

By: Deputy Leader and Cabinet Member for Finance and Traded Services,
Peter Oakford
Head of Finance Operations, Cath Head
Corporate Directors

To: Cabinet – 15 July 2019

Subject: **REVENUE & CAPITAL BUDGET MONITORING - MAY 2019-20**

Classification: Unrestricted

1. SUMMARY

- 1.1 This report provides the budget monitoring position up to 31 May 2019-20 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 – details of the Asylum service forecast and key activity information;
 - Appendix 2 – High Needs and Dedicated Schools Grant Key Indicators.
 - Appendix 3 – details of the realignment of revenue budgets **for approval**.
- 1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. The forecast revenue pressure is £0.661m which is a very encouraging position at this stage of the year and a significant improvement on previous years forecasts at this time of the year.
- 1.4 However, it should be noted that the Children, Young People & Education directorate is forecasting a pressure of £2.8m, of which £1.2m specifically relates to the Special Education Needs service and more detail is provided in section 4.2.2.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the forecast revenue budget monitoring position for 2019-20 and capital budget monitoring position for 2019-20 to 2021-22, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- ii) **Agree** that any additional Business Rate receipts received over and above the 2018-19 budgeted amount, are transferred to the local taxation equalisation reserve to smooth future fluctuations in the business rates baseline and collection fund.
- ii) **Agree** the revenue budget realignment set out in Appendix 3.
- iii) **Agree** the capital budget realignment set out 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 £0.661m. In total, this position reflects that we are on track to deliver the majority of the £44.9m of savings included in the approved budget for this year. The position by directorate is shown in table 1 below.

3.2 Table 1: Directorate **revenue** position

Directorate	Working Budget (£m)	Variance (£m)	Corporate Director Adjustment (£m)	Revised Total Variance (£m)
Adult Social Care & Health	430.413	0.043	0.000	0.043
Children, Young People & Education	195.793	2.786	0.000	2.786
Growth, Environment & Transport	172.608	0.311	0.000	0.311
Strategic & Corporate Services	78.618	-0.286	0.000	-0.286
Financing Items & Unallocated	116.631	-2.193	0.000	-2.193
TOTAL (Excluding Schools)	994.062	0.661	0.000	0.661
<i>Schools (CYPE Directorate)</i>	<i>0.000</i>	<i>14.688</i>	<i>0.000</i>	<i>14.688</i>
TOTAL (Excluding Schools)	994.062	15.349	0.000	15.349

4. REVENUE BUDGET MONITORING HEADLINES

The Directorate position by division and key service including narrative of the most significant variances against cash limit is detailed below.

4.1 Adult Social Care and Health

	Cash Limit	Variance	CDA Adj.	Revised
	Net	Net	Net	Net
	£m	£m	£m	£m
Strategic Management & Directorate Budgets (ASCH)				
Additional Adult Social Care Allocation	-7.811	0.000		0.000
Budget & Saving Plans to be allocated	1.440	-1.815		-1.815
Strategic Management & Directorate Support (ASCH)	2.939	0.018		0.018
Total - Strategic Management & Directorate Budgets (ASCH)	-3.431	-1.796	0.000	-1.796
Older People & Physical Disability				
Adult Physical Disability - Community Based Services	21.379	-0.193		-0.193
Adult Physical Disability - Residential Care Services	14.876	-0.441		-0.441
Carer Support - Commissioned	0.567	-0.303		-0.303
Older People - Community Based Services	30.833	2.393		2.393
Older People - Residential Care Services	45.14	-1.494		-1.494
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	23.868	0.518		0.518
Older People & Physical Disability - In House Community Homecare Service	3.926	0.280		0.280
Total - Older People & Physical Disability	140.589	0.759	0.000	0.759
0-25 Disability (Lifespan Pathway)				
Adult Learning & Physical Disability Pathway - Community Based Services	23.321	-0.053		-0.053
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	8.606	0.613		0.613
Children in Need (Disability) - Care & Support	5.123	-0.406		-0.406
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7.085	-0.174		-0.174
Looked After Children (with Disability) - Care & Support	8.849	0.558		0.558
Total - 0-25 Disability (Lifespan Pathway)	52.984	0.538	0.000	0.538
Learning Disability 26+, Mental Health and Sensory & Autism Services				
Adult Learning Disability - Assessment Service	5.232	-0.169		-0.169
Adult Learning Disability - Community Based Services & Support for Carers	71.981	-0.170		-0.170
Adult Learning Disability - Residential Care Services & Support for Carers	61.712	1.771		1.771
Adult Mental Health - Assessment Services	9.747	-0.362		-0.362
Adult Mental Health - Community Based Services	5.261	-0.058		-0.058
Adult Mental Health - Residential Care Services	12.879	0.346		0.346
Physical Disability 26+ Lifespan Pathway & Autism - Community Based Services	0.390	0.132		0.132
Physical Disability 26+ Lifespan Pathway & Autism - Residential Care Services	0.460	0.033		0.033
Sensory & Autism - Assessment Service	2.281	0.093		0.093
Total - Learning Disability 26+, Mental Health and Sensory & Autism Services	169.943	1.616	0.000	1.616
Partnerships & Engagement				
Childrens Disability 0-18 Commissioning	1.692	0.000		0.000
Community Based Preventative Services	13.108	0.127		0.127
Housing Related Support	6.991	-0.156		-0.156
Partnership Support Services	2.059	-0.083		-0.083
Social Support for Carers	2.950	0.000		0.000
Total - Partnerships & Engagement	26.800	-0.112	0.000	-0.112

	Cash Limit	Variance	CDA Adj.	Revised Variance
	Net	Net	Net	Net
	£m	£m	£m	£m
Service Provision				
Adult In House Carer Services	2.188	-0.017		-0.017
Adult In House Community Services	7.085	-0.168		-0.168
Adult In House Enablement Services	3.221	0.051		0.051
Divisional Management	0.353	0.224		0.224
Looked After Children (with Disability) - In House Provision	2.643	0.010		0.010
Older People - In House Provision	15.568	-0.342		-0.342
Total - Service Provision	31.057	-0.242	0.000	-0.242
Business Delivery Unit				
Adaptive & Assistive Technology	2.972	-0.655		-0.655
Divisional & Directorate Support	9.132	-0.022		-0.022
Safeguarding Adults	0.368	-0.042		-0.042
Total - Business Delivery Unit	12.472	-0.720	0.000	-0.720
TOTAL - Adult Social Care & Health	430.413	0.043	0.000	0.043

4.1.1 Adult Social Care and Health:

The overall forecast variance for the Directorate is an almost breakeven position. An explanation of significant variances is detailed in the paragraphs below.

This variance position reflects activity data to date in the 2019-20 financial year and we will continue to refine the forecast alongside activity trends over the remaining months.

4.1.2 Strategic Management & Directorate Budgets (ASCH):

Most of this variance (£1.7m) relates to centrally held funds still to be allocated which cover pressures already recognised within the forecast position. These will be allocated once the service underlying pressures are confirmed.

4.1.3 Older People & Physical Disability:

- There is a +£0.5m pressure against the Key Service line Older People & Physical Disability – Assessment and Deprivation of Liberty Safeguards Services which correlates with the full year effect of staff recruited at the end of 2018-19 as a result of the Assessment Service redesign project. The division is working to stabilise the staffing position in year.
- The remainder of the pressure is within Older People Community Based Services due to higher than anticipated activity within 65+ Homecare. The service is investigating the underlying causes. The pressure is partially offset by underspends against Adult Physical Disability - Residential Care Services and lower than anticipated unit costs within Commissioned Carer Support.
- The forecast assumes that there will be increased activity over the winter months.

4.1.4 0-25 Disability (Lifespan Pathway):

Disability Services for 18-25 year-olds is forecasting an initial pressure of +£0.5m. This pressure is mainly within the residential care service where the number of placements is higher than originally budgeted. The forecast also assumes a similar level of growth as in previous years. The majority of this growth occurs during the

summer months with the change in the school year, and updates will be provided in future months as to whether growth is as estimated.

