>	<i>2.108</i>	<i>13.317</i>
TOTAL	938.054	29.042	-2.391	26.651	13.102	13.550
Variance from above (excl schools)				11.226	10.993	0.232
Roll forwards - committed				0.000		0.000
- re-phased				0.000		0.000
- bids				0.000		0.000
Total roll forward requirements				0.000	0.000	0.000
(-ve Uncommitted balance / (+ve) Deficit				11.226	10.993	0.232

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

3.3 The main reasons for the movement of +£0.232m (after Corporate Director adjustments) since the last report are:

3.3.1 Children, Young People and Education – Education & Young People’s Services:

The movement in the forecast variance (excluding schools and before roll forward requirements but after Corporate Director adjustments) shows an increase of £0.050m since the July monitoring position. This is made up of a number of minor movements on a range of services. The Corporate Director adjustment reflects the expectation there will be a general reduction in forecast over the coming months of an additional -£0.400m, in part this will be from efficiency savings within Adult Education and additional income from EduKent Services.

3.3.2 Children, Young People and Education – Specialist Children’s Services:

The current forecast variance represents an increase of +£0.090m (after the Corporate Director adjustment) since the July report. The Corporate Director adjustment has been made to reflect more up to date information received after the submission of manager forecasts. The movement from the July report is due to various minor movements across services, the most significant being an increase in the number of Special Guardianship Orders resulting in a further pressure of +£0.1m.

3.3.3 Children, Young People and Education – Asylum Services:

There has been no material change in the current forecast variance since the July report. Work is currently underway to complete a full review of the Asylum forecast and the result of this will be reflected in the September monitoring report.

3.3.4 Adult Social Care and Health

The overall movement for the Directorate since the July monitoring round is +£0.551m (after the Corporate Director Adjustment); +£0.500m of which relates to 'Adult Health & Social Care – Adults' and +£0.051m of which relates to 'Adult Health & Social Care – Disabled Children Services (0-18)'. Paragraphs 3.3.4 to 3.3.6 below provide a detailed explanation of the movement.

3.3.4 Adult Social Care and Health – Disabled Children Services:

The pressure on Disabled Children Service has increased by +£0.051m since the July exception report, increases in residential care, partly resulting from recent price negotiations, have been predominately offset by higher levels of direct payment reclaims and review of the staffing forecast.

3.3.5 Adult Social Care and Health – Adults:

The pressure on 'Adults Social Care – Adults' has increased since July by +£0.500m. This includes Corporate Director adjustments of -£1.541m to reflect updates received after the submission of forecasts by managers.

The main movements in the variance relate to: a movement in Direct Payments for Learning Disability, Older People and Physical Disability of +£1.445m; an overall net increase in Nursing and Residential Care across all client groups of +£0.510m; and an increase in Domiciliary – Older People and Physical Disability of +£0.102m. This is offset by: Adaptive and Assistive Technology -£0.481m, mainly relating to additional Better Care Fund monies forecast to be received; a reduction in forecast for Social Support - Carers - Commissioned service of -£0.380m; an increase in Non-residential Charging Income across all client groups of -£0.303m; a reduction in forecast for Social Support - Information & Early Intervention of -£0.163m; and a reduction in Day Care forecasts across all client groups of -£0.121m.

3.3.6 Adult Social Care and Health – Public Health:

There is no overall movement in the variance, nor have there been any individual material variance movements within the service since the July monitoring report.

3.3.7 Growth, Environment and Transport:

The current forecast outturn is a +£0.561m pressure after the Corporate Director adjustment of -£0.400m set out below; this is a decrease of -£0.540m since last month.

Waste Processing costs have reduced in a number of areas, primarily Materials Recycling Facilities, payments to waste collection authorities and the operating

costs of waste facilities amounting to -£0.227m. The availability of more up to date information on journey numbers has enabled the service to revise the Concessionary Fares forecast down by -£0.122m. There has also been a net decrease in Other Highways Maintenance & Management which is made up of a number of small movements of -£0.106m.

The improving forecast, has allowed for a reduced Corporate Director adjustment this month: -£0.400m down from -£0.500m (+£0.100m).

Other small movements make up the remaining movement -£0.185m.

3.3.8 Strategic and Corporate Services:

The directorate forecast has increased by +£0.1m since the July monitoring report. This is due to a number of variances, each less than +/- £0.1m.

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

3.4.1 Children, Young People and Education – Education & Young People’s Services:

3.4.1.1 The forecast variance of +£2.5m after the Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a number of service lines, the most significant as follows:

3.4.1.2 There is a forecast underspend of -£0.4m on Early Help & Prevention for Children and Families. An underspend on externally commissioned services -£0.5m due to delays in the start of a new wellbeing contracts along with higher than expected troubled families grant, partially offset by +£0.1m pressure made up of a number of small variances across all 12 district hubs.

3.4.1.3 There is a forecast pressure of +£0.6m within Early Years Education & Childcare which predominately relates to a shortfall on their general service income target. The EY&C unit are aiming to generate income from private, voluntary and independent nurseries through their Threads to Success scheme. It is hoped that a review of the product pricing will lead to increased demand and an increase in income generation. It is our intention to take action to reduce costs if this increased demand is not forthcoming.

3.4.1.4 There is a minor forecast pressure of +£0.1m on SEN and Psychology Services due to number of small variances in both services.

3.4.1.5 There is a forecast pressure of +£0.5m on Other Services for Young People & School Related Services, relating to:

- +£0.2m ISSK pressure. The target saving of £0.2m is yet to be secured against this service and will depend on the outcome of the recent consultation on the restructure of this service, current vacancies are helping to deliver this saving but this is offset by an expected shortfall income from schools based on current activity.
- +£0.5m pressure on School Improvement Service. There is an expected shortfall against the income targets of approximately +£0.8m based on current trends, however this is partially offset by a greater levels of savings from the restructure than originally expected
- Underspends across other services including -£0.1m Governor Support Services mainly due to overachievement of their income targets and -£0.1m Business Support Services from current staffing vacancies.

- 3.4.1.6 There is a forecast pressure of £1.2m on Other Schools' Related costs. +£0.7m of this relates to revenue maintenance costs that are in excess of the grant funding available. These costs, which are administered by colleagues within GEN2 on behalf of the Directorate, cover both planned maintenance agreements and subsequent resultant work and fall under the TFM contracts. The Directorate is also considering options for introducing greater controls to prevent further/future pressure on this budget. The balance of +£0.5m is mainly due to the expectation that the higher than budgeted demand from schools for the payment of excepted items (such as maternity leave) will continue for the remainder of the financial year.
- 3.4.1.7 The Youth and Offending Services is forecasting a breakeven position which is formed from -£0.2m underspend on the commissioning of external youth services following recent retender exercise which is partially offset by +0.2m shortfall in income generated from outdoor education facilities.
- 3.4.1.8 There is a forecast pressure of £0.2m on Adult Education and Employment Services for Vulnerable Adults. The pressure is all within Community, Learning & Skills (CLS) and has arisen due to changes resulting from the National Apprenticeship reform process. As part of the process KCC has chosen not to continue to use CLS as the training provider of choice for Business Administration apprenticeships for internal KCC apprentices. This was a significant income stream which ceased from May 2017 and now creates a risk in CLS achieving its budgeted surplus target of £1.3m. Other options are being considered within the service to address this and we are confident that this service will be able to offset this pressure with in-year management action.
- 3.4.1.9 Finally there is a forecast pressure of +£0.8m on EYPS Management & Support Services, this is formed from a number of distinct variances:
- +£0.6m pressure relating to Edukent Services. EduKent provide the single point of contact for all traded services with schools and academies and have in the past been funded from the DSG reserve. This is no longer possible and other options are being investigated to provide a long term solution to the funding of this unit. EduKent has funded the billing admin costs for other KCC school traded services such as Invicta Law, GEN2 and Schools Personnel Services (SPS) & Education Information Systems (EIS) within the Business Services Centre. These costs will have to be allocated to the other KCC companies. At present all these costs are held within CYPE Directorate.
 - +£0.4m pressure resulting from former EYPS directorates share of savings for both spans and layers and tactical procurement. At this stage the directorate is exploring ways in which these savings could be realised.
 - +£0.1m pressure for one-off security costs at the former Chaucer School site
 - -£0.4m underspend on Education Pension costs based on current activity.
 - +£0.1m Other minor variances including reduction in academy legal fees -£0.1m and shortfall in academy team income +£0.2m.
- 3.4.2 Children, Young People and Education – Specialist Children's Services
- 3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) is a pressure of +£1.7m after the Corporate Director adjustment.
- 3.4.2.2 Within Children's Assessment Staffing, a net +£1.0m pressure is forecast as the service continues to have a number of vacant posts filled by agency workers along

with some additional supernumerary agency workers above establishment to cope with a post Ofsted rise in workload demand. This increased number of referrals has also led to a pressure on the Central Referral Unit. Although the service is currently striving to manage demand within their existing resource, there remains a risk that the forecast could rise further in future months, if the increase demand continues and longer term social work support is required.

- 3.4.2.3 The pressure on Family Support & Other Children Services +£0.5m is mainly due to the ongoing pressure on Care Leaver Services from 2016-17 of +£0.3m, and increased spend on Section 17 +£0.1m.
- 3.4.2.4 Although the Adoption & Other Permanent Children's Arrangements service is forecasting a break-even position, this is formed from a number of compensating variances: a pressure of +£0.4m arising from the current number of Special Guardianship Orders which is offset by an underspend of -£0.2m due to a reduction in the number of adoption payments, along with the estimated impact of the new financial mean-testing process of -£0.2m.
- 3.4.2.5 There is also a pressure of +£0.1m on management support services mainly resulting from Specialist Children's Services share of savings (both spans and layers and tactical procurement) that were initially parked and have recently been allocated to services. There are no immediate plans to deliver this saving this year therefore a pressure is being reported.
- 3.4.2.6 There is a minor variance for Children in Care (looked after) services +£0.1m but this is formed from a number of compensating variances across the various services including; fostering arising from the recent increase in the number of independent fostering placements of +£0.4m; residential care -£0.1m and supported accommodation for 16-17 year olds -£0.2m.

3.4.3 Children, Young People and Education – Specialist Children's Services – Asylum

- 3.4.3.1 The current predicted pressure on the Asylum Service is £3.9m and is based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children (UASC) and Care Leavers grant rates have not yet been confirmed by the Home Office, therefore we have assumed that for young people who arrived before the National Transfer Scheme (NTS) commenced in July 2016 will continue to be paid at the rates agreed for 2016-17.
- 3.4.3.2 This position therefore assumes that we will have a shortfall on eligible UASC's (aged under 18) of approximately +£0.7m, Care Leavers (aged 18+) of +£1.9m, and ineligible costs of +£0.3m, the remaining +£1m pressure relates to the hosting of the reception centre and duty process for the NTS.
- 3.4.3.3 The forecast pressure on the Asylum Service for 2017-18 is greater than 2016-17 due to the age of the children being supported. The UASC grant rate paid by the Home Office reduces once the child turns 16 years old therefore leading to an increasing pressure as the child gets older if the cost of support is not reduced, which is not always possible for the current UASC. Most of the current UASC (irrespective of age) are in higher cost placements due to the fact that they arrived before the age of 16, so had to be placed in fostering placements, which is where they have chosen to remain. In addition, fostering placements made from 2015 onwards were with independent fostering providers with the higher costs that this entails and that attempts to move any individual who is settled in this placement is

likely to result in legal challenge. However, where possible, UASC are being moved to lower cost supported lodging placements when turning 16 and this is reflected in a reduction in costs for this month's forecast.

3.4.3.4 The shortfall in the grant rate to support Care Leavers is not dissimilar to previous years, but the overall pressure is greater due to higher numbers of young people. However, it is anticipated the overall pressure on Care Leavers should reduce in future months as the Home Office have, as promised, now processed the 100+ outstanding claims on the 18+ UASC care leavers. Going forward this will have a positive impact as it will reduce the number of cases where we have to fully fund accommodation costs and subsistence. An initial estimate has been made contributing to a reduction in the forecast this month but further work is being completed to validate this and this will be reported in future months.

3.4.3.5 As we have no agreement on the funding of the hosting of the NTS and reception centre, we can only assume at this stage that we will receive the daily grant rate for those young people we are supporting for a few weeks leading up to their dispersal.

3.4.3.6 Work is currently underway to complete a full review of the Asylum forecast and the result of this will be reflected in the September monitoring report. In addition discussions are ongoing with the Home Office regarding Kent's financial position.

3.4.4 Adult Social Care and Health

3.4.4.1 The overall forecast variance for the Directorate is an overspend of £5.3m; £4.6m of which relates to 'Adult Health & Social Care – Adults' and +£0.7m of which relates to 'Adult Health & Social Care – Disabled Children Services (0-18)'. A Corporate Director adjustment of -£1.5m against 'Adult Health & Social Care – Adults' has been proposed, which would take the Directorate overspend down to £3.7m (£3.0m relating to Adults and £0.7m relating to Disabled Children Services).

3.4.5 Adult Social Care and Health – Disabled Children Services

3.4.5.1 Disabled Children Services are forecasting a net pressure of +£0.7m, the most significant variances being:

- The +£1.0m variance for Children in Care (looked after) services is due to a pressure on residential care commissioned from external providers of +£1.4m offset by underspends on fostering services of -£0.2m and -£0.2m in-house residential respite services.
- The -£0.4m variance for Family Support & Other Children Services is mainly due to underspends on both direct payments of -£0.2m and day care services of -£0.1m, along with other minor variances.
- The +£0.1m pressure on assessment staffing resulting from the service being fully recruited with no expected vacancies at this time, partially offset by underspends on the sensory and equipment services.

3.4.6 Adult Social Care and Health – Adults

3.4.6.1 The forecast variance for 'Adult Health & Social Care – Adults' is +£4.6m, however a Corporate Director adjustment of -£1.5m is proposed, which takes the forecast variance to +£3.0m. The Corporate Director adjustment comprises:

- -£1.9m application of sustainability funding to elements already contained within the forecast.
- +£0.8m revision to the Older People and Physical Disability Direct Payments forecast based on latest information available.
- -£0.5m additional funds received as part of Improved Better Care Fund monies.

This forecast does not take into account any impact of the investment from the new Adult Social Care allocation of £26.1m in 2017-18. It is hoped that as the year progresses the impact of this investment will reduce the remaining variance further. In addition, the forecast still assumes that the 'winter pressures allocation' will be fully spent during the winter months.

- 3.4.6.2 Within the overall variance of +£4.6m there are pressures of +£6.2m resulting from direct provision of services to clients across adult social care, and a forecast underspend of -£1.2m against adult and older people preventative and other services. These pressures are partly offset by anticipated underspends on staffing and management and support services of -£0.6m.

This overspend position reflects activity data to date in the 2017-18 financial year and we will continue to refine the forecast alongside activity trends over the coming months..

- 3.4.6.5 Learning Disability services are forecasting a net pressure of +£1.7m, which includes a number of offsetting variances. The most significant variances relate to:

- Nursing & Residential Care - Learning Disability (aged 18+) +£1.7m pressure (more information on which is provided in appendix 2.1).
- Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements +£1.1m pressure (more information on which is provided in appendix 2.2).
- Supported Living - Learning Disability (aged 18+) - Shared Lives Scheme -£1.0m underspend, this is due to activity being less than budgeted.
- Supported Living - Learning Disability (aged 18+) - In house service -£0.1m underspend.