4.1.5 Learning Disability 26+, Mental Health and Sensory & Autism Services:

- The +£1.8m pressure against Adult Learning Disability - Residential Care Services & Support for Carers is due to higher than anticipated demand and unit costs. The service is investigating the underlying causes.
- There are underspends reported against the Assessment Service Key Services due to continued slippages in recruitment.

4.1.6 Business Delivery Unit

There is a variance of -£0.7m reported against Adaptive & Assistive Technology as efficiencies within the procurement and running of this service which came into full effect in 2018-19 continue to deliver economies.

4.2 Children, Young People and Education

	Cash Limit	Variance	CDA Adj.	Revised
	Net	Net	Net	Net
	£m	£m	£m	£m
Strategic Management & Directorate Budgets (CYPE)				
Budget & Saving Plans to be allocated (CYPE)	-1.912	0.000		0.000
Strategic Management & Directorate Budgets (CYPE)	4.477	0.145		0.145
Total - Strategic Management & Directorate Budgets (CYPE)	2.565	0.145	0.000	0.145
Education Planning & Access				
Community Learning & Skills (CLS)	-0.990	0.000		0.000
Early Years Education	0.000	0.000		0.000
Education Services & Planning Resources Management & Division Support	0.918	0.081		0.081
Education Services provided by EDSECO Ltd (trading as The Education People)	3.177	-0.016		-0.016
Fair Access & Planning Services	0.010	0.001		0.001
Home to School & College Transport	39.232	0.590		0.590
Other School Services	-1.094	0.473		0.473
Special Educational Needs & Psychology Services	5.579	1.164		1.164
Total - Education Planning & Access	46.833	2.293	0.000	2.293
Integrated Services (East & West)				
Adoption & Special Guardianship Arrangements & Service	14.383	-0.500		-0.500
Asylum	0.000	0.459		0.459
Care Leavers Service	5.518	0.834		0.834
Children in Need - Care & Support	3.255	0.002		0.002
Children's Centres	3.448	0.015		0.015
Children's Social Work Services - Assessment & Safeguarding Service	46.768	0.106		0.106
Early Help & Preventative Services	6.081	-0.174		-0.174
Integrated Services (Children's) Management & Directorate Support	4.980	-0.067		-0.067
Looked After Children - Care & Support	58.049	-0.538		-0.538
Pupil Referral Units & Inclusion	0.000	0.000		0.000
Youth Services	3.914	0.211		0.211
Total - Integrated Services (East & West)	146.395	0.349	0.000	0.349
TOTAL- Children, Young People & Education	195.793	2.786	0.000	2.786

4.2.1 The forecast for Children, Young People and Education Directorate indicates an overall pressure of +£2.8m, of which +£0.5m relates to the Asylum service.

4.2.2 Education Planning & Access

The initial forecast for the Special Education Needs (SEN) Service suggests a pressure of at least +£1.2m. This budget should be considered in conjunction with the Schools High Needs budget pressure outlined in section 4.6 and Appendix 2 resulting from the continual rise in demand for Special Education Needs & Disability (SEND) support.

+£0.8m of the £1.2m budget pressure is caused by the SEN Implementation Grant coming to an end. This grant had previously been given by the Department of Education to help fund the cost of implementing the SEND reforms, including the conversion of statements to Education Health and Care Plans (EHCP). This piece of work has been completed successfully, however

it has not been possible to reduce services previously funded by this grant, as the demand for EHCP assessments and ongoing support has continued to rise. It is also important to note the current forecast does not include the costs associated with the implementation of the SEND Statement of Written Action recently submitted to OFSTED to address the outcomes of the recent SEND inspection report. The exact costs and timing of this plan are being finalised and further updates will be provided in the coming months.

There are also a number of pressures from 2018-19 which are expected to continue in 2019-20 including:

- +£0.7m shortfall in income to fund the costs of the 16+ Travel Card. A reduction in the number of users using the scheme has led to a reduction in the amount of income but costs have not reduced by the same proportion due to:
 - i. Costs being based on the actual number of journeys undertaken whilst charges are based on a flat rate fee. High users of the scheme continue to purchase the pass whilst occasional users are choosing to no longer take part.
 - ii. the unit price of travel rising by double the amount originally estimated over the course of 2018-19.
- +£0.5m various school related costs including revenue maintenance costs associated with schools which are expected to be more than the grant available.

4.2.3 Integrated Children's Services (East & West)

This initial forecast includes the following significant variances:

- The Care Leavers Service is forecasting a pressure of +£0.8m mainly due to higher than anticipated placement costs (+£0.6m). The Division has recently invested in a new floating support and accommodation services which is anticipated to deliver savings in the longer term by reducing the average cost of supporting young people. The transition period to the new service offer has taken longer than expected and has led to a short-term pressure on this service, where both old and new services continue to be commissioned. In addition, the service is having to use agency to cover vacancies and maternity leave leading to a small pressure on the staffing budget (+£0.2m). Work is ongoing to reduce the dependency on agency staff.
- Adoption Services are forecasting an initial underspend of -£0.5m. The forecast assumes similar trends as seen in 2018-19 for the growth of Special Guardianship Orders and reduction in adoption payments.
- The Looked After Children placement budget is forecasting -£0.5m underspend. This is being used to help offset the pressure in Care Leavers Service. This assumes current activity levels do not increase significantly during the year.

4.2.4 Specialist Children's Services – Asylum Seekers:

The estimated pressure for the Asylum Service is +£0.5m. This forecast takes into account the recent conclusions of the Unaccompanied Asylum Seeking Children (UASC) review where the grant rate paid for supporting 16- and 17- year olds had been increased to mirror the rate paid for under 16 year olds.

There is still a significant shortfall in funding to support Care Leavers and the forecast continues to assume the rate paid for Care Leavers will remain unchanged as there is no timescale for the completion of the Home Office funding review for Care Leavers.

KCC continues to pursue the Home Office for further funding to address the historic shortfall in funding received for asylum services in both 2017-18 and 2018-19 totalling £6.1m.

4.3 Growth, Environment and Transport

	Cash Limit	Variance	CDA Adj.	Revised Variance
	Net	Net	Net	Net
	£m	£m	£m	£m
Strategic Management & Directorate Budgets (GET)				
Budget & Savings Plans to be allocated (GET)	-0.127	0.000		0.000
Strategic Management & Directorate Budgets (GET)	1.289	0.047		0.047
Total - Strategic Management & Directorate Budgets (GET)	1.162	0.047	0.000	0.047
Economic Development				
Arts	1.584	-0.049		-0.049
Economic Development	2.449	0.064		0.064
Total - Economic Development	4.033	0.015	0.000	0.015
Highways, Transportation & Waste				
Concessionary Fares	17.225	0.000		0.000
Highway Asset Management (Other)	16.717	-0.210		-0.210
Highway Asset Management (Roads and Footways)	11.969	0.212		0.212
Highway Transportation (including School Crossing Patrols)	5.419	0.005		0.005
Highways, Transport & Waste Management Costs and Commercial Operations	4.858	0.314		0.314
Residual Waste	40.680	-0.013		-0.013
Subsidised Buses and Community Transport	6.199	0.001		0.001
Waste Facilities & Recycling Centres	30.835	-0.260		-0.260
Young Person's Travel Pass	8.058	0.000		0.000
Total - Highways, Transportation & Waste	141.959	0.049	0.000	0.049
Environment, Planning & Enforcement				
Environment & Planning	5.279	0.127		0.127
Environment, Planning & Enforcement Management Costs	0.653	0.042		0.042
Public Protection (Enforcement)	10.158	0.031		0.031
Total - Environment, Planning & Enforcement	16.090	0.200	0.000	0.200
Libraries, Registration & Archives	09.363	-0.001		-0.001
TOTAL - Growth, Environment & Transport	172.608	0.311	0.000	0.311

4.3.1 The overall position for the Directorate is a forecast variance of +£0.3m, with forecast pressures of +£0.8m being partially offset by forecast underspends of -£0.5m.

4.3.2 Highways, Transportation & Waste Division

Tonnage price pressures across all recycling contracts (mainly MRF and paper/card sale of recyclables income contract) are more than offset by a combination of savings on haulage fees, transfer station management costs, insurance costs and a small volume variance to leave an underspend of -£0.3m in Waste Facilities & Recycling Centres.