- 3.4.6.6 Mental Health services are forecasting a net pressure of +£1.7m, which comprises of a number of offsetting variances. The most significant of which relate to:

- Supported Living - Mental Health (aged 18+) - Commissioned service underspend of -£0.2m which is due to -£0.6m relating to delays in commencing the Your Life Your Home scheme, reflecting £0.4m of red rated savings when netted against increase on Residential Care and +£0.4m which is due to activity being higher than budgeted.
- Nursing & Residential Care - Mental Health (aged 18+) +£1.9m. This variance is predominantly due to +£1.0m relating to delays in commencing the Your Life Your Home, reflecting £0.4m of red savings when netted against reduction on Supported Living and +£0.9m which is due to activity being higher than budgeted.

- 3.4.6.7 Older People and Physical Disability services are forecasting a net pressure of +£2.8m, which includes a number of offsetting variances. The most significant variances relate to:

- Nursing and residential care +£4.0m overspend which includes +£2.7m relating to Older People Commissioned Residential services (more information on which is provided in appendix 2.4), +£1.3m relating to Older People nursing (more information on which is provided in appendix 2.5), +£0.2m relating to Older People In-house Residential services and -£0.2m relating to Physical Disability nursing and residential care services.
- There is a forecast over recovery of non-residential charging income of -£1.6m, based on the year-to-date income received, which is linked to services on the following community service lines: Domiciliary care services +£1.1m pressure of which +£0.5m relates to Older People Commissioned Services and links with appendix 2.6, Direct Payments -£0.7m, Supported Living +£0.4m and Day Care -£0.4m.

The Older People and Physical Disability forecast assumes that some funding is set aside for the remaining winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures.

- 3.4.6.8 Within 'Adult & Older People Preventative & Other Services' there is a forecast net variance of -£1.2m, comprising a number of offsetting variances. Because of slippage on some of the transformation savings, at this stage it is felt prudent to reflect +£1.7m as a pressure. It is hoped that management action will reduce this pressure as we continue through the year. A further pressure of +£0.7m relates to slippage on Housing Related Support savings. In addition, there is a +£0.2m variance on Other Adult Services predominately relating to +£0.2m for savings relating to a recently allocated tiers and spans saving across the authority which is not forecast to be achieved, +£0.2m due to other savings not forecast to be achieved and -£0.2m due to the release of prices monies from the tailored approach to contractual uplifts for placement fees. These pressures are offset by: forecast underspends of -£1.8m in social support services, such as those for carers (in-house and commissioned), information & early intervention and social isolation; -£1.0m underspend on equipment against the adaptive & assistive technology budget; -£0.6m variance on centrally held funds to cover costs already recognised in the forecast position; -£0.2m underspend on meals against the Other Adult Services budget; and -£0.2m for the Social Fund.

3.4.7 Adult Social Care and Health – Public Health:

- 3.4.7.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast drawdown lower than budgeted of -£0.2m, of which the most significant variance relates to -£0.2m an underspend on core sexual health services contracts.

3.4.8 Growth, Environment and Transport

- 3.4.8.1 The overall position for the Directorate, before Corporate Director Adjustments, is a forecast pressure of +£1.0m (+£1.6m last month), with forecast pressures of +£1.599m being partially offset by forecast underspends of -£0.6m.

- 3.4.8.2 The main pressures previously reported to Cabinet remain: General Highways Maintenance & Emergency Response, GET Management & Support Services and Other Highways Maintenance & Management budgets are showing +£0.2m, +£0.6m and +£0.4m respectively. Within the latter is a +£0.3m pressure arising from Streetlight Energy. In addition there continues to be a pressure resulting from an increased levy on all Driver Diversion courses from 1st September 2017 and a

significant forecast reduction in the number of course attendees against budget; this is currently +£0.3m. The forecast pressure against the GE&T Management & Support Services budget is due to the impact of staffing and procurement savings that have yet to be fully implemented.

- 3.4.8.3 Public Protection and Enforcement is forecasting a net pressure of +£0.2m due to a number of minor variances, primarily around the under-recovery of income.
- 3.4.8.4 Waste is forecasting an overall underspend of -£0.2m. Treatment and Disposal of Residual Waste is forecasting a small pressure +£0.1m with a price pressure being offset by additional trade waste income (as can be seen in Appendix 2.14). Waste Processing is forecasting an underspend of -£0.3m. Savings within the soil and hard-core budget and Materials Recycling Facilities budgets are slightly offset by reduced income (see Appendix 2.15). Waste Management show a small pressure of +£0.044m.
- 3.4.8.5 All other GET budgets are forecasting a combined underspend of -£0.3m of which -£0.1m relates to Subsidised Bus Services.
- 3.4.8.6 Although reduced from last month a significant forecast pressure remains and so a Corporate Director adjustment of -£0.4m has been included; this reduces the forecast pressure of +£1m down to +£0.6m. Further management action, currently being identified, will be reflected through the monitoring report in subsequent months, with a view to achieving a balanced position overall by the end of the year.

3.4.9 Strategic and Corporate Services

- 3.4.9.1 The overall variance reflected in appendix 1 against the directorate is an overspend of +£0.3m which is made up of a break even position for the S&CS Directorate itself, increased by +£0.3m relating to the corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings. It should be noted that this in-year overspend is due to the delayed implementation of some plans, resulting in the £0.3m delivery slipping to 2018-19. Work is now on-going on the 2018-19 savings target of an additional -£0.65m saving which, to be deliverable from 1st April 2018, requires early identification of plans.
- 3.4.9.2 The directorate break even position includes variances of +£0.2m for the Contact Centre & Digital Web Services budget set in 2015 using a transformation plan suggested by Agilisys, predicting that the number of calls and average call duration would fall significantly. Although the call volumes and times have reduced, this is not in line with the original budgeted plan, hence resulting in a budget pressure. The commissioners of this service, together with Agilisys, are working with directorate services to get these figures reduced further; -£0.2m on Engagement, Organisation Design & Development relating primarily to staffing vacancies; -£0.1m for Finance arising from lower salary costs following a major restructure; -£0.1m for Strategic Commissioning due to staffing vacancies being held vacant pending restructure; +£0.2m Infrastructure controllable budgets, arising mostly from backdated Kier costs and minor variances across all areas of Property and ICT commissioning budgets.

3.4.10 Financing Items

The Financing Items budgets are currently forecast to underspend by £1.5m, which is due to:

- 3.4.10.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relief relating to Dover Enterprise Zone for 2015-16 and 2016-17, result in a forecast underspend of £0.8m.
- 3.4.10.2 The Cabinet decision in June not to make the budgeted £3.9m contribution to General Reserves in light of our reduced level of risk following our success in delivering an underspend in 2016-17, and the announcement in the Chancellor's Spring Budget of the additional social care funding. Instead £3m is being spent on pothole repairs and the remaining £0.9m is declared as an underspend to go towards offsetting the pressures reported elsewhere in this report.
- 3.4.10.3 A £1.9m decrease partly due to a deferment of Minimum Revenue Provision (MRP) and partly due to re-phasing of the 2016-17 capital programme, resulting in fewer assets becoming operational last year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year. We would usually transfer this to reserves to cover the potential impact in future years but in light of the forecast outturn position of the authority; this has been released to offset the current pressures.
- 3.4.10.4 A £0.1m underspend on Carbon Reduction Commitment reflecting finalisation of our carbon emissions for 2016-17 and our estimated carbon emissions for the current year.
- 3.4.10.5 However, these underspends are partially offset by the following:
- A forecast shortfall of £1.8m in the contribution from Commercial Services based on initial trading results for the year; and
 - £0.5m unallocated saving relating to the anticipated amalgamation of business support in the old SCHW directorate is unachievable in the current year following the decision to create the new Strategic Commissioning Division within S&CS directorate. Some of the services that were due to be amalgamated are now in different directorates. However, it is expected that savings will be delivered from the creation of the new Strategic Commissioning Division but these will not be realised until 2018-19.

3.5 **Schools delegated budgets:**

The schools delegated budget reserves are currently forecast to end the financial year in surplus by £12.9m, compared to £28.3m at the start of the financial year. This is made up of a forecast surplus of £32.4m on individual maintained school balances, and a deficit on the central schools reserve of £19.5m. The table below provides the detailed movements on each reserve:

	Individual School Reserves (£m)	Central Schools Reserve (£m)	Total School Reserves (£m)
Balance b fwd	30.171	(1.830)	28.340
Forecast movement in reserves:			
Academy conversions and closing school deficits	2.230	(4.580)	(2.350)
Contribution to schools broadband		(1.000)	(1.000)
School Growth		(1.000)	(1.000)
High Needs (Mainstream & Independent)		(8.700)	(8.700)
Various		(0.569)	(0.569)
Overspend on Central DSG budgets		(1.806)	(1.806)
Forecast reserve balance	32.400	(19.485)	12.915

Note: a negative figure indicates a draw down from reserves/deficit

The schools delegated budget is currently showing pressure of £15.425m which is the sum of the figures highlighted above.

3.6 Table 2: Performance of our wholly owned companies

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	6.800	5.000	5.000	
GEN2	0.620	0.620	0.620	
Invicta Law	1.057	1.057	1.057	

4. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

- 4.1 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.

5. SUMMARISED CAPITAL MONITORING POSITION

- 5.1 There is a reported variance of -£26.808m on the 2017-18 capital budget (excluding schools and PFI). This is a movement of -£10.613m from the previous month and is made up of -£1.834m real movement and -£8.779m rephasing movement. Headline variances are detailed below by Directorate.
- 5.2 Table 3: Directorate **capital** position

Directorate	2017-18 Working budget	2017-18 Variance	Real variance	Re-phasing variance	Last reported position		Movement	
					Real	Rephasing	Real	Rephasing
	£m	£m	£m	£m	£m	£m	£m	£m
Children, Young People & Education	115.919	-11.821	-3.484	-8.337	-3.612	-0.125	0.128	-8.212
Adult, Social Care & Health	8.383	-1.255	-0.145	-1.110	-0.145	-1.000	0.000	-0.110
Growth, Environment & Transport	133.984	-12.072	-4.914	-7.158	-2.442	-6.213	-2.472	-0.945
Strategic & Corporate Services	21.446	-1.660	2.448	-4.108	1.938	-4.596	0.510	0.488
TOTAL	279.732	-26.808	-6.095	-20.713	-4.261	-11.934	-1.834	-8.779

5.3 Capital budget monitoring headlines

The real variances over £0.100m and rephasing variances over £1.000m are as follows:

Children, Young People and Education

- Modernisation Programme: rephasing movement of -£3.033m. Constrained resources have led to priority being given to providing additional places under the Basic Need programme. All modernisation projects are now commissioned and are progressing.
- Basic Need: -£5.179m rephasing movement. There have been delays in obtaining planning permission for a new primary School. Some secondary school expansions are pending final agreement and therefore not as yet progressing.
- Whitstable Youth Hub: real movement of +£0.128m. New project to be funded from developer contributions.

Adult, Social Care and Health

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Growth, Environment & Transport

Highways, Transportation & Waste

- Highway Major Enhancement: -£2.650m real movement. As per the last monitoring report the cash limit has been amended to reflect the additional £2.7m funding to rectify pot holes and patching. This has resulted in a movement from the last reported position even though the forecast has not changed significantly.
- Integrated Transport: +£0.344m real movement. This movement is largely due to increased costs on the Elwick Road scheme in Ashford. The two junctions need a complete renewal of traffic signals which was not originally anticipated

and additional resurfacing is being undertaken. This will be funded by additional external funding and developer contributions.

- North Farm Transfer Station – Betterment Works: real movement of -£0.523m. As per the last monitoring report the cash limit has been amended to reflect the additional funding for this scheme. This has resulted in a movement from the last reported position even though the forecast has not changed.

Environment, Planning and Enforcement and Libraries, Registration and Archives

There are no movements reported over £0.100m on real variances or £1.0m on rephasing.

Economic Development

- Workspace Kent: +£0.295m real movement. As per the last monitoring report the cash limit has now been amended to reflect these funds being repaid to Essex County Council. This has resulted in a movement from the last reported position even though the forecast is unchanged.

Strategic & Corporate Services

New Ways of Working: +£0.510m real movement. The previous monitoring report included this variance but it was originally expected to impact in 2018-19. These works have now been brought forward to the current year. This will be funded from a future year Modernisation of Assets budget.

5.4 Cash Limit Adjustments

For information

Directorate	Project	Amount £m	Year	Funding	Reason
CYPE	Whitstable Youth Hub	+£0.128	17-18	Dev Conts	New scheme
SCS	Modernisation of Assets (MOA)	-£0.483 -£0.200 -£0.310	17-18 18-19 19-20	Cap Rec Prudential Prudential	To reflect virement to New Ways of Working as previously agreed.
SCS	New Ways of Working	+£0.483 +£0.510 +£0.084	17-18 17-18 17-18	Cap Rec Prudential Grant	To reflect virement from MOA and additional banked grant.

For approval:

Directorate	Project	Amount £m	Year	Funding	Reason
GET	Sustainable Access to Maidstone Employment Areas	-£0.060	17-18	External - other	To vire to Maidstone Gyrotory project.

GET	Maidstone Gyrotory Bypass	+£0.060	17-18	External - other	From Sustainable Access to Maidstone Employment Areas.
CYPE	Platt CEPS	-£0.085	17-18	Cap Rec	To fund PSBP
CYPE	PSBP	+£0.085	17-18	Cap Rec	Funded from Platt CEPS

6. CONCLUSIONS

- 6.1 It is concerning the revenue pressure continues to remain at £11m, but the Corporate and Directorate Management teams are confident of a significant reduction to that forecast without the need for blanket moratoria on spending.

7. RECOMMENDATIONS

Cabinet is asked to:

- 7.1 **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 7.2 **Agree** the changes to the capital programme as detailed in section 5.4.

8. CONTACT DETAILS

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Report Authors:	Emma Feakins Chief Accountant 03000 416082 emma.feakins@kent.gov.uk Jo Lee/Julie Samson Capital Finance Manager 03000 416939 / 03000 416950 joanna.lee@kent.gov.uk julie.samson@kent.gov.uk

Breakdown of Directorate Monitoring Position

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<u>Children, Young People & Education</u>					
<u>Specialist Children's Services</u>					
Children in Care (Looked After) Services - Non-Disabled Children**	52.9	-4.7	48.2	0.1	0.3
Adoption & Other Permanent Children's Care Arrangements	13.8	-0.1	13.7	0.0	-0.2
Family Support & Other Children Services - Non-Disabled Children	14.5	-4.5	10.1	0.5	-0.2
Asylum Seekers**	23.6	-23.1	0.6	3.9	0.0
Children's Assessment Staffing - Non-Disabled Children**	40.7	-3.1	37.6	1.0	-0.5
Children's Management & Support Services	3.4	-0.2	3.2	0.1	0.0
Sub Total Specialist Children's Services	149.0	-35.7	113.3	5.7	-0.6
<u>Education & Young People's Services</u>					
Early Help & Prevention for Children and Families	32.6	-17.6	15.0	-0.4	0.0
Early Years Education & Childcare	74.4	-73.4	1.0	0.6	0.1
Attendance, Behaviour and Exclusion Services	5.0	-5.0	0.0	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	35.2	-35.2	0.0	0.0	0.0
SEN & Psychology Services	19.9	-16.9	3.0	0.1	0.0
Other Services for Young People & School Related Services	16.8	-13.6	3.2	0.5	0.0
Pupil & Student Transport Services**	36.4	-3.7	32.6	-0.1	0.0
Other Schools' Related Costs	34.0	-34.0	-0.1	1.2	-0.7
Youth and Offending Services	5.0	-3.8	1.2	0.0	0.0
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.2	0.0
YP&E Management & Support Services	19.5	-15.9	3.6	0.8	0.1
Sub Total Education & Young People's Services	292.3	-233.5	58.8	2.9	-0.4
Sub Total CYP&E directorate	441.3	-269.2	172.1	8.6	-1.0
<u>Adult Social Care & Health</u>					
Additional Adult Social Care allocation	26.1	0.0	26.1	0.0	0.0
Learning Disability Adult Services**	163.9	-13.2	150.6	1.7	-0.8
Physical Disability Adult Services	36.0	-4.1	31.8	-0.5	-0.2
Mental Health Adult Services	16.1	-1.6	14.5	1.7	0.1
Older People Adult Services**	172.5	-91.5	81.0	3.3	0.4
Adult & Older People Preventative & Other Services	61.7	-16.5	45.2	-1.2	-1.6
Adult's Assessment & Safeguarding Staffing	43.5	-3.3	40.3	-0.5	-1.1
Children in Care (Looked After) Services - Disabled Children	10.5	-2.1	8.4	1.0	0.2
Family Support & Other Children Services - Disabled Children	7.0	-0.3	6.7	-0.4	-0.2
Family Support & Other Children Services - Non-Disabled Children	0.2	0.0	0.2	0.0	-0.4
Children's Assessment Staffing - Disabled Children	5.5	-0.1	5.5	0.1	-0.3
Public Health	79.1	-76.2	2.9	-0.2	0.0
Transfer to/from Public Health Reserve	-3.0	0.0	-3.0	0.2	0.0
ASC&H Management & Support Services	7.1	-0.2	6.8	0.0	0.0
Sub Total ASC&H directorate	626.2	-209.1	417.0	5.3	-4.1

Appendix 1

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Growth, Environment & Transport					
Libraries, Registration & Archives	16.2	-6.4	9.8	0.0	0.0
Environment	10.4	-6.7	3.7	0.0	0.0
Economic Development & Other Community Services	10.1	-5.2	5.0	0.1	0.0
General Highways Maintenance & Emergency Response	11.5	-0.6	10.9	0.2	0.0
Other Highways Maintenance & Management	29.9	-8.5	21.4	0.6	-0.1
Public Protection & Enforcement	11.6	-2.2	9.4	0.2	-0.1
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.1	-0.6	3.5	0.0	0.0
Concessionary Fares	16.8	0.0	16.8	-0.1	-0.1
Subsidised Bus Services	8.3	-2.1	6.2	-0.1	0.0
Young Person's Travel Pass	14.2	-5.8	8.4	-0.1	-0.1
Waste Management	1.9	0.0	1.9	0.0	0.0
Waste Processing**	31.0	-1.9	29.2	-0.3	-0.2
Treatment and Disposal of Residual Waste**	37.4	0.0	37.4	0.1	-0.1
GE&T Management & Support Services	3.5	-0.1	3.4	0.4	0.0
Sub Total GE&T directorate	206.8	-40.0	166.8	1.0	-0.6
Strategic & Corporate Services					
Contact Centre, Digital Web Services & Gateways	4.9	-0.3	4.5	0.2	0.0
Local Democracy	4.1	0.0	4.1	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	77.0	-41.7	35.3	0.5	0.0
Finance	15.6	-5.8	9.8	-0.1	0.0
Engagement, Organisation Design & Development (HR, Comms & Engagement)	9.4	-1.2	8.3	-0.2	0.0
Other Support to Front Line Services	6.5	-1.3	5.2	0.0	0.2
Adult & Older People Preventative & Other Services	0.7	0.0	0.7	0.0	0.0
Commissioning Management & Support Services	5.9	-0.2	5.7	-0.2	-0.1
S&CS Management & Support Services	2.9	-5.2	-2.4	0.0	0.0
Sub Total S&CS directorate	126.9	-55.8	71.2	0.3	0.1
Financing Items	128.2	-17.2	111.0	-1.5	0.0
TOTAL KCC (Excluding Schools)	1,529.4	-591.3	938.1	13.6	-5.7

**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 may not add through exactly due to issues caused by rounding the figures for this report.

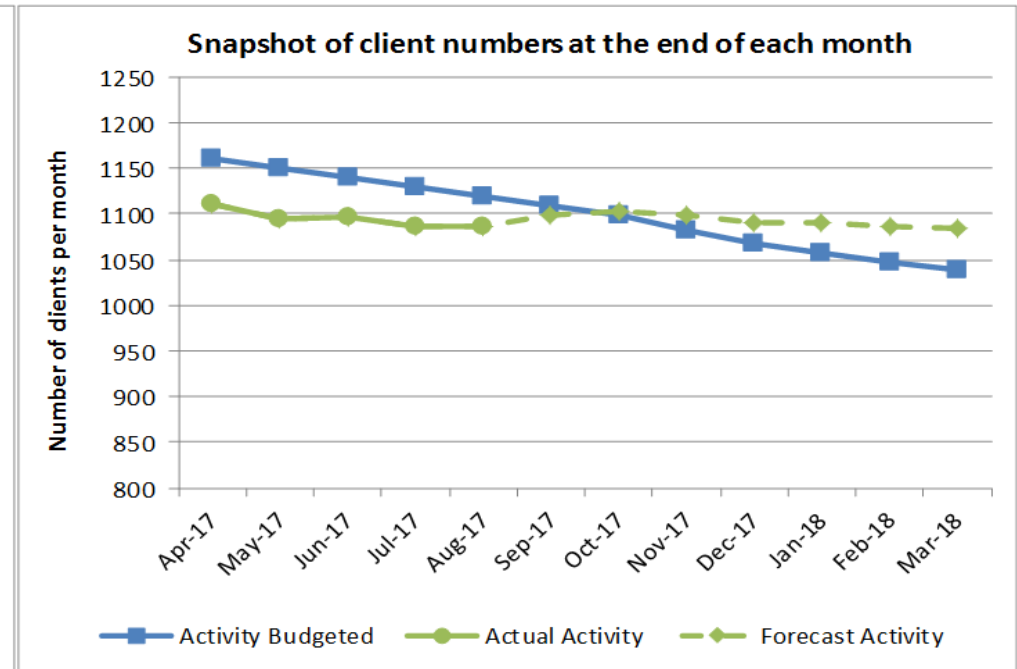
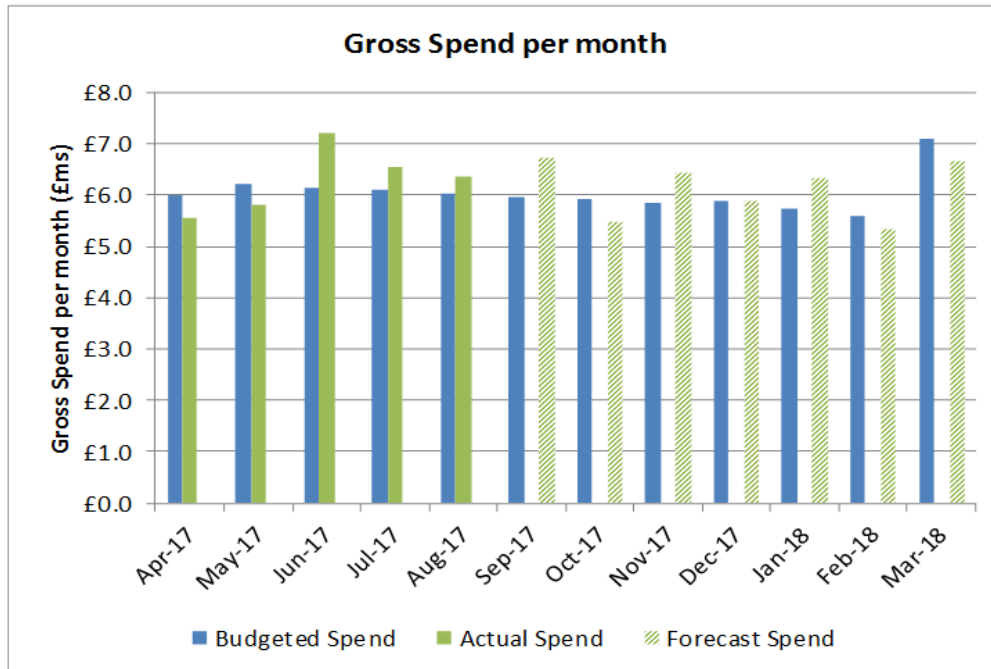
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£72.5	-£5.9	£66.6	1,038
Forecast	£74.2	-£6.0	£68.2	1,084
Variance	£1.8	-£0.1	£1.7	46

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£30.5	1,120
Actual: Spend/Activity Year to Date	£31.5	1,087
Variance as at 31st August 2017	£1.0	-33

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£1.8m is due to higher than anticipated demand (+£1.3m) and higher unit cost (+£0.5m). This pressure is partly offset by greater than expected income of -£0.1m. This leads to a net forecast pressure of +£1.7m.



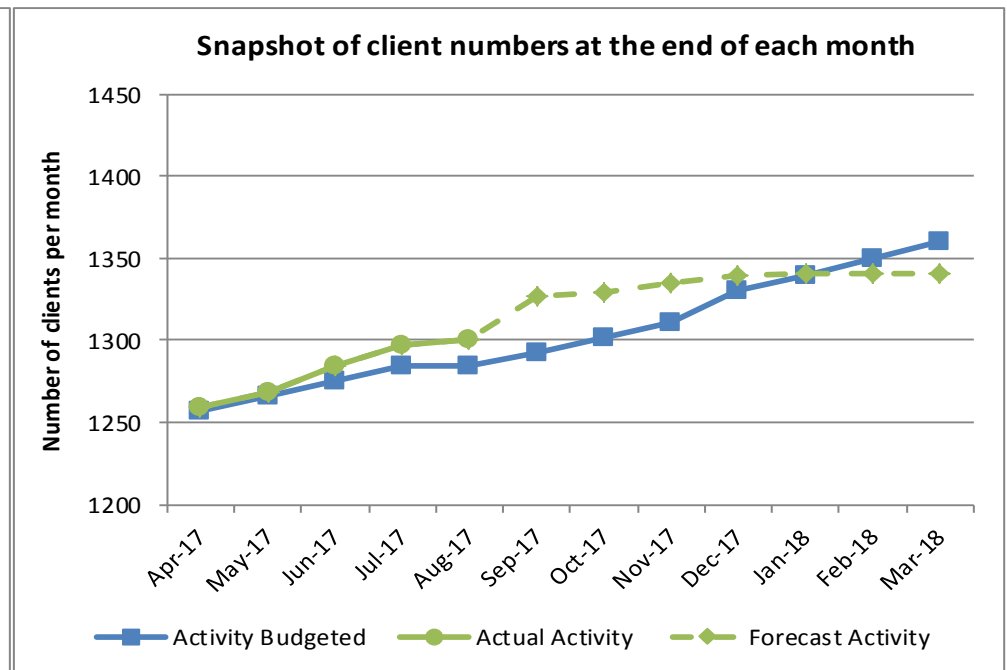
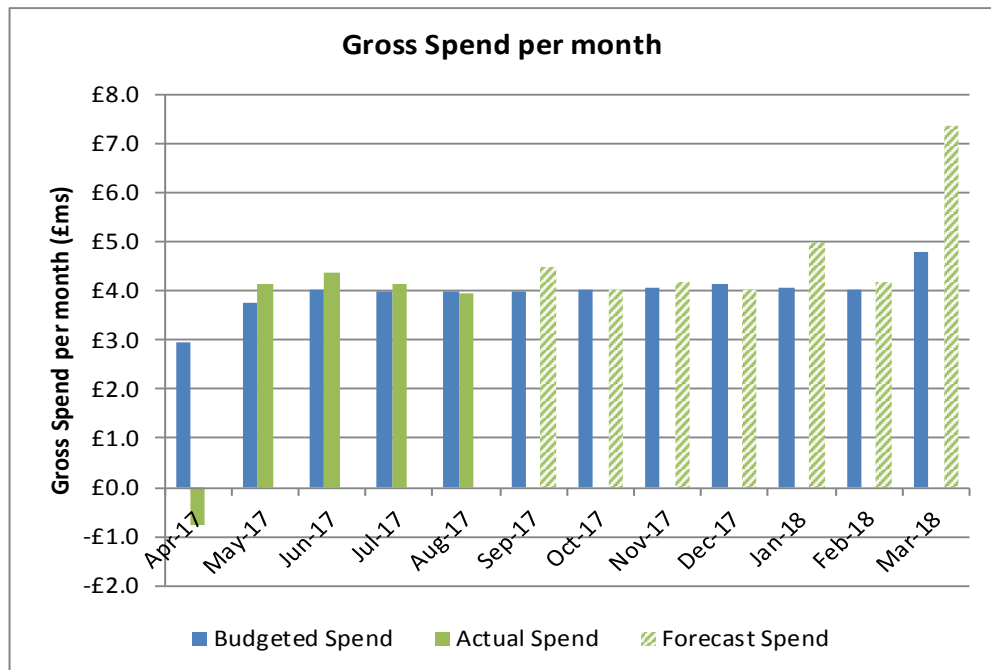
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£47.9	-£0.2	£47.7	1,360
Forecast	£49.0	-£0.2	£48.8	1,341
Variance	£1.1	£0.0	£1.1	-19

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£18.7	1,284
Actual: Spend/Activity Year to Date	£15.8	1,300
Variance as at 31st August 2017	-£2.9	16

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£1.1m is due to higher than anticipated demand in hours (+£3.4m) and lower unit cost (-£1.0m), along with an additional variance of -£1.3m predominately due to a transfer from reserves. This leads to a net forecast pressure of +£1.1m.