The Highways, Transport & Waste Management Costs and Commercial Operations pressure (+£0.314m) is made up of a number of smaller variances against staffing, non-staffing and income.

The service is currently showing a small underspend which is being managed.

4.3.3 Environment, Planning & Enforcement Division

There is a +£0.1m pressure relating to additional costs for the Gypsy & Traveller Service with most sites reporting urgent asset maintenance requirements. These works are being prioritised and some may be able to be deferred until 2020-21. A report to the July Environment and Transport Cabinet Committee will outline the future strategy for the service which includes the pitch improvement/site management policy, as well as the approach to rent and charges.

- 4.3.4 The directorate will look to identify management action which will be reflected through the monitoring report in subsequent months, with a view to achieving a balanced position overall by the year end and/or reflecting the changes in the Medium Term Financial Plan for 2020-21.

4.4 Strategic and Corporate Services

	Cash Limit	Variance	CDA Adj.	Revised Variance
	Net	Net	Net	Net
	£m	£m	£m	£m
Strategic Management & Directorate Budgets (S&CS)	-1.269	-0.001		-0.001
People & Communication				
Customer Contact, Communications & Consultations	5.477	0.059		0.059
Human Resources related services	7.635	-0.203		-0.203
Total - People & Communication	13.112	-0.145	0.000	-0.145
Finance	9.831	-0.294		-0.294
Governance & Law				
Governance & Law	5.490	0.031		0.031
Local Member Grants	1.215	0.000		0.000
Total - Governance & Law	6.705	0.031	0.000	0.031
Infrastructure				
ICT related services	16.538	0.015		0.015
Property related services	24.654	0.041		0.041
Total - Infrastructure	41.193	0.056	0.000	0.056
Strategic Commissioning including Public Health				
Strategic Commissioning	7.294	-0.003		-0.003
Public Health - Advice and Other Staffing	0.000	0.000		0.000
Public Health - Children's Programme	0.000	0.000		0.000
Public Health - Healthy Lifestyles	0.000	0.000		0.000
Public Health - Mental Health, Substance Misuse & Community Safety	0.000	0.000		0.000
Public Health - Sexual Health	0.000	0.000		0.000
Total - Strategic Commissioning including Public Health	7.294	-0.003	0.000	-0.003
Strategy, Policy, Relationships & Corporate Assurance	1.752	0.070		0.070
TOTAL - Strategic & Corporate Services	78.618	-0.286	0.000	-0.286

- 4.4.1 The Finance and People & Communications divisions are together forecasting an underspend of -£0.4m due to staffing vacancies. These are partially offset by small overspends totalling +£0.2m in the other divisions.
- 4.4.2 The Infrastructure division are working through some technical adjustments for property budgets due to the variation of the GEN2 contract and staffing restructures. This is not expected to result in any major variances. It is expected there will be a pressure for Oakwood House this year but this cannot be quantified with accuracy at this stage and will be reported on in future monitoring reports, along with any mitigating management action.

4.5 Financing Items and Unallocated

	Cash Limit	Variance	CDA Adj.	Revised Variance
	Net	Net	Net	Net
	£m	£m	£m	£m
Financing Items & Unallocated	116.631	-2.193		-2.193

4.5.1 An underspend of -£2.2m is forecast reflecting additional Extended Rights to Free Travel grant notified by Government since the 2019-20 budget was set (£0.1m) and underspending against the net debt costs budget (£2.1m) mainly as a result of higher forecast dividends from externally managed funds.

4.5.2 Additional S31 Business Rate Compensation Grant, following the reconciliation of unaudited figures for 2018-19, is estimated at £3.2m, however final audited figures will not be available until the late autumn. **Cabinet is asked to agree**, that consistent with last year, any additional Business Rates or Business Rate Compensation grant receipts over and above the 2019-20 budgeted level, are transferred to the local taxation equalisation reserve to smooth future fluctuations in the business rates baseline and collection fund, in order to make provision for the natural economic cycle of growth and recession. The forecast assumes that this additional estimated £3.2m of S31 Business Rate Compensation Grant will be transferred to reserves.

4.6 Schools delegated budgets:

The schools delegated budget reserves are currently forecast to end the financial year in surplus by £12.2m, compared to £26.9m at the start of the financial year. This is made up of a forecast surplus of £32.6m on individual maintained school balances and a deficit on the central schools reserve of £20.4m. The table below provides the detailed movements on each reserve. Appendix 2 also provides further detail on the High Needs pressure and the history of the Dedicated Schools Grant reserve:

	Individual School Reserves (£m)	Central Schools Reserve (£m)	Total School Reserves (£m)
Balance b fwd	33.384	(6.500)	26.884
Forecast movement in reserves:			
Academy conversions and closing school deficits	(0.804)	(0.315)	(1.119)
School Growth		3.095	3.095
High Needs		(13.871)	(13.871)
Various		(1.095)	(1.095)
Overspend on Central DSG budgets		(1.698)	(1.698)
Forecast reserve balance	32.580	(20.384)	12.196

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

The Schools' delegated budget is currently showing a pressure of £14.7m.

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

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	4.400	4.400	4.400	
Cantium Business Solutions	1.760	1.760	1.760	

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.

5.2 In addition, in line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between Key Service lines in light of the 2018-19 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier. Further details are provided in appendix 3. **Cabinet is asked to agree these changes to the cash limits as set out in Appendix 3.** The variances reflected in this report assume that these cash limit changes are approved.

6. SUMMARISED CAPITAL MONITORING POSITION

6.1 There is a reported variance of -£40.724m on the 2019-20 capital budget. This is made up of +£4.565m real variance and -£45.269m rephasing variance. Headline movements are detailed below by Directorate.

6.2 Table 3: Directorate **capital** position

Directorate	Working Budget (£m)	Variance (£m)	Real Variance (£m)	Rephasing Variance (£m)
Children, Young People & Education	103.127	4.317	6.467	-2.150
Adult Social Care & Health	11.330	-0.781	0.200	-0.981
Growth, Environment & Transport	199.261	-41.353	-1.686	-39.667
Strategic & Corporate Services	74.852	-2.907	-0.416	-2.491
TOTAL	388.570	-40.724	4.565	-45.289

6.3 Capital budget monitoring headlines

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

6.3.1 Children, Young People and Education

- Priority School Build Programme (PSBP): Real variance of +£4.647m. Of this, £4.469m is funded (£3.561m additional DFE funding for Lenham School, £0.108m additional DFE funding for demolition of the Norrington Centre and £0.820m funding from 2020-21 Modernisation towards Benenden Primary). Cash limits will be changed to reflect this, please see section 6.4. There is currently no identified funding for the remaining £0.178m overspend. Options will be considered on how to cover this.
- Basic Need Programme (KCP 2016, 2017 and 2018): The 19-20 variance is made up of +£2.220m real variance which is funded from additional developer contributions (£1.9m) and proposed virements from other projects within the capital programme. There is also rephasing to later years of -£2.150m which is mainly due to a change of contractor on a large school expansion.

Due to the enormity and complexity of the Basic Need Programme, there are both rephasing and real variances across the 3 Basic Need programme lines and over the 3 year capital programme. The table below summarises these variances and shows that even though there are overs and unders on each of the 3 programme lines, overall the forecast is a balanced position.

Programme	3 Year Cash Limits (£'000)	3 year Forecast (£'000)	3 Year Variance (£'000)	Funded (£'000)	Unfunded (£'000)
Basic Need KCP 2016 and Previous Years	53,617	57,966	4,349	420	3,929
Basic Need KCP 2017	122,682	125,487	2,805	1,900	905
Basic Need KCP 2018	68,317	63,483	-4,834		-4,834
			2,320	2,320	0

- Modernisation Programme: Real variance of -£0.250m, this is requested to be vired to Basic Need. Please see section 6.4 for proposed cash limit changes.
- Annual Planned Enhancement Programme: Real variance of -£0.170m. Requested to be vired to Basic Need. Please see section 6.4 for proposed cash limit changes.