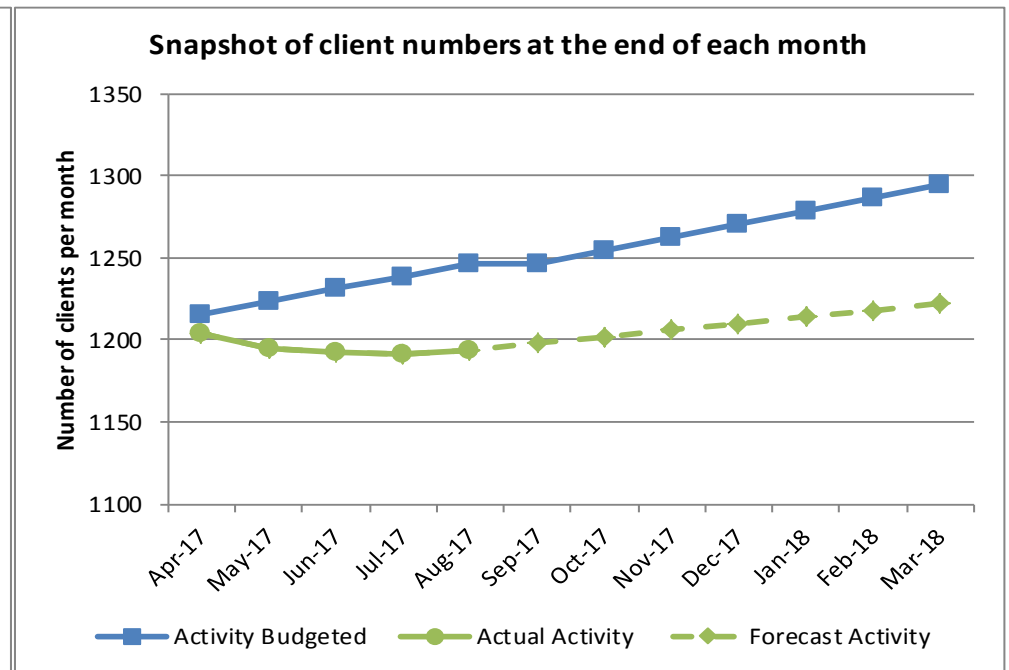
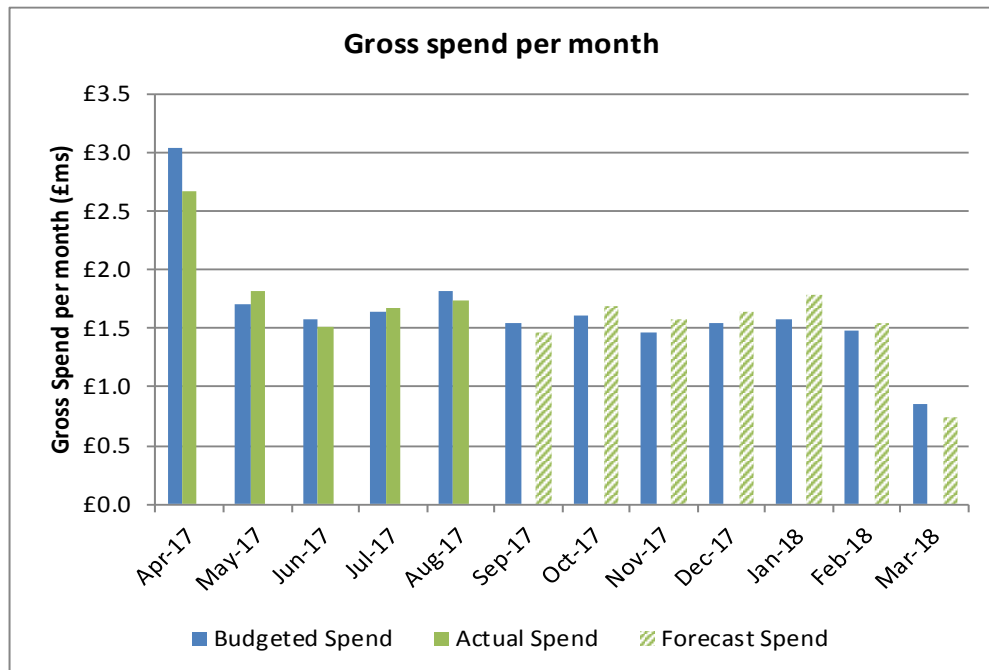
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£19.8	-£0.8	£19.0	1,295
Forecast	£19.8	-£0.8	£19.0	1,222
Variance	-£0.0	£0.0	£0.0	-73

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.8	1,247
Actual: Spend/Activity Year to Date	£9.4	1,194
Variance as at 31st August 2017	-£0.4	-53

MAIN REASONS FOR VARIANCE:

The gross forecast shows a balanced position, but within this there is lower than anticipated demand (-£0.3m) and higher unit cost (+£0.2m), along with an additional variance of +£0.1m predominately due to one off payments. This leads to a net forecast pressure of +£0.0m.



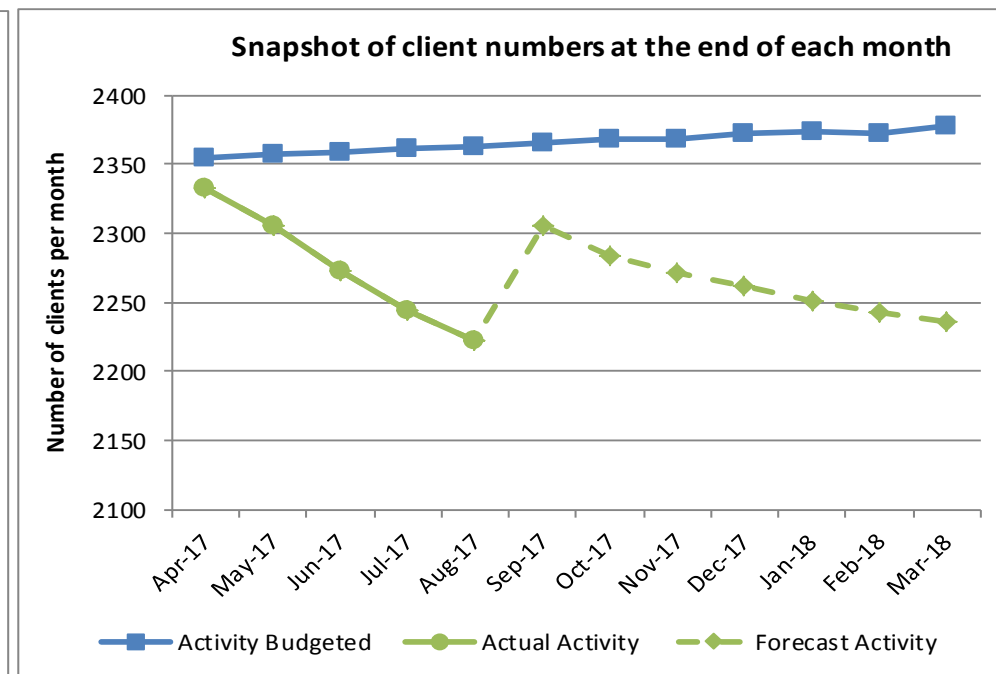
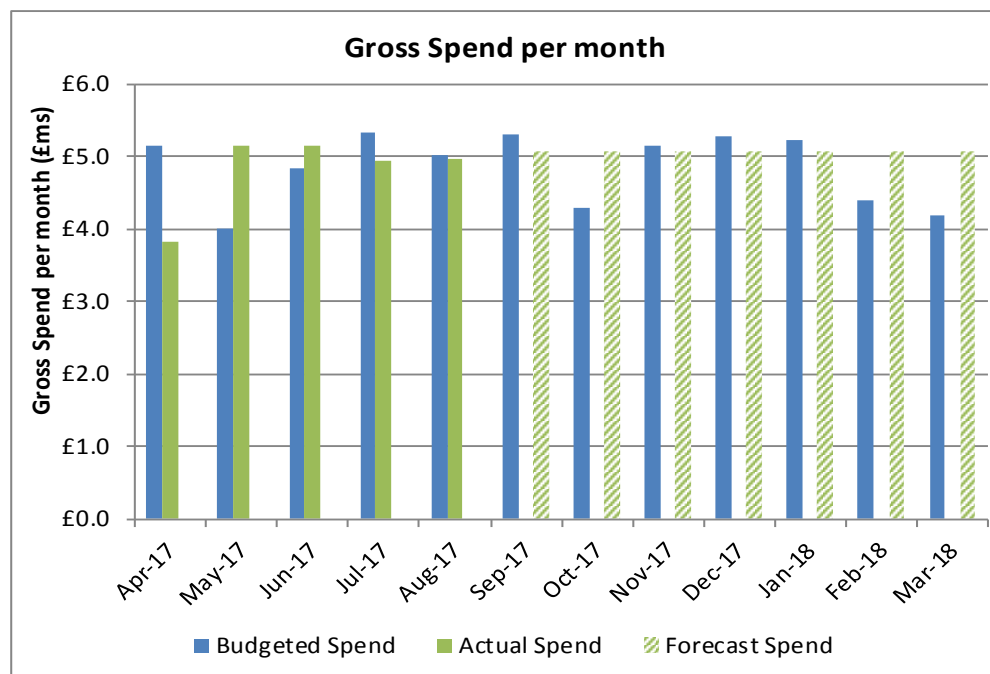
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£58.1	-£35.2	£23.0	2,378
Forecast	£59.5	-£33.9	£25.7	2,236
Variance	£1.4	£1.3	£2.7	-142

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£24.3	2,363
Actual: Spend/Activity Year to Date	£24.0	2,223
Variance as at 31st August 2017	-£0.3	-140

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast a pressure of +£1.4m is due to a higher unit cost (+£1.4m). This pressure is further increased by lower than expected income of +£1.3m due to a lower average contribution per service user (+£1.3m). This leads to a net forecast pressure of +£2.7m. There is a slight time delay before clients are included in the actual client count as contract details are finalised, accounting for the difference between forecast client count and the previous month's actual client count shown below.



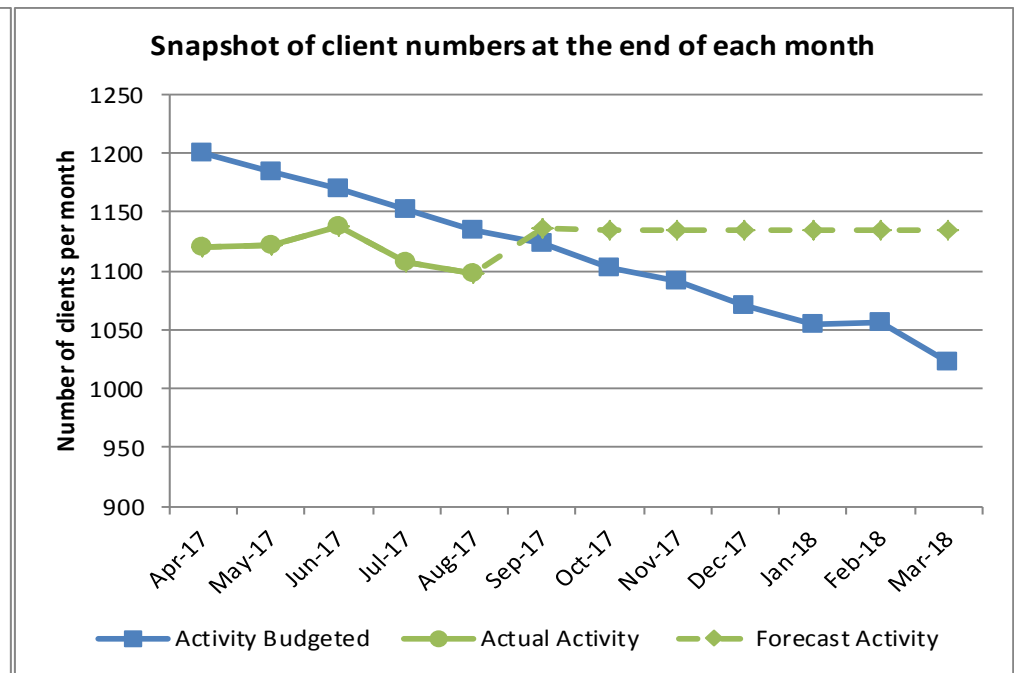
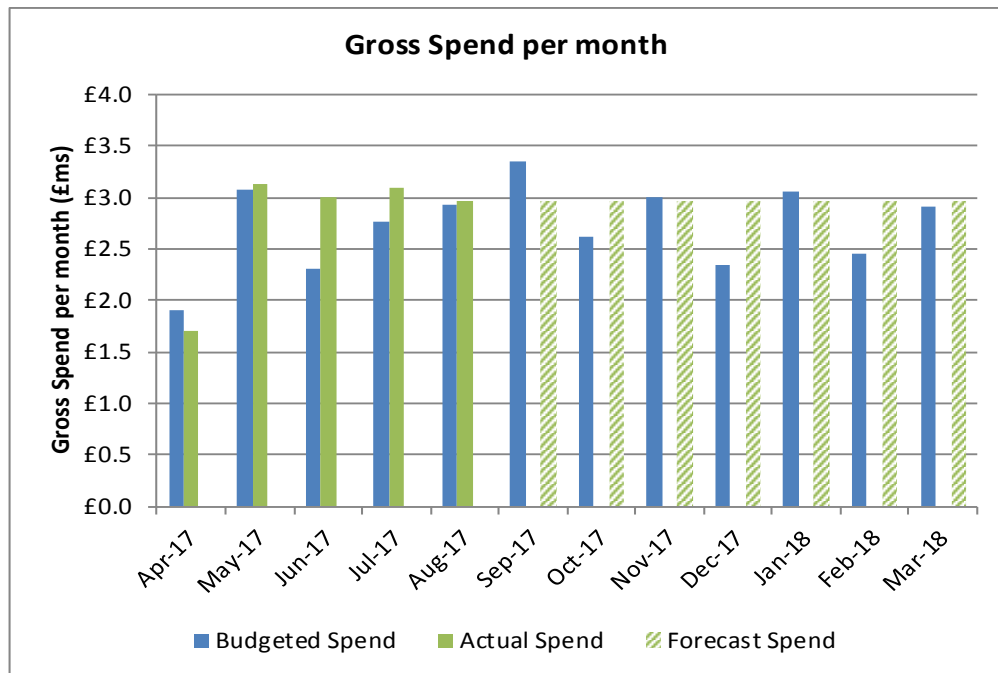
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.7	-£17.4	£15.3	1,023
Forecast	£34.6	-£18.0	£16.6	1,135
Variance	£1.9	-£0.6	£1.3	112

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£13.0	1,135
Actual: Spend/Activity Year to Date	£13.9	1,097
Variance as at 31st August 2017	£0.9	-38

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.9m is due to higher than anticipated demand (+£0.6m) and higher unit cost (+£1.3m). This pressure is partly offset by greater than expected income of -£0.6m primarily due to higher than anticipated service user contributions linked to the higher demand (-£0.2m) and a higher average contribution per service user (-£0.4m). This leads to a net forecast pressure of +£1.3m.



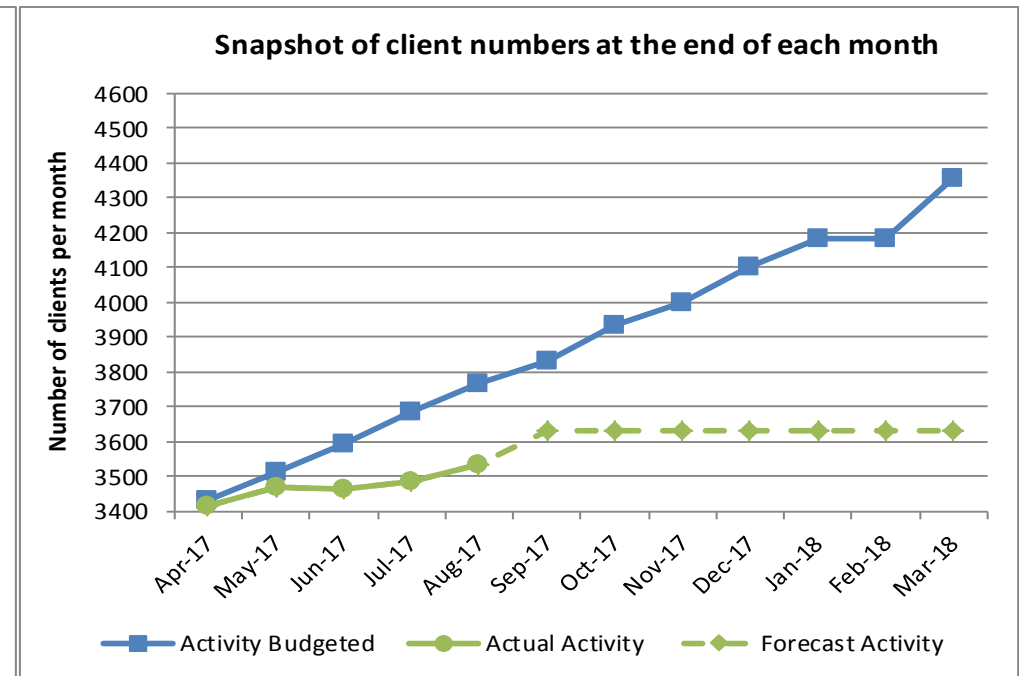
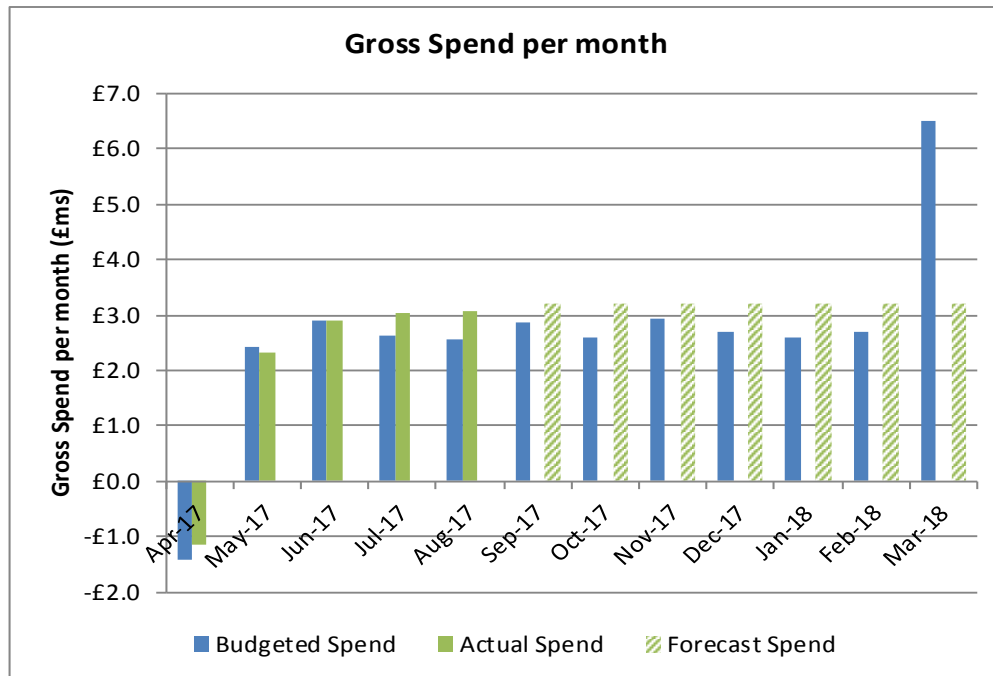
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.0	-£5.8	£26.2	4,353
Forecast	£32.5	-£5.8	£26.7	3,629
Variance	£0.5	£0.0	£0.5	-724

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.1	3,766
Actual: Spend/Activity Year to Date	£10.2	3,535
Variance as at 31st August 2017	£1.1	-231

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.5m is due to lower than anticipated demand (-£0.4m) and higher unit cost (+£0.8m). This leads to a net forecast pressure of +£0.5m.



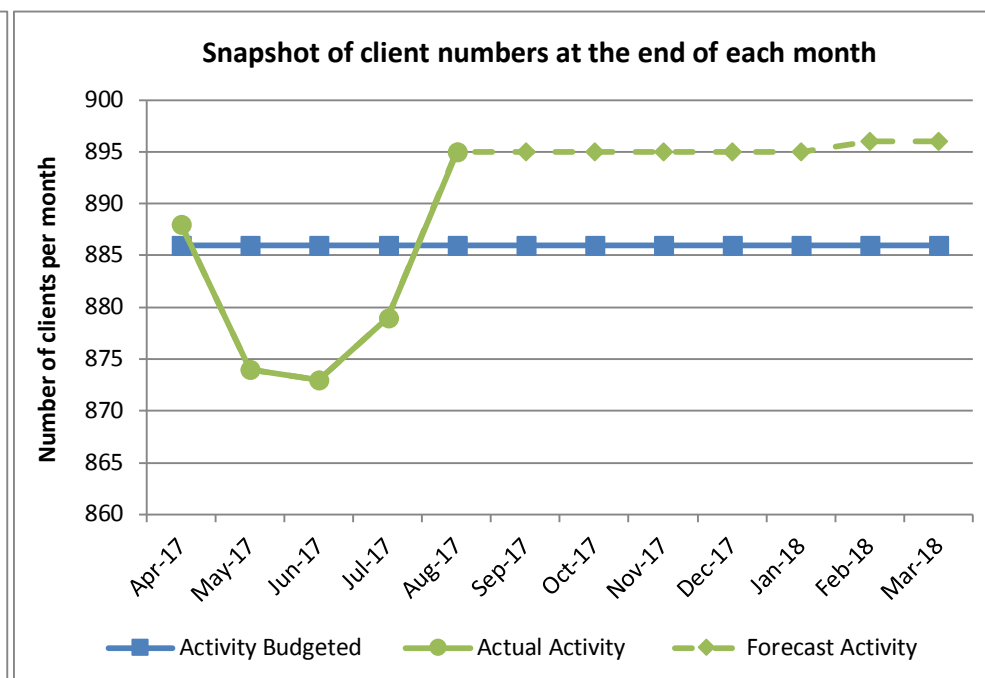
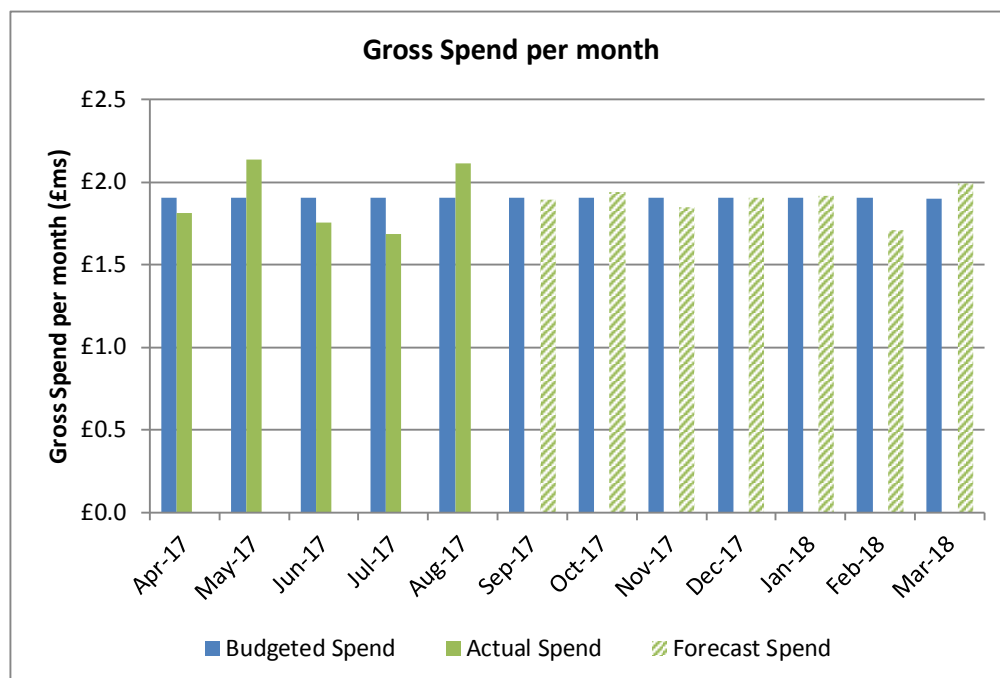
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£22.8	-£0.3	£22.6	886
Forecast	£22.7	-£0.2	£22.6	896
Variance	-£0.1	£0.1	-£0.0	10

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.5	886
Actual: Spend/Activity Year to Date	£9.5	895
Variance as at 31st August 2017	£0.0	9

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.1m is due to higher than anticipated demand (+£0.1m) and lower unit cost (-£0.3m), along with a variance of +£0.1m on other In House Fostering related expenditure. This is combined with lower than expected income of +£0.1m to produce a net forecast underspend of -£0.0m.



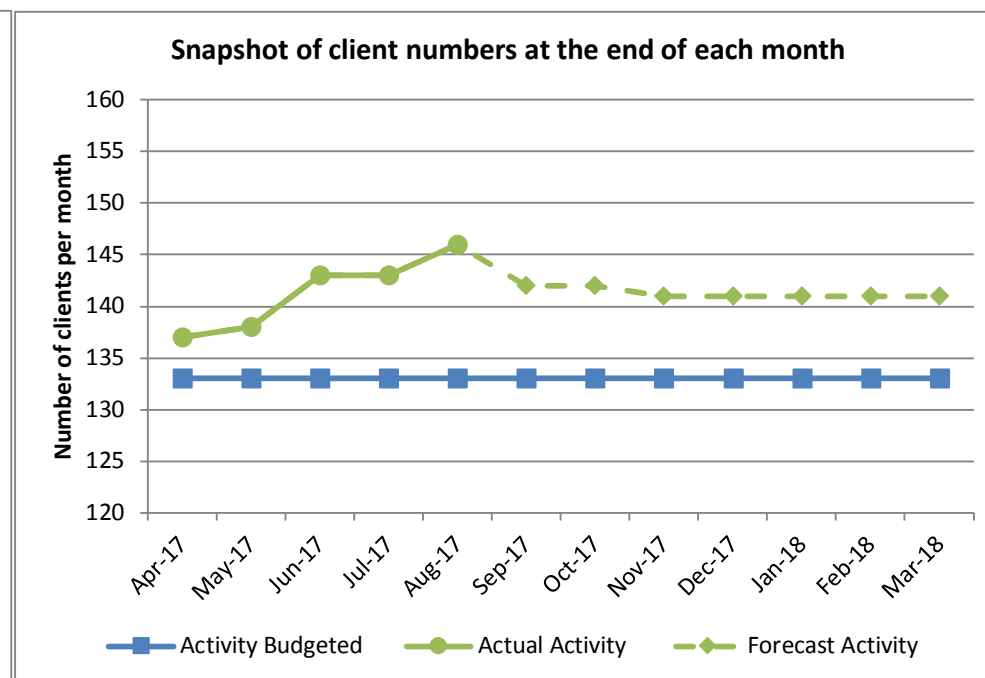
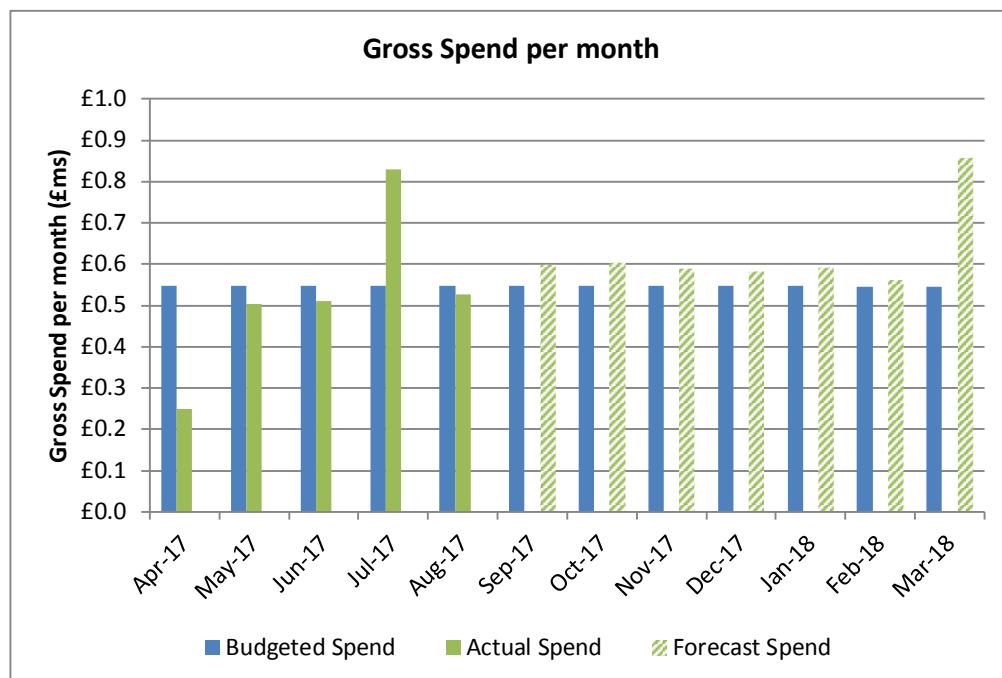
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£6.6	£0.0	£6.6	133
Forecast	£7.0	£0.0	£7.0	141
Variance	£0.4	£0.0	£0.4	8

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£2.7	133
Actual: Spend/Activity Year to Date	£2.6	146
Variance as at 31st August 2017	-£0.1	13

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.4m is due to higher than anticipated demand (+£0.3m) and higher unit cost (+£0.1m).