6.3.2 Adult, Social Care & Health

- Learning Disability (LD) Good Day Programme: Real variance of +£0.773m. The real variance is due to additional funding being made available from projects elsewhere within the capital programme to allow streams of this programme to progress. Please see section 6.4 for proposed cash limit changes.
- Developer Funded Community Schemes: Real variance of -£0.373m to be allocated to the LD Good Day Programme.

- Home Support Fund and Equipment: Real variance of -£0.200m. This is a reactive budget, funded by revenue grant and is subject to in year fluctuations.

6.3.3 **Growth, Environment & Transport**

Highways, Transportation & Waste

- Highway Major Enhancement: Real variance of £1.632m. This is primarily concerned with the Brexit funding from Department for Transport and a £1.7m variance is being recorded against this budget line. This is however entirely offset by £1.7m underspend on the Brexit line within Integrated Transport.
- National Productivity Investment Fund Kent: Rephasing of -£4.064m. A number of challenges have been encountered during the design phase and a planning application is required for further development of the scheme. This has delayed the programme and contract award, now programmed to commence in December 2019.
- Kent Thameside Strategic Transport: Rephasing of -£4.945m. Ongoing negotiations are progressing regarding the timing of the developer contributions for the Ebbsfleet and Bean schemes, with KCC's contribution re-phased accordingly.
- Maidstone Integrated Transport: Rephasing of -£3.932m. The schemes have been developed further, with approval now in place, and this has led to a re-profiling of the expenditure.
- Dartford Town Centre Rephasing of +£1.027m. The profile for the expected drawdown of grant has been updated on this jointly managed scheme.
- Housing Infrastructure Fund: Rephasing of -£1.891m. The rephasing is due to a review of the programme of works to ensure the budget matches level of developer contributions that are currently available. Currently awaiting revised cost estimates for the Key Street phase.
- Thanet Parkway: Rephasing of -£7.504m. Ongoing technical discussions with Network Rail, re-submission of the planning application and awaiting confirmation of funding bids has resulted in a re-profiling of the budget. The design and build phase is now scheduled to occur in 2020-21.

Environment, Planning and Enforcement and Libraries, Registration and Archives

There are no variances that exceed the reporting thresholds.

Economic Development

- Kent & Medway Business Fund: Rephasing of -£12.835m, in line with realistic applications expected.

- Turner: Real variance of -£4.400m and rephasing of -£1.000m. The project has been re-scoped to deliver a number of small-scale packages focused on improving customer experience, environmental sustainability, essential maintenance and revenue generating capacity rather than the original scheme which included extending the facility. Please see section 6.4 for a request to reduce the cash limits accordingly. The outcome of an application to Arts Council Small Scale Capital is due in October, so the forecast expenditure has been re-profiled pending confirmation of this funding, which is essential to progress the scheme.
- Javelin Way Development: Rephasing of -£3.174m. Confirmation of the successful ACE funding bid was not announced until after the budget book was approved, so forecast expenditure has been re-profiled accordingly.
- Broadband Contract 2: Rephasing of -£1.349m to reflect ongoing contract negotiations on how the scheme will be delivered.
- Kent Empty Property Initiative – No Use Empty: Real variance of +£0.370m to reflect expected loan repayments during the year

6.3.4 **Strategic & Corporate Services**

- Dover Discovery Centre: Rephasing variance of -£2.496m. The construction period is now scheduled to start mid 2020-21 and the spend profile has been adjusted to reflect this.
- MOA Plus: Real variance of -£0.400m to reflect proposed virement to LD Good Day Programme in ASCH. Please see section 6.4 for proposed cash limit changes.

6.4 **Cash Limit Adjustments**

To Note

Directorate	Project	Year	Amount £m	Reason
CYPE	Priority School Build Programme (PSBP)	2019-20	+£3.669	Additional DFE funding
CYPE	Basic Need KCP 2017	2019-20	+£1.900	Additional developer contributions
S&CS	PIF	2019-20	+£2.227	To re-instate the PIF fund to £10m

For Approval

Directorate	Project	Year	Amount £m	Reason
ASCH	Developer Funded Community Schemes	2019-20	-£0.373	Request to vire developer contributions to the LD Good Day Programme
ASCH	LD Good Day Programme	2019-20	+£0.373	Request to vire developer contributions from Developer Funded Community Schemes
ASCH	LD Good Day Programme	2019-20	+£0.400	Request to vire funding from MOA+ (S&CS)
S&CS	MOA+	2019-20	-£0.400	Request to vire funding to LD Good Day Programme (ASCH)
CYPE	Annual Planned Enhancement Programme	2019-20	-£0.170	Request to vire to Basic Need Programme
CYPE	Modernisation Programme	2019-20	-£0.250	Request to vire £0.250m to Basic Need
CYPE	Basic Need Programme	2019-20	+£0.420	Requested virement from Annual Planned Enhancement Programme (£0.170m) and Modernisation Programme (£0.250m)
CYPE	Modernisation Programme	2020-21	-£0.820	Request to vire £0.820m to PSBP
CYPE	Priority School Build Programme (PSBP)	2019-20	+£0.820	Requested virement from 20-21 Modernisation Programme
GET	Turner	2019-20	-£4.400	To reduce cash limit to align with revised project costs and expected funding
GET	Highway Major Enhancement	2019-20	-£0.050	Requested virement to Integrated Transport
GET	Integrated Transport	2019-20	+£0.050	Requested virement from Highway Major Enhancement
GET	Highway Major Enhancement	2019-20	+£1.682	Requested virement from Integrated Transport to align budgets to works being carried out
GET	Integrated Transport	2019-20	-£1.682	Request to vire to Highway Major Enhancement

7. CONCLUSIONS

- 7.1 It is not unusual at this point in the financial year for the revenue position to show an overspend. However, the forecasts show the majority of the £44.9m 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.

8. RECOMMENDATIONS

Cabinet is asked to:

- 8.1 **Note** the forecast revenue budget monitoring position for 2019-20 and capital budget monitoring position for 2019-20 to 2021-22, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 8.2 **Agree** that any additional Business Rate receipts received over and above the 2019-20 budgeted amount, are transferred to the local taxation equalisation reserve to smooth future fluctuations in the business rates baseline and collection fund.
- 8.2 **Agree** the revenue budget realignment set out in Appendix 3.
- 8.3 **Agree** the capital budget realignment set out in section 6.4.

9. CONTACT DETAILS

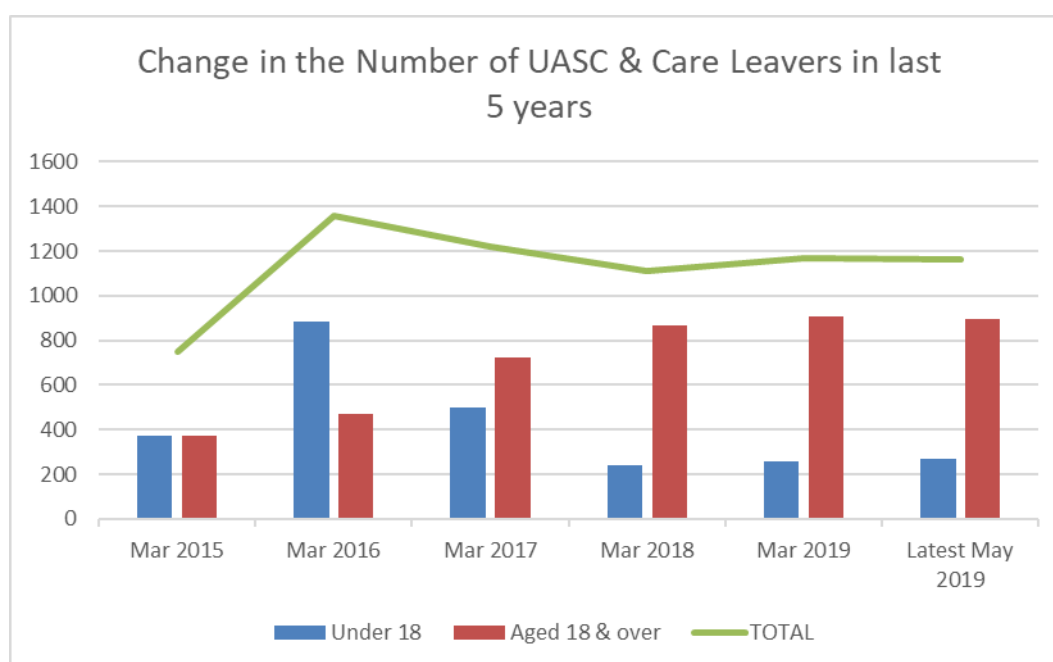
Head of Finance (Operations)	Cath Head Head of Finance (Operations) 03000 416934 Cath.Head@kent.gov.uk
Head of Finance (Policy, Planning & Strategy):	Dave Shipton Head of Finance (Policy, Planning & Strategy) 03000 419418 dave.shipton@kent.gov.uk
Report Authors:	Emma Feakins Chief Accountant 03000 416082 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