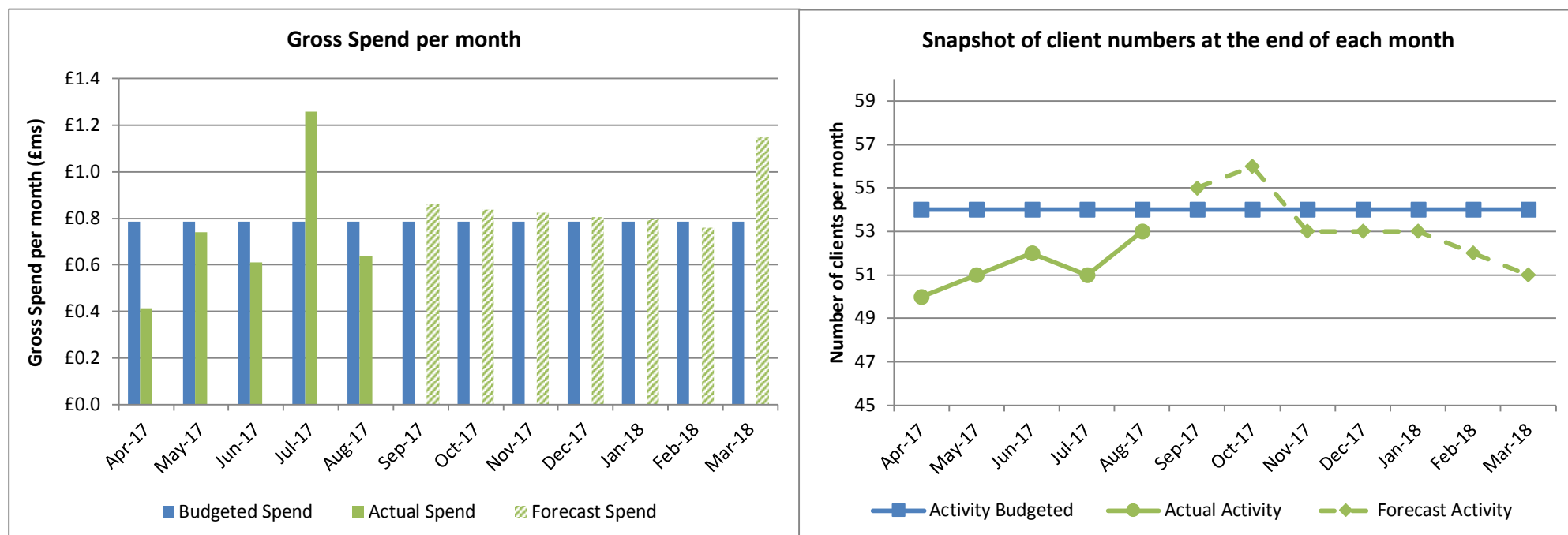
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£9.4	-£0.6	£8.8	54
Forecast	£9.7	-£1.0	£8.7	51
Variance	£0.3	-£0.4	-£0.1	-3

Position as at 31st August 2017	Gross £m	Client Number as at 31/08/2017
Budget: Spend/Activity Year to Date	£3.9	54
Actual: Spend/Activity Year to Date	£3.7	53
Variance as at 31st August 2017	-£0.3	-1

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.3m is due to lower than anticipated demand (-£0.1m) and higher unit cost (+£0.3m), along with an additional variance of +£0.1m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is partly offset by greater than expected income of -£0.4m primarily due to greater contributions for care costs from Health & Education. This leads to a net forecast underspend of -£0.1m.



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

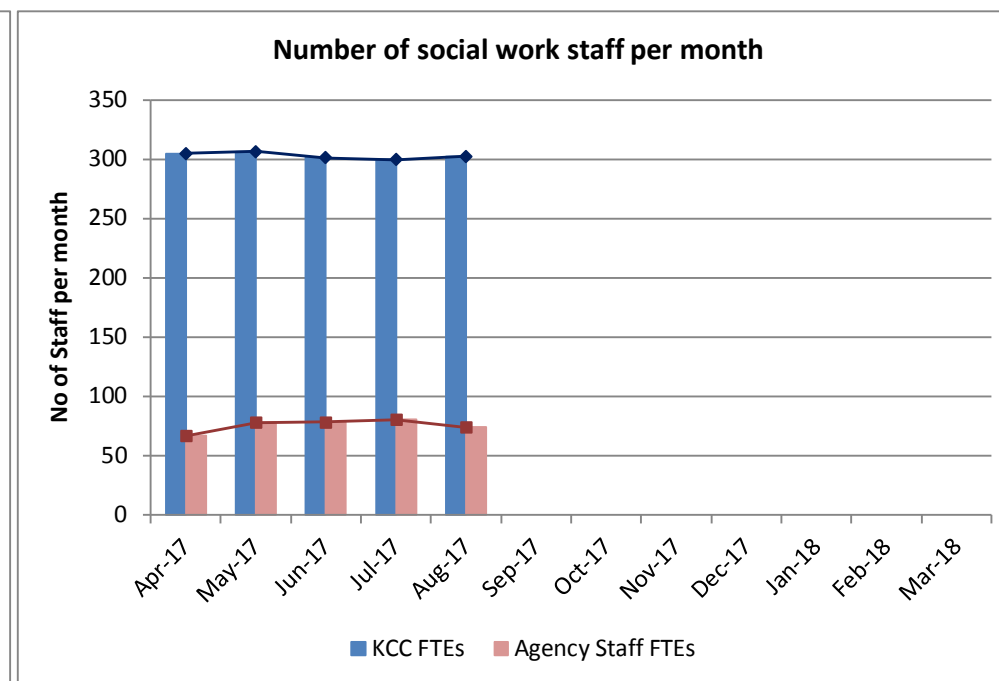
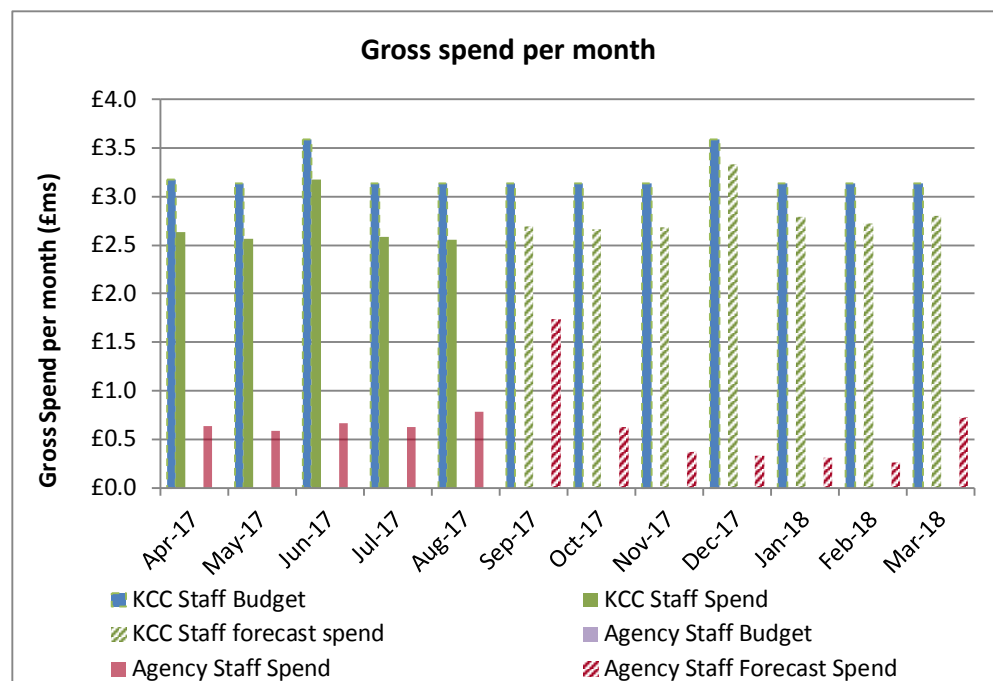
2017-18 Forecast	KCC £m	Agency £m	Gross £m
Budget	£38.6	£0.0	£38.6
Forecast	£33.2	£7.7	£40.8
Variance	-£5.4	£7.7	£2.2

as at 31/08/17	KCC £m	Agency £m	Gross £m
YTD Budget	£16.2	£0.0	£16.2
YTD Spend	£13.5	£3.3	£16.8
YTD Variance	-£2.7	£3.3	£0.6

Staff numbers	KCC FTEs	Agency Nos
as at 31/03/17	307.0	65.4
as at 31/08/17	302.5	74.0
YTD Movement	-4.5	8.6

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 £1m net pressure reported against Children's Assessment staffing in Appendix 1. The £2.2m staffing pressure identified above is net against -£1.2m additional income, predominately relating to the recharging of the Duty Asylum team to the Asylum service, to produce the overall £1m pressure reported.

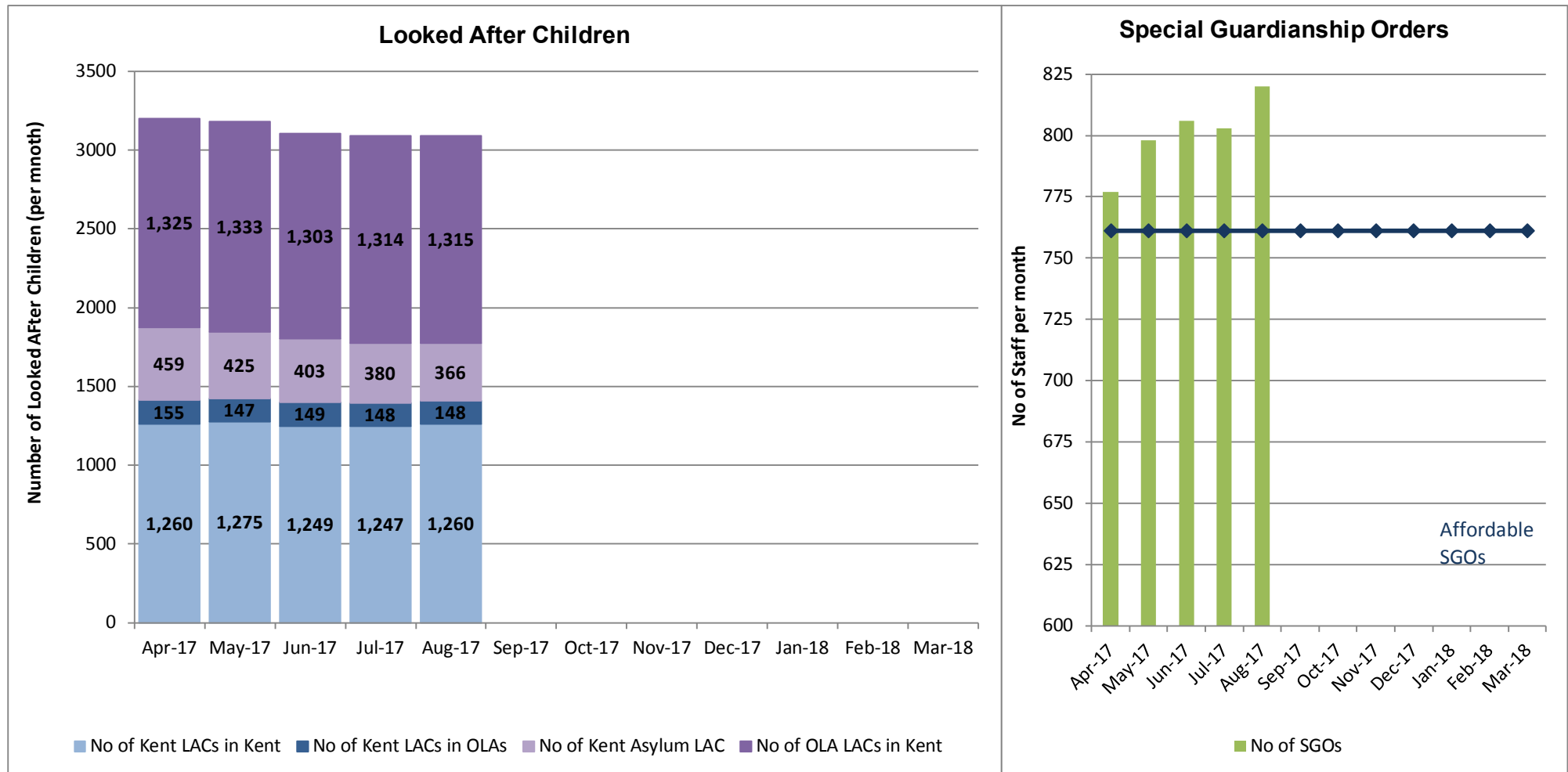


Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

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. The OLA LAC information has a confidence rating of 33% 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 both the Specialist Children's Services and Disabled Children's Services budget, with key parts of this relating to the LAC headings of Residential Care and Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), and Leaving Care.

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.



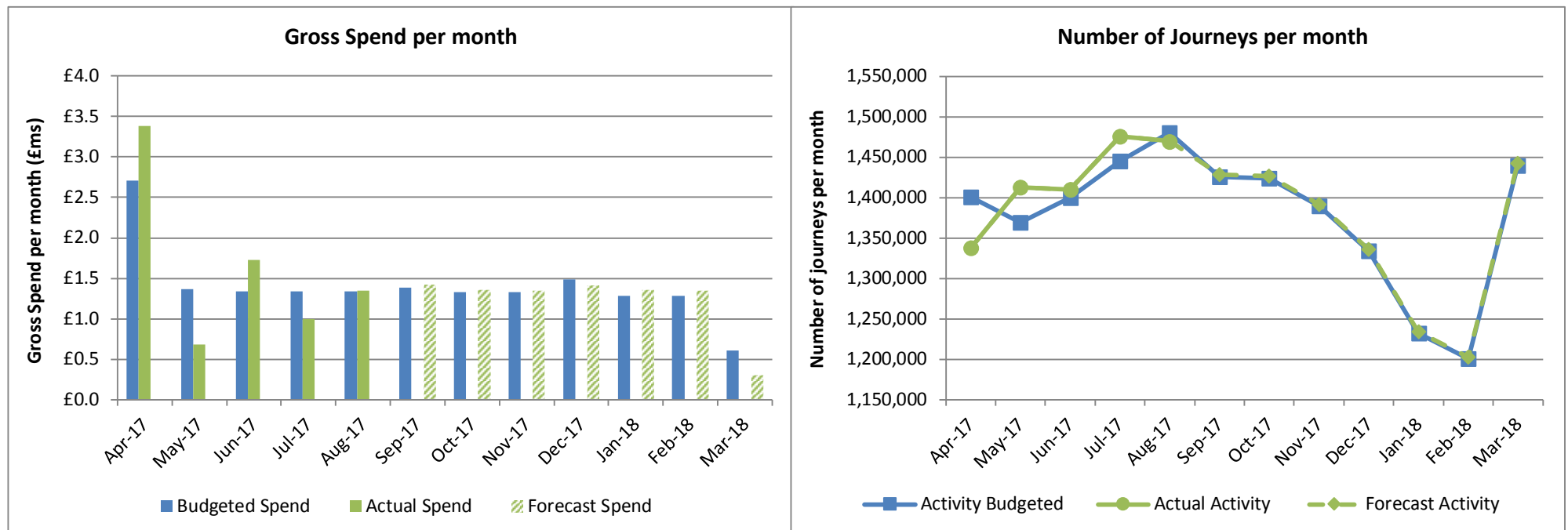
Appendix 2.12: Transport Services - Concessionary fares

2017-18 Forecast	Gross £m	Income £m	Net £m	No of journeys to 31/03/2018
Budget	£16.8	-£0.0	£16.8	16,542,000
Actual	£16.7	-£0.0	£16.7	16,568,099
Variance	-£0.1	-£0.0	-£0.1	26,099

Position as at 31st August 2017	Gross £m	No of journeys to 31/08/2017
Budget: Spend/Activity Year to Date	£8.1	7,095,270
Actual: Spend/Activity Year to Date	£8.1	7,106,464
Variance as at 31st Aug 2017	£0.0	11,194

MAIN REASONS FOR FORECAST VARIANCE:

Currently there is no material variance relating either to number of journeys or price per journey with only a small underspend forecast on non activity headings (-£0.1m). The forecast is based on actual activity for April to August, with estimates for the remaining months. These estimates will continue to be reviewed in light of the actuals and the potential impact of any adverse weather on demand for journeys.