Unaccompanied Asylum Seeking Children (UASC) Key Activity Measures

1. Number of UASC & Care Leavers by age category

The number of UASC children is now over the minimum threshold of UASC for the authority as a % of population (231), the dispersal scheme has only transferred a minimum number of UASC to other local authorities in the last 9 months. The number of UASC Care Leavers over 18 years old remain relatively steady. The graph below shows the long-term trend in the Asylum children including the impact of the 2015 crisis.

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
May-18	30	188	879	1,097
Jun-18	34	194	880	1,108
Jul-18	37	199	887	1,123
Aug-18	40	203	888	1,131
Sep-18	44	207	878	1,129
Oct-18	44	210	874	1,128
Nov-18	43	232	877	1,152
Dec-18	41	236	885	1,162
Jan-19	30	220	901	1,151
Feb-19	29	222	902	1,153
Mar-19	33	226	907	1,166
Apr-19	30	232	905	1,167
May-19	34	235	893	1,162

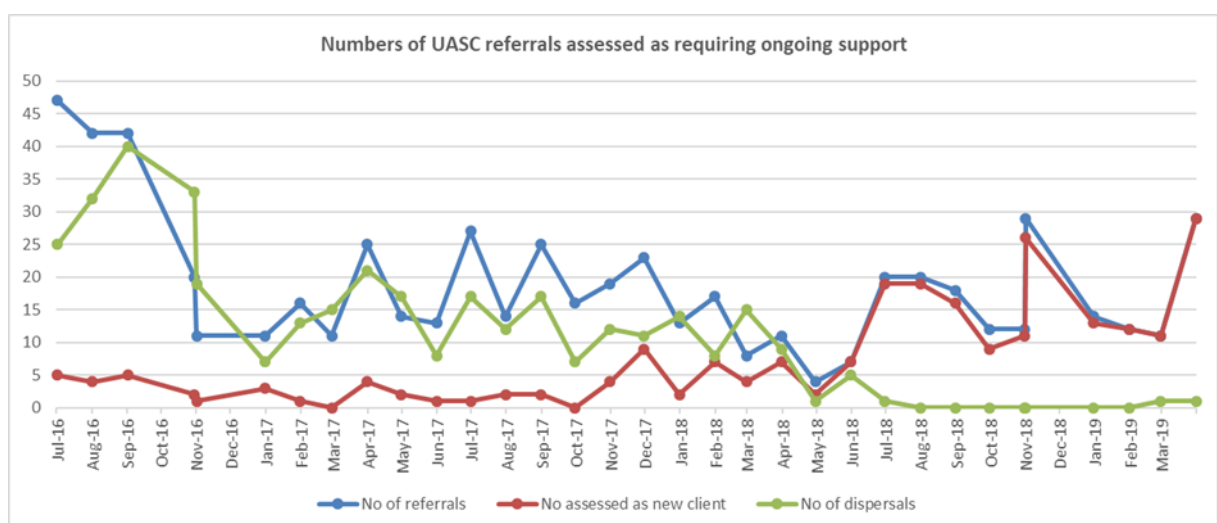


2. Numbers of UASC referrals, assessed as requiring ongoing support

The National Transfer Scheme (NTS) has been in operation since July 2016. NTS is a scheme to encourage other local authorities to volunteer to support UASC so there is a more even distribution of caring responsibilities across the country. In total there have been 361 dispersals from Kent arrivals since the scheme's introduction. During 2018-19, Kent had lower numbers of UASC than the threshold of 231 UASC's set by the Home Office and so new arrivals had not been referred to the dispersal scheme. However, since this time the number of UASC supported by Kent has since exceed this target with only a minimum number of dispersals made. Kent currently has 269 UASC.

	No of referrals	No assessed as new client	%	No of dispersals
Jun-18	20	19	95%	1
Jul-18	20	19	95%	0
Aug-18	18	16	89%	0
Sep-18	12	9	75%	0
Oct-18	12	11	92%	0
Nov-18	29	26	90%	0
Dec-18	14	13	93%	0
Jan-19	12	11	92%	0
Feb-19	11	11	100%	1
Mar-19	29	28	97%	1
Apr-19	15	14	93%	0
May-19	20	0	0%	0

*Please note we are waiting for confirmation of the May new client numbers and this will be updated in the next monitoring return.



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

2019/20	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
Mar-18	900	13	211	41	1,111	54
Mar-19	912	6	254	51	1,166	57
Apr-19	914	3	253	46	1,167	49
May-19	916	2	246	29	1,162	31
Jun-19					0	0
Jul-19					0	0
Aug-19					0	0
Sep-19					0	0
Oct-19					0	0
Nov-19					0	0
Dec-19					0	0
Jan-20					0	0
Feb-20					0	0
Mar-20					0	0

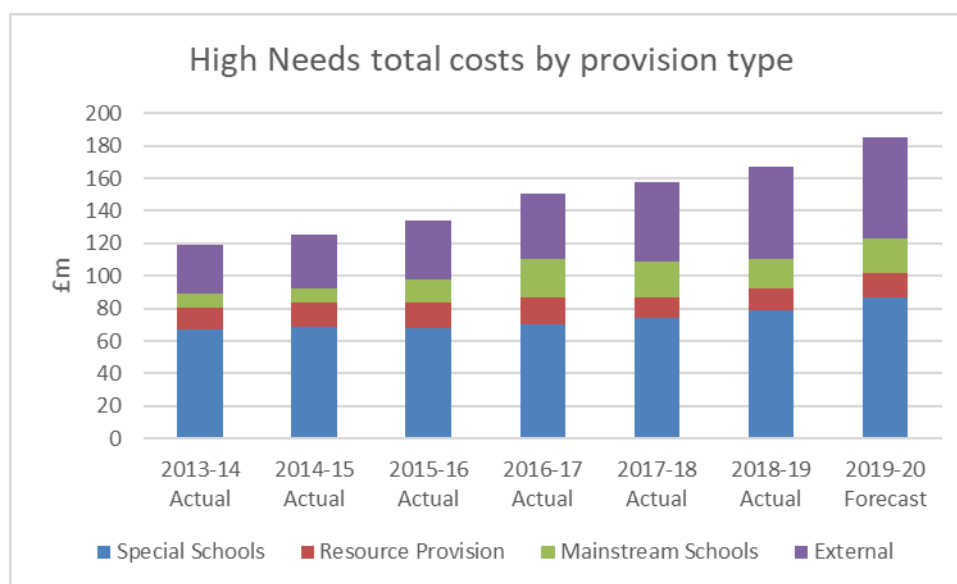
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

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.

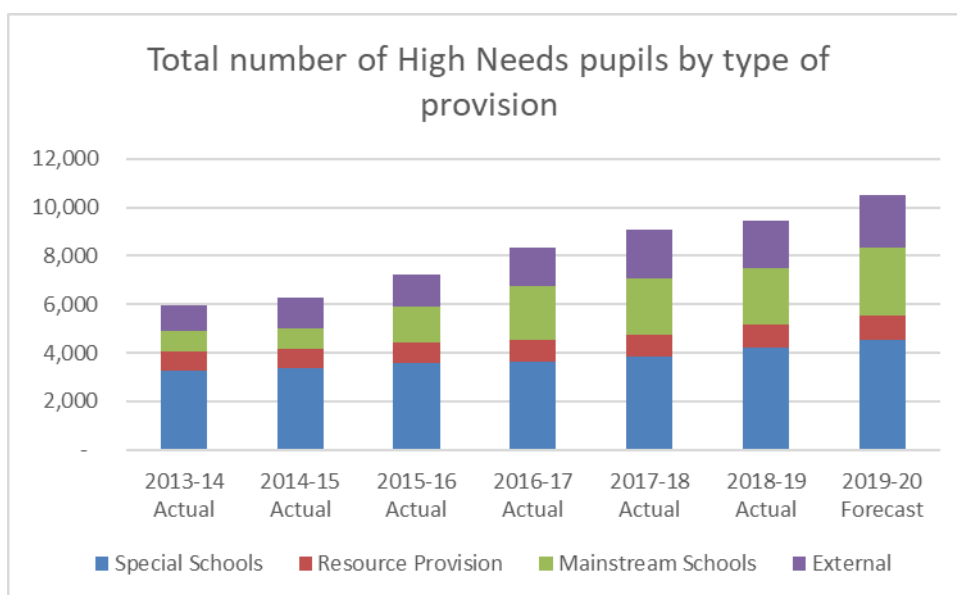
High Needs and Dedicated Schools Grant Key Indicators

1. High Need Placement Forecast

High Needs funding is part of the Dedicated Schools Grant (DSG) and is used to support the educational achievement of children and young people with special educational needs and disabilities (SEND). The current estimated in-year funding shortfall for High Needs is +£13.9m due to a combination of both higher demand and higher cost per child. There are a growing number of children and young people accessing High Needs funding and this rise has been most significant in those children being educated in special schools (both maintained and independent) rather than mainstream schools. These specialist types of provisions are normally more expensive, as these placements tend to be for those children and young people with the most profound and complex needs. The forecast for 2019-20 assumes the growth in type and number of funding requests will continue at the same rate as the previous year. Due to the unprecedented demand the exact growth is difficult to predict however early signs are in line with projections. The graphs below show total spend and pupil numbers for High Needs by type of provider.



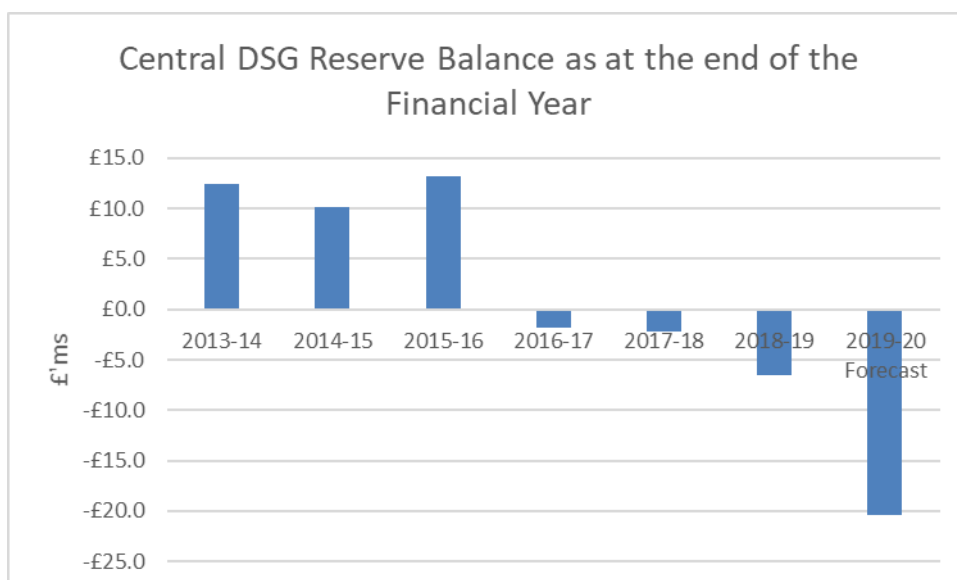
External includes all external education providers including independent non-maintained and FE Colleges.



External includes all external education providers including independent non-maintained and FE Colleges.

2. Dedicated Schools Grant Reserve

The DSG is a ring-fenced grant from the Education and Skills Funding Agency used to support schools, early years, high needs and some central education services. The DSG central reserve is one of the Council's earmarked reserves, any under or overspend from DSG funded services are transferred to the reserve at year end. Individual maintained school balances (surplus and deficit) are held separately. In recent years, the High Needs Block funding received each year has been insufficient to cover the increasing cost of the services resulting in an increasing deficit on the DSG central reserve. The graph below shows the trend in the DSG central reserve. The Department of Education has stipulated any authority holding an accumulated deficit of more than 1% of their total DSG income will be required to complete a deficit recovery plan. Based on current projections Kent will be required to complete the plan in 2020.



Realignment of revenue budgets

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between Key Service lines in light of the 2018-19 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier. Further details by directorate are provided below. **Cabinet is asked to approve these changes.** The variances reflected in this report assume that these cash limit changes are approved.

1. Adult Social Care and Health

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£930.0k gross and -£930.0k income. The most significant changes included within this are:

- The alignment of gross and income within OT staffing budgets to recognise income received from district and borough councils funding KCC staff placed supporting district level activity (+£398.6k gross, -£398.6k income);
- Adjusting budgets within *Partnerships and Engagement* to align income with monies received from Health (+£362.4k gross, -£362.4k);
- An increase in the KCC contribution to the Kent & Medway Safeguarding Adults Board (+£52.9k gross, -£52.9k income);
- Revision to Children's Commissioning budgets to reflect internal income transfer estimates in 2019-20 (+£77.3k gross, -£77.3k income).

The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes totalling +£321.8k gross and -£321.8k income:

- The alignment of Improved Better Care Fund Monies with 19-20 planned expenditure within Key Service lines (+£279.8k gross, -£279.8k income);
- Allocation of funding between key service lines for contracted price increases reflecting final negotiations with providers (+£42.0k gross, -£42.0k income);
- The distribution of agreed savings cash limits across Older Persons and Physical Disability Key Service lines – these have no effect on the overall total gross and income budgets;
- Realignment of budgets between the Business Delivery Unit and Strategic Management & Directorate Budgets (ASCH) in view of 2018-19 outturn expenditure and activity levels within the Adaptive & Assistive Technology Service (+/- £1,745.6k);
- Transfer of Sustainability and Transformation Partnership funding between Strategic Management & Directorate Budgets (ASCH) and Partnerships & Engagement divisions to reflect 19-20 spending plans (+/- £300.0k);
- Transfer of one post from the Business Delivery Unit to Learning Disability 26+ (+/- £26.0k);
- Transfer of one post from the Business Delivery Unit to 0-25 Disability (Lifespan Pathway) (+/- £27.3k);
- Transfer of budget between Key Service lines to adequately fund Social Support for Carers Services (+/- 20.0k);
- Transfer of 'Housing Related Support' budgets to Adult Learning Disability - Community Based Services & Support for Carers. This is reflective of 'Housing Related

Support' services commissioned for clients with Learning Disabilities contracts ending. Support for these clients is being provided through 'Learning Disability Community Based Services' such as 'Supporting Independent Living' services. (+/- £69.3k).

The overall movements are therefore an increase in gross of +£1251.8k and income of -£1251.8k giving an overall net change of nil. This is detailed by Key Service line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each Key Service budget line.