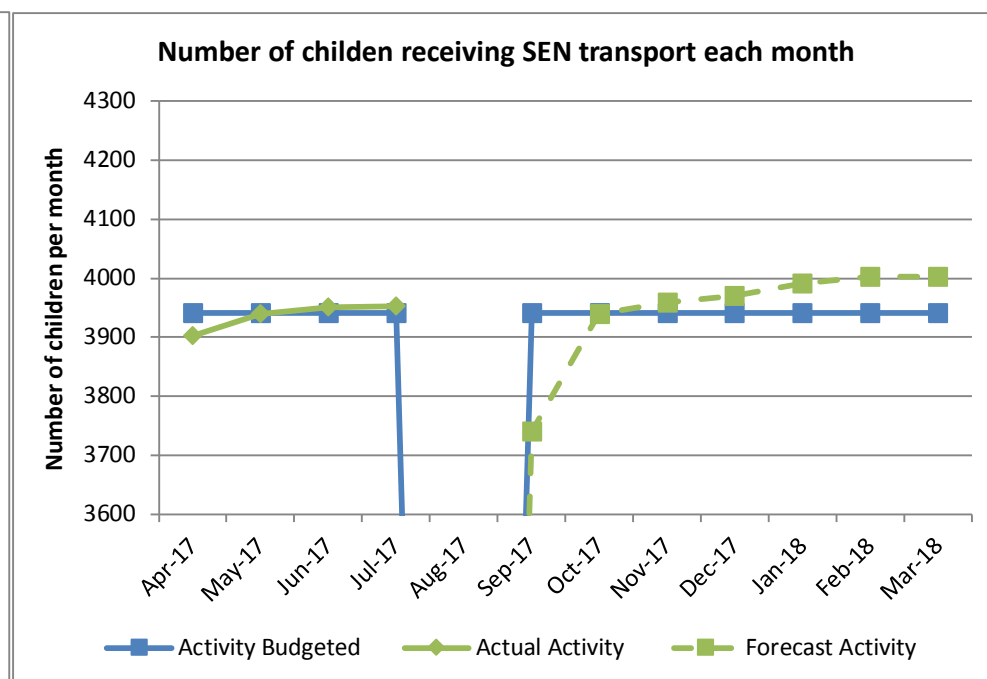
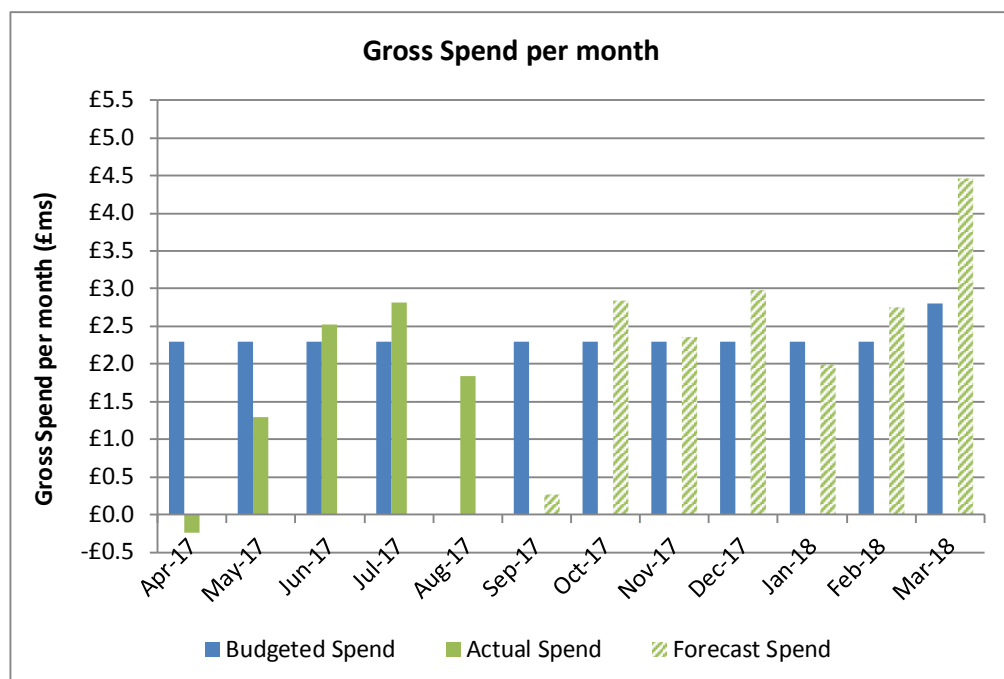
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

2017-18 Total Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2018
Budget	£25.8	-£0.8	£25.0	3,941
Forecast	£25.9	-£0.8	£25.1	4,003
Variance	£0.1	-£0.0	£0.1	62

Position as at 31st August 2017	Gross £m	No of pupils as at 31/08/2017
Budget: Spend/Activity Year to Date	£9.2	0
Actual: Spend/Activity Year to Date	£8.2	0
Variance as at 31st August 2017	-£1.0	0

MAIN REASONS FOR FORECAST VARIANCE:

The SEN transport position should be looked at in conjunction with the Home to School Mainstream transport and 16+ Kent Travel card forecast. An overall breakeven position is currently being forecast for these services until the October 2017 monitoring report (reported to Cabinet in November 2017) when the forecasts for these budgets will be fully reviewed. These forecasts are heavily dependent on the September pupil numbers which will not be known until the end of September 17. At which time, there will also be further clarity on the impact of the recent procurement exercises.



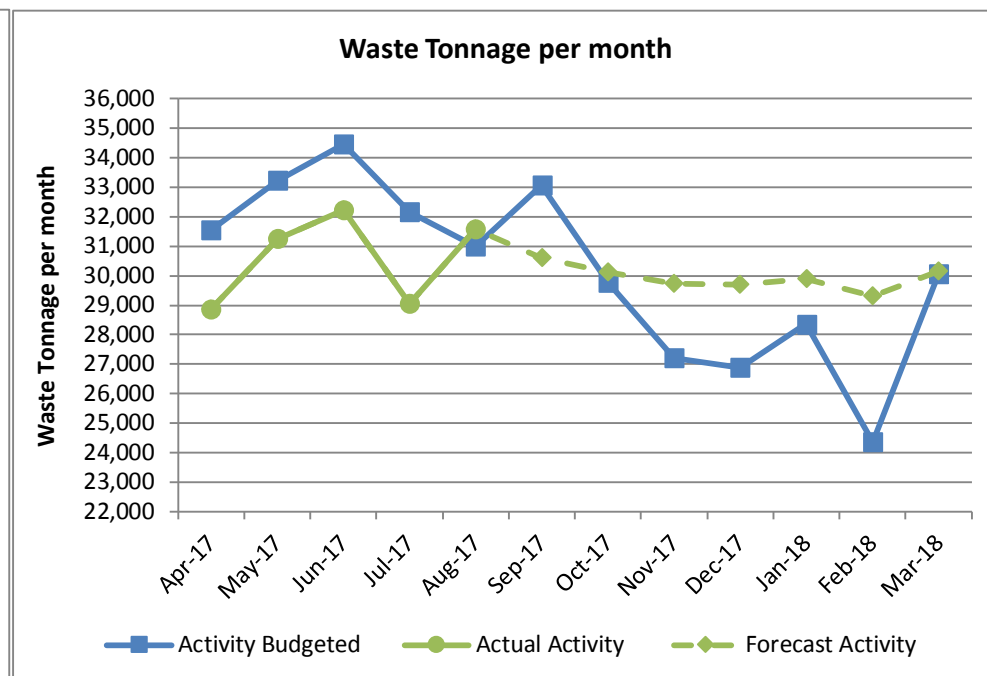
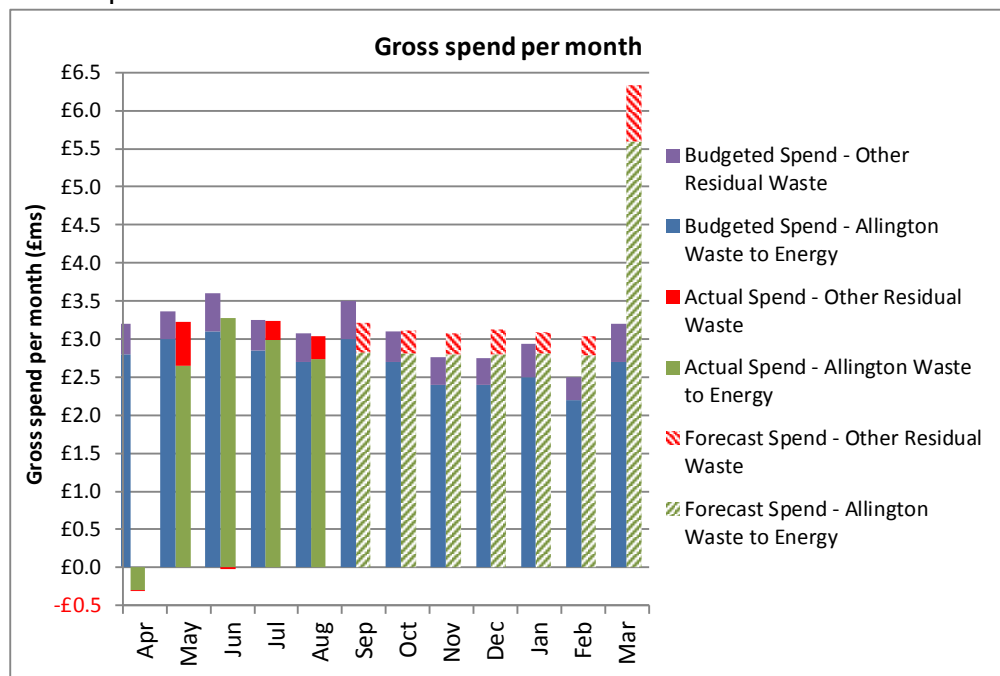
Appendix 2.14: Treatment and disposal of residual waste

2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£37.4	£0.0	£37.4	362,047
Actual	£37.7	-£0.2	£37.4	362,505
Variance	£0.3	-£0.2	£0.1	458

Position as at 31st August 2017	Gross £m	Waste Tonnage to 31/08/2017
Budget: Spend/Activity Year to Date	£16.8	162,387
Actual: Spend/Activity Year to Date	£12.4	152,998
Variance as at 31st August 2017	-£4.4	-9,389

MAIN REASONS FOR FORECAST VARIANCE:

The gross pressure of +£0.3m is due to a price variance (+£0.4m), offset by a volume variance of +458 tonnes (-£0.1m). Although tonnes are over budget an underspend is being forecast because a large number of tonnes are being redirected from Waste Treatment Final Disposal contracts into Waste to Energy at a cheaper rate. Pressure is also offset by higher than expected income (-£0.2m), from trade waste tonnes, leading to a net pressure of +£0.1m. The -£4.4m underspend to date shown in the table above is due to no monthly payment being made in April; this is forecast to catch up in March as shown in the chart below.



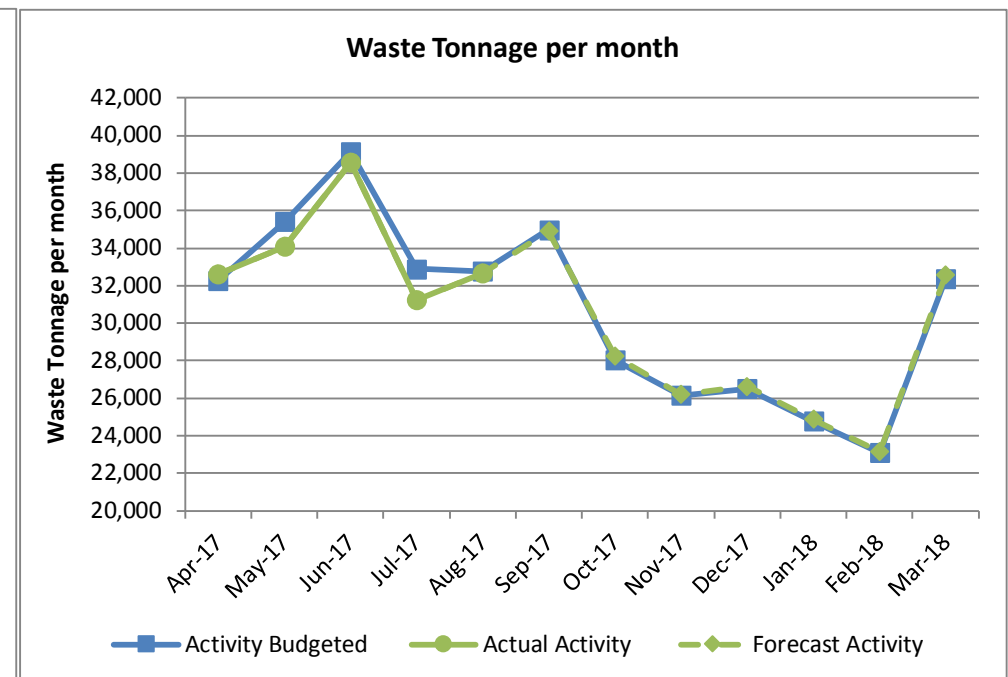
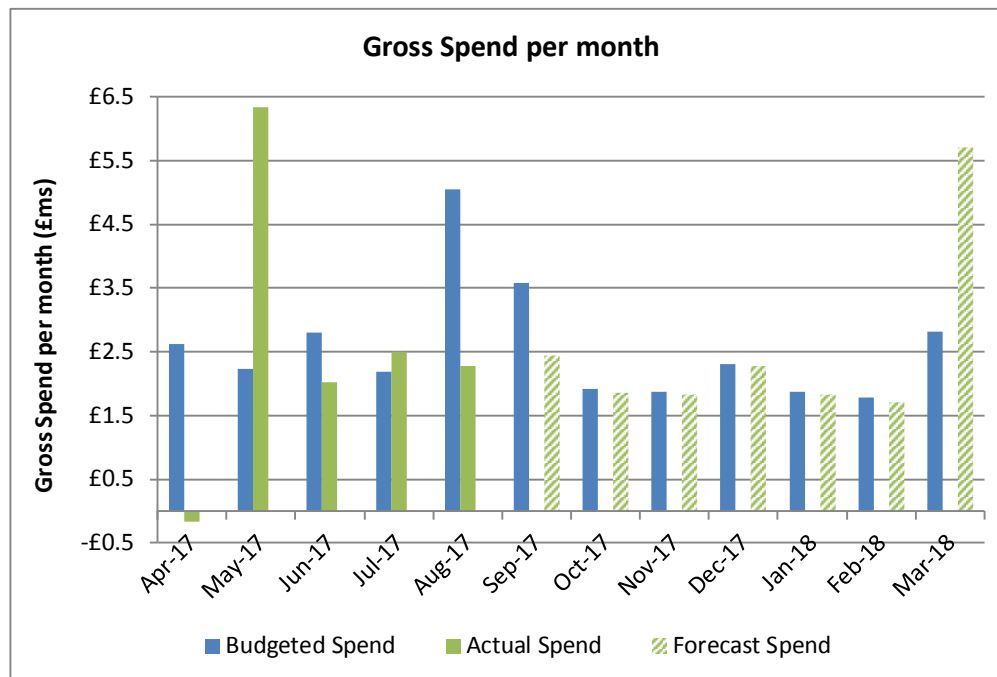
Appendix 2.15: Waste Processing

2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£31.0	-£1.9	£29.2	368,245
Actual	£30.6	-£1.8	£28.9	365,593
Variance	-£0.4	£0.1	-£0.3	-2,652

Position as at 31st August 2017	Gross £m	Waste Tonnage to 31/08/2017
Budget: Spend/Activity Year to Date	£14.9	172,387
Actual: Spend/Activity Year to Date	£13.0	169,110
Variance as at 31st August 2017	-£1.9	-3,277

MAIN REASONS FOR FORECAST VARIANCE:

The gross underspend of (-£0.4m) is due to tonnage price variances (-£0.4m) primarily for Soil/Hardcore and Materials Recycling Facilities where contracts have been successfully retendered; there is also a small pressure within income due to a volume variance of -2,081 tonnes (+£0.1m). Variations in tonnes may not always impact on the financial position as not all changes in waste types attract an additional cost. The high spend in May is due to Enabling Payments which were budgeted to be paid in August/September therefore the variance is just a timing issue.