Key Service	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets (ASCH)									
Additional Adult Social Care Allocation	14,861.6	(6,164.4)	8,697.2	(3,991.8)	(3,818.8)	(7,810.6)	(18,853.4)	2,345.6	(16,507.8)
Budget & Saving Plans to be allocated	1,512.0	(69.0)	1,443.0	1,509.1	(69.0)	1,440.1	(2.9)	0.0	(2.9)
Strategic Management & Directorate Support (ASCH)	2,902.4	(213.3)	2,689.1	3,152.4	(213.3)	2,939.1	250.0	0.0	250.0
Total	19,276.0	(6,446.7)	12,829.3	669.7	(4,101.1)	(3,431.4)	(18,606.3)	2,345.6	(16,260.7)
Older People & Physical Disability									
Adult Physical Disability - Community Based Services	24,341.7	(3,536.9)	20,804.8	24,968.8	(3,590.0)	21,378.8	627.1	(53.1)	574.0
Adult Physical Disability - Residential Care Services	17,301.7	(2,490.4)	14,811.3	17,366.5	(2,490.4)	14,876.1	64.8	0.0	64.8
Carer Support - Commissioned	1,898.9	(1,332.4)	566.5	1,898.9	(1,332.4)	566.5	0.0	0.0	0.0
Older People - Community Based Services	48,167.8	(24,846.2)	23,321.6	57,200.4	(26,367.4)	30,833.0	9,032.6	(1,521.2)	7,511.4
Older People - Residential Care Services	98,934.8	(53,794.7)	45,140.1	99,754.8	(54,614.7)	45,140.1	820.0	(820.0)	0.0
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	25,832.4	(2,517.8)	23,314.6	26,950.5	(3,082.1)	23,868.4	1,118.1	(564.3)	553.8
Older People & Physical Disability - In House Community Homecare Service	9,103.6	(5,756.4)	3,347.2	9,682.2	(5,756.4)	3,925.8	578.6	0.0	578.6
Operational Budget & Savings Plans to be allocated	(3,200.0)	0.0	(3,200.0)	0.0	0.0	0.0	3,200.0	0.0	3,200.0
Total	222,380.9	(94,274.8)	128,106.1	237,822.1	(97,233.4)	140,588.7	15,441.2	(2,958.6)	12,482.6
0-25 Disability (Lifespan Pathway)									
Adult Learning & Physical Disability Pathway - Community Based Services	23,792.6	(818.1)	22,974.5	24,139.1	(818.1)	23,321.0	346.5	0.0	346.5
Adult Learning & Physical Disability pathway - Residential Care Services & Support for Carers	8,979.7	(535.2)	8,444.5	9,141.5	(535.2)	8,606.3	161.8	0.0	161.8
Children in Need (Disability) - Care & Support	5,125.4	(2.8)	5,122.6	5,125.4	(2.8)	5,122.6	0.0	0.0	0.0
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7,058.1	0.0	7,058.1	7,085.4	0.0	7,085.4	27.3	0.0	27.3
Looked After Children (with Disability) - Care & Support	10,385.7	(1,537.1)	8,848.6	10,385.7	(1,537.1)	8,848.6	0.0	0.0	0.0
Total	55,341.5	(2,893.2)	52,448.3	55,877.1	(2,893.2)	52,983.9	535.6	0.0	535.6

Key Service	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Learning Disability 26+, Mental Health and Sensory & Autism Services									
Adult Learning Disability - Assessment Service	5,602.5	(396.8)	5,205.7	5,628.5	(396.8)	5,231.7	26.0	0.0	26.0
Adult Learning Disability - Community Based Services & Support for Carers	77,383.9	(6,587.3)	70,796.6	78,568.4	(6,587.3)	71,981.1	1,184.5	0.0	1,184.5
Adult Learning Disability - Residential Care Services & Support for Carers	66,995.5	(5,638.1)	61,357.4	67,350.5	(5,638.1)	61,712.4	355.0	0.0	355.0
Adult Mental Health - Assessment Services	9,439.1	(294.8)	9,144.3	10,107.5	(360.2)	9,747.3	668.4	(65.4)	603.0
Adult Mental Health - Community Based Services	5,052.2	(367.6)	4,684.6	5,628.1	(367.6)	5,260.5	575.9	0.0	575.9
Adult Mental Health - Residential Care Services	12,859.2	(774.0)	12,085.2	13,652.9	(774.0)	12,878.9	793.7	0.0	793.7
Physical Disability 26+ Lifespan Pathway & Autism - Community Based Services	389.9	(8.3)	381.6	398.5	(8.6)	389.9	8.6	(0.3)	8.3
Physical Disability 26+ Lifespan Pathway & Autism - Residential Care Services	459.9	(0.1)	459.8	459.9	(0.1)	459.8	0.0	0.0	0.0
Sensory & Autism - Assessment Service	2,281.1	0.0	2,281.1	2,281.1	0.0	2,281.1	0.0	0.0	0.0
Total	180,463.3	(14,067.0)	166,396.3	184,075.4	(14,132.7)	169,942.7	3,612.1	(65.7)	3,546.4
Partnerships & Engagement									
Childrens Disability 0-18 Commissioning	1,730.0	(38.4)	1,691.6	1,768.8	(77.2)	1,691.6	38.8	(38.8)	0.0
Community Based Preventative Services	18,738.2	(5,610.3)	13,127.9	18,718.2	(5,610.3)	13,107.9	(20.0)	0.0	(20.0)
Housing Related Support	8,508.7	(1,448.0)	7,060.7	8,439.4	(1,448.0)	6,991.4	(69.3)	0.0	(69.3)
Partnership Support Services	1,741.2	(77.2)	1,664.0	2,498.6	(439.6)	2,059.0	757.4	(362.4)	395.0
Social Support for Carers	4,677.0	(1,746.7)	2,930.3	4,697.0	(1,746.7)	2,950.3	20.0	0.0	20.0
Total	35,395.1	(8,920.6)	26,474.5	36,122.0	(9,321.8)	26,800.2	726.9	(401.2)	325.7
Service Provision									
Divisional Management	353.2	0.0	353.2	353.2	0.0	353.2	0.0	0.0	0.0
Adult In House Carer Services	2,187.9	0.0	2,187.9	2,187.9	0.0	2,187.9	0.0	0.0	0.0
Adult In House Community Services	7,155.5	(70.7)	7,084.8	7,155.5	(70.7)	7,084.8	0.0	0.0	0.0
Adult In House Enablement Services	8,862.2	(5,774.0)	3,088.2	8,994.5	(5,774.0)	3,220.5	132.3	0.0	132.3
Looked After Children (with Disability) - In House Provision	3,456.5	(813.9)	2,642.6	3,533.8	(891.2)	2,642.6	77.3	(77.3)	0.0
Older People - In House Provision	24,234.8	(9,426.7)	14,808.1	24,994.8	(9,426.7)	15,568.1	760.0	0.0	760.0
Total	46,250.1	(16,085.3)	30,164.8	47,219.7	(16,162.6)	31,057.1	969.6	(77.3)	892.3
Business Delivery Unit									
Adaptive & Assistive Technology	11,155.9	(6,463.1)	4,692.8	9,477.1	(6,504.8)	2,972.3	(1,678.8)	(41.7)	(1,720.5)
Divisional & Directorate Support	9,045.1	(107.2)	8,937.9	9,239.3	(107.2)	9,132.1	194.2	0.0	194.2
Safeguarding Adults	474.3	(111.1)	363.2	531.6	(164.0)	367.6	57.3	(52.9)	4.4
Total	20,675.3	(6,681.4)	13,993.9	19,248.0	(6,776.0)	12,472.0	(1,427.3)	(94.6)	(1,521.9)
Adult Social Care & Health	579,782.2	(149,369.0)	430,413.2	581,034.0	(150,620.8)	430,413.2	1,251.8	(1,251.8)	(0.0)

2. Children, Young People and Education:

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£10,483.7k gross and -£10,483.7k income. The most significant changes included within this are:

- Increase in DSG to match the latest notification from the Education and Skills Funding Agency (+£10,217.9k gross, -£10,217.9k income);
- Increase in the Grant from the Department of Education to support Extended Personal Adviser duties to Care leavers up to the age of 25 (+£121.2k gross, -£121.1k income)
- Updated income budgets for Front Door Services and Special Educational Needs to reflect contributions towards services (+£143.5k gross, -£143.5k income).

The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- Realignment of the budgets between key service lines within Integrated Children Services to reflect the outcomes of the CYPE restructure of 2019, including the transfer of £1,422.5k savings from the line “Budget & Savings Plans to be Allocated” to relevant key service lines within Integrated Children Services Lines.
- All Senior Management Costs in Integrated Children’s Services have been transferred to the “Integrated Children Service management & Support line” to reflect their wider responsibilities across a range of different services following the restructure.
- The transfer of £591.7k savings from “Budget & Savings Plans to be Allocated” to Integrated Children Services service lines to reflect anticipated outcomes from Transformation Bid funded activities.
- Realignment of the Dedicated Schools Grant (DSG) to reflect 2018-19 costs and pressures, across Education Planning & Access the most significant being funding for Kent Association of Headteachers as agreed by Schools’ Funding Forum in 2017-18 (£100k) and updated budgets for Special Education Need Services (£795.5k); DSG funding for Pupil Referral Units was also updated.