Appendix 2.16: All Staffing Budgets (excluding schools)

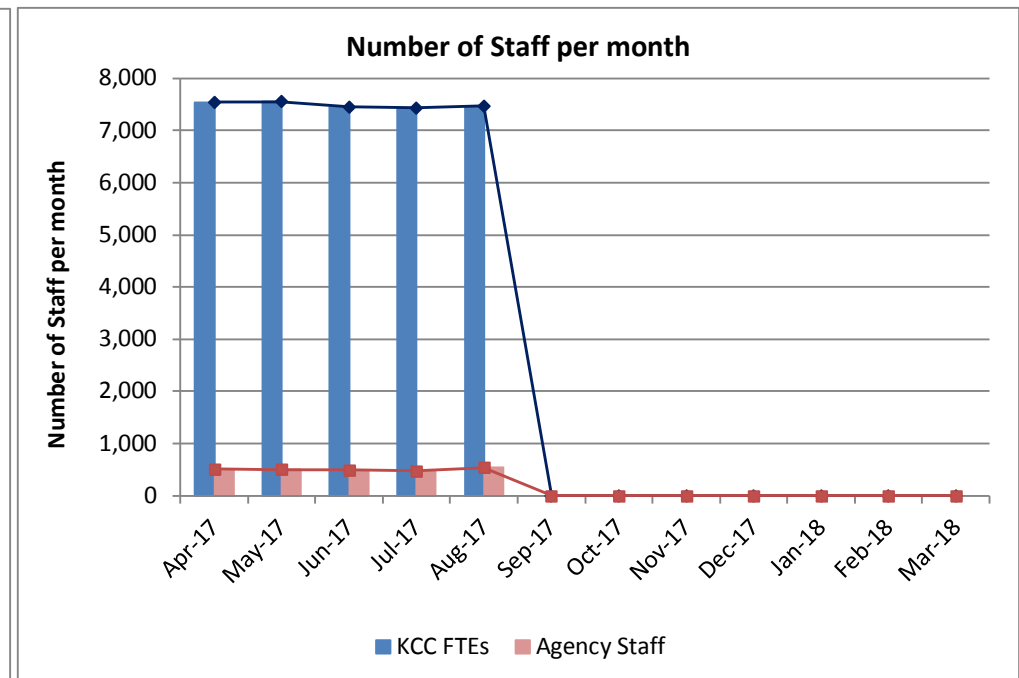
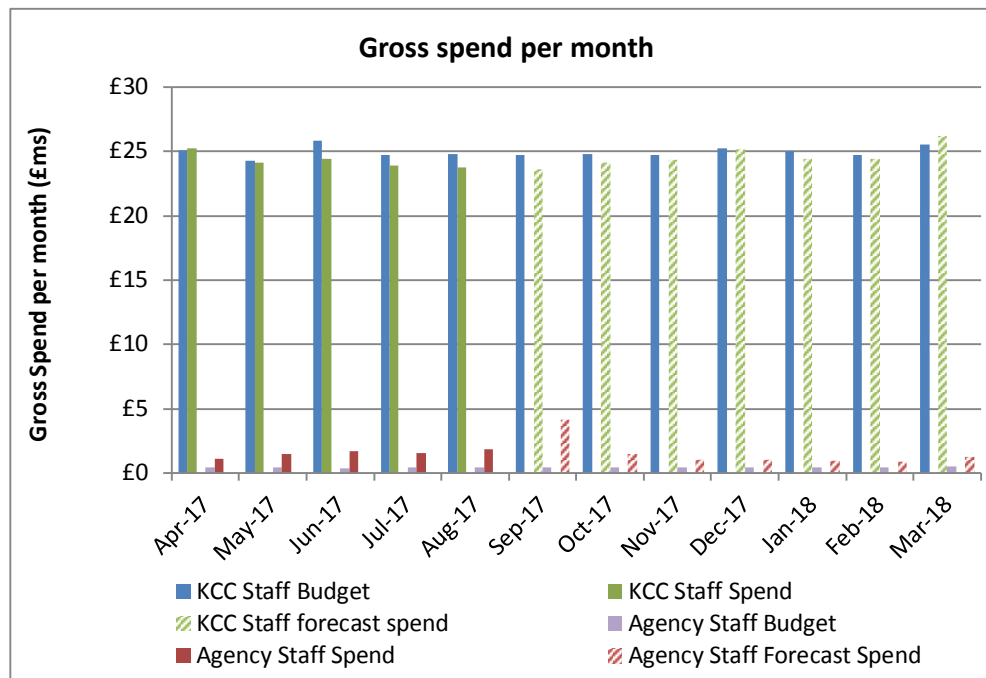
2017-18	KCC	Agency	Gross
Outturn	£m	£m	£m
Budget	£299.6	£5.1	£304.7
Outturn	£293.7	£18.4	£312.1
Variance	-£5.9	£13.3	£7.4

as at 31	KCC	Agency	Gross
August 2017	£m	£m	£m
YTD Budget	£124.8	£2.0	£126.8
YTD Spend	£121.4	£7.7	£129.0
YTD Variance	-£3.4	£5.6	£2.2

Staff numbers	KCC	Agency
	FTEs	Nos
as at 31 Mar 2017	7,609.36	445
as at 31 August 2017	7,470.32	543
Annual Movement	-139.04	98

MAIN REASONS FOR VARIANCE:

There is a significant underspend against KCC staff budgets but this is being negated by an overspend on agency staff. Vacancies are being held pending the outcome of restructuring and the uncertainty around budget cuts, which is contributing to the underspend against the KCC staff budgets. The majority of the overspend on agency staff relates to Children's Social Care Staff - see Appendix 2.10. The staffing numbers provided are a snapshot position at the end of the month.



Unaccompanied Asylum Seeking Children (UASC)

1. Position compared to budget by age category

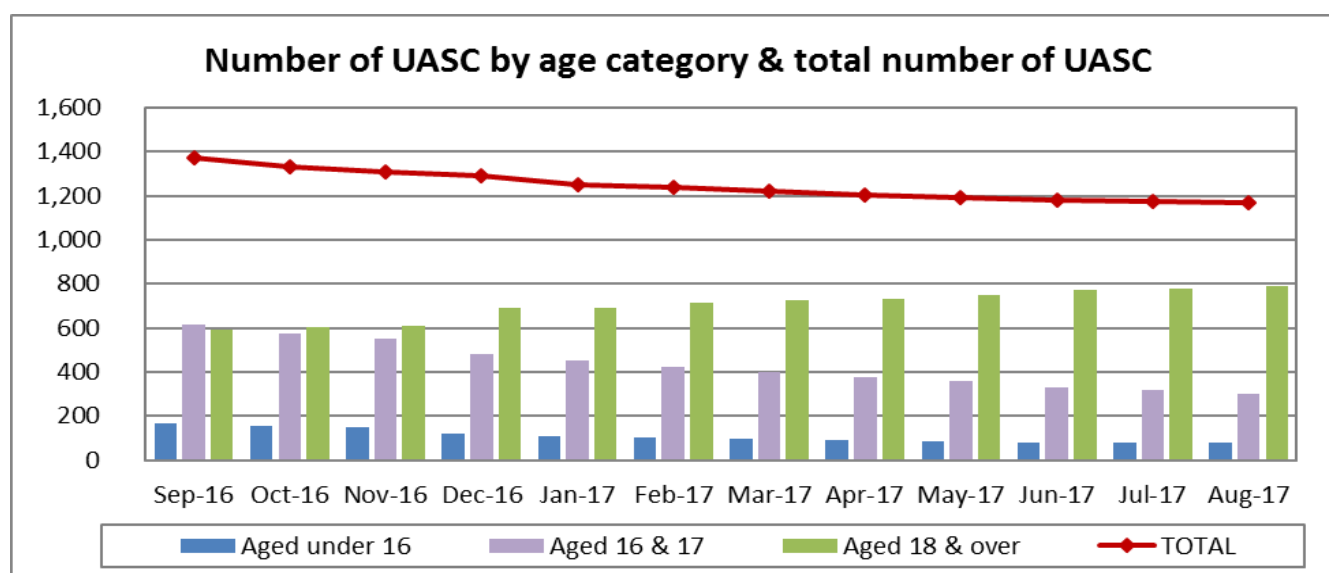
The outturn position is an overspend of £3.9m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	4.4	-4.4	0.0	-1.1	0.8	-0.3
Aged 16 & 17	10.5	-10.5	0.0	0.6	1.5	2.1
Aged 18 & over (care leavers)	8.7	-8.2	0.6	1.0	1.1	2.1
	23.6	-23.1	0.6	0.5	3.4	3.9

The following tables exclude individuals being reunited with family under the Dublin III regulation who are awaiting pick up by relatives and are not Asylum seekers (so are not eligible under grant rules), but we are recharging for the time they use the Authority's services, so the authority should not face net costs.

2. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
Sep-16	167	613	594	1,374
Oct-16	155	573	601	1,329
Nov-16	147	553	610	1,310
Dec-16	117	481	693	1,291
Jan-17	109	451	691	1,251
Feb-17	101	425	714	1,240
Mar-17	99	398	725	1,222
Apr-17	93	376	732	1,201
May-17	85	356	750	1,191
Jun-17	80	331	771	1,182
Jul-17	78	316	778	1,172
Aug-17	80	301	790	1,171



The number of Asylum LAC shown in Appendix 2.11 (LAC numbers) 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.

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

2017/18	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
At year end 2016/17	1,008	7	214	38	1222	45
April	982	3	219	42	1,201	45
May	972	3	220	33	1,192	36
June	965	8	217	35	1,182	43
July	967	4	205	32	1,172	36
August	954	21	217	32	1,171	53

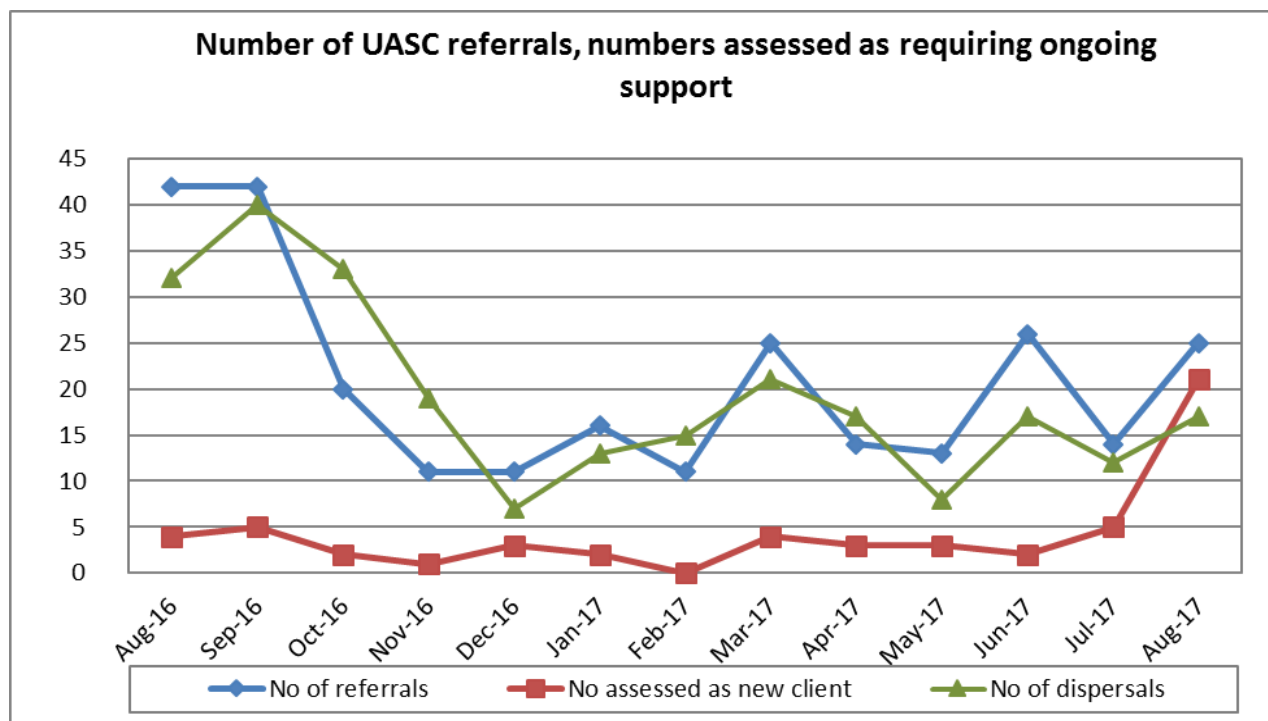
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed. There is a sharp rise in the number of new ARE clients within the 13 weeks of service, this is due to the Home Office clearing a backlog of asylum decisions, coupled with a long delay in receiving data match information in relation to the grant claim.

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.

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

	No of referrals	No assessed as new client	%	No of dispersals
Jul-16	47	5	11%	25
Aug-16	42	4	10%	32
Sep-16	42	5	12%	40
Oct-16	20	2	10%	33
Nov-16	11	1	9%	19
Dec-16	11	3	27%	7
Jan-17	16	2	13%	13
Feb-17	11	0	0%	15
Mar-17	25	4	16%	21
Apr-17	14	3	21%	17
May-17	13	3	23%	8
Jun-17	26	2	8%	17

	No of referrals	No assessed as new client	%	No of dispersals
Jul-17	14	5	36%	12
Aug-17	25	21	84%	17



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

Duration	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
Jul-16	14	11	25
Aug-16	31	1	32
Sep-16	30	10	40
Oct-16	33	0	33
Nov-16	17	2	19
Dec-16	7	0	7
Jan-17	8	5	13
Feb-17	15	0	15
Mar-17	16	5	21
Apr-17	14	3	17
May-17	7	1	8
Jun-17	16	1	17
Jul-17	12	0	12
Aug-17	17	0	17

In total there have been 276 new arrivals that have been dispersed since July 2016. These are included within the referrals in table 4. This also includes arrivals since 01 July 16 dispersed to London Boroughs, who are not participating in the transfer scheme.

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.

Please note numbers have been amended for previous months to reflect more up-to-date information.