The overall movements are therefore an increase in gross of +£10,483.7k and income of -£10,483.7k giving an overall net change of nil. This is detailed by Key Service line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each Key Service budget line.

Key Service	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets (CYPE)									
Strategic Management & Directorate Budgets	8,267.3	(3,643.6)	4,623.7	8,120.3	(3,643.6)	4,476.7	(147.0)	0.0	(147.0)
Budget & Saving Plans to be allocated (CYPE)	(3,926.3)	0.0	(3,926.3)	(1,912.1)	0.0	(1,912.1)	2,014.2	0.0	2,014.2
Total	4,341.0	(3,643.6)	697.4	6,208.2	(3,643.6)	2,564.6	1,867.2	0.0	1,867.2
Education Planning & Access									
Special Educational Needs & Psychology Services	77,185.2	(71,605.8)	5,579.4	78,111.2	(72,531.8)	5,579.4	926.0	(926.0)	(0.0)
Early Years Education	69,596.6	(69,596.6)	0.0	69,596.6	(69,596.6)	0.0	0.0	0.0	0.0
Home to School & College Transport	42,944.5	(3,712.4)	39,232.1	42,944.5	(3,712.4)	39,232.1	0.0	0.0	0.0
Fair Access & Planning Services	2,888.8	(2,878.6)	10.2	2,949.3	(2,939.1)	10.2	60.5	(60.5)	0.0
Education Services provided by EDSECO Ltd (trading as The Education People)	9,099.4	(5,922.0)	3,177.4	9,099.4	(5,922.0)	3,177.4	0.0	0.0	0.0
Community Learning & Skills (CLS)	12,843.2	(13,833.0)	(989.8)	12,843.2	(13,833.0)	(989.8)	0.0	0.0	0.0
Education Services & Planning Resources Management & Division Support	2,022.8	(1,105.0)	917.8	2,143.4	(1,225.6)	917.8	120.6	(120.6)	0.0
Other School Services	39,402.4	(40,496.2)	(1,093.8)	39,551.9	(40,645.7)	(1,093.8)	149.5	(149.5)	0.0
Total	255,982.9	(209,149.6)	46,833.3	257,239.5	(210,406.2)	46,833.3	1,256.6	(1,256.6)	0.0
Integrated Children's Services (East & West)									
Early Help & Preventative Services	17,705.7	(10,748.5)	6,957.2	16,771.6	(10,691.1)	6,080.5	(934.1)	57.4	(876.7)
Children's Centres	7,476.4	(4,028.1)	3,448.3	7,476.4	(4,028.1)	3,448.3	0.0	0.0	0.0
Youth Services	6,493.9	(2,524.4)	3,969.5	6,438.1	(2,524.4)	3,913.7	(55.8)	0.0	(55.8)
Pupil Referral Units & Inclusion	4,731.8	(4,731.8)	0.0	5,103.1	(5,103.1)	0.0	371.3	(371.3)	0.0
Looked After Children - Care & Support	62,328.4	(4,714.1)	57,614.3	62,762.7	(4,714.1)	58,048.6	434.3	0.0	434.3
Children in Need - Care & Support	3,408.2	(153.1)	3,255.1	3,408.2	(153.1)	3,255.1	0.0	0.0	0.0
Children's Social Work Services - Assessment & Safeguarding Service	50,934.8	(3,250.9)	47,683.9	50,090.1	(3,322.4)	46,767.7	(844.7)	(71.5)	(916.2)
Adoption & Special Guardianship Arrangements & Service	14,407.4	(103.0)	14,304.4	14,485.7	(103.0)	14,382.7	78.3	0.0	78.3
Care Leavers Service	8,598.4	(3,080.6)	5,517.8	8,719.6	(3,201.8)	5,517.8	121.2	(121.2)	0.0
Asylum	18,284.8	(18,284.8)	0.0	18,284.8	(18,284.8)	0.0	0.0	0.0	0.0
Integrated Services (Children's) Management & Directorate Support	8,146.2	(2,634.7)	5,511.5	7,615.1	(2,634.7)	4,980.4	(531.1)	0.0	(531.1)
Total	202,516.0	(54,254.0)	148,262.0	201,155.4	(54,760.6)	146,394.8	(1,360.6)	(506.6)	(1,867.2)
Schools' Delegated Budgets	629,101.9	(629,101.9)	0.0	637,822.4	(637,822.4)	0.0	8,720.5	(8,720.5)	0.0
Children, Young People & Education	1,091,941.8	(896,149.1)	195,792.7	1,102,425.5	(906,632.8)	195,792.7	10,483.7	(10,483.7)	0.0

3. Growth, Environment & Transport

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£508.8k gross and -£508.8k income. Significant changes included within this are:

- Increase in funding for Countryside Management Partnerships (+£273.4k gross and -£273.4k income);
- Increase in funding for Sports (+£235.4k gross and -£235.4k income)

The Directorate would also like to request formal virement through this report to reflect adjustments between Directorates as follows:

- A budget transfer from Financing Items - General in the Financing Items & Unallocated Directorate to Highways, Transport & Waste Management Costs and Commercial Operations in the Growth, Environment & Transport Directorate (+£250.0k gross) to reflect increased Waste Enforcement Activity;
- A budget transfer from Financing Items - General in the Financing Items & Unallocated Directorate to Public Protection (Enforcement) (+£100.0k) to reflect increased funding for the Kent Fire and Rescue Service.
- A budget transfer from Public Protection (Enforcement) in the Growth, Environment & Transport Directorate to Financing Items - General in the Financing Items & Unallocated Directorate to (-£185.0k gross) where Brexit costs are now being funded from a corporate reserve rather than base budget;

The overall movements are therefore an increase in gross of +£673.8k and income of -£508.8 giving an overall net increase of +£165.0k. This is detailed by Key Service line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each Key Service budget line.

Key Service	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets (GET)									
Strategic Management & Directorate Budgets (GET)	1,357.2	(68.0)	1,289.2	1,357.2	(68.0)	1,289.2	0.0	0.0	0.0
Budget & Savings Plans to be allocated (GET)	(127.1)	0.0	(127.1)	(127.1)	0.0	(127.1)	0.0	0.0	0.0
Total	1,230.1	(68.0)	1,162.1	1,230.1	(68.0)	1,162.1	0.0	0.0	0.0
Economic Development									
Economic Development	5,623.4	(3,174.5)	2,448.9	5,623.4	(3,174.5)	2,448.9	0.0	0.0	0.0
Arts	1,584.3	0.0	1,584.3	1,584.3	0.0	1,584.3	0.0	0.0	0.0
Total	7,207.7	(3,174.5)	4,033.2	7,207.7	(3,174.5)	4,033.2	0.0	0.0	0.0
Highways, Transport & Waste									
Highway Transportation (including School Crossing Patrols)	7,689.2	(2,270.4)	5,418.8	7,689.2	(2,270.4)	5,418.8	0.0	0.0	0.0
Highway Asset Management (Roads and Footways)	11,968.7	0.0	11,968.7	11,968.7	0.0	11,968.7	0.0	0.0	0.0
Highway Asset Management (Other)	20,666.3	(3,949.0)	16,717.3	20,666.3	(3,949.0)	16,717.3	0.0	0.0	0.0
Subsidised Buses and Community Transport	8,305.9	(2,106.8)	6,199.1	8,305.9	(2,106.8)	6,199.1	0.0	0.0	0.0
Concessionary Fares	17,271.6	(47.0)	17,224.6	17,271.6	(47.0)	17,224.6	0.0	0.0	0.0
Young Person's Travel Pass	15,990.5	(7,933.0)	8,057.5	15,990.5	(7,933.0)	8,057.5	0.0	0.0	0.0
Residual Waste	40,410.5	(92.3)	40,318.2	40,772.2	(92.3)	40,679.9	361.7	0.0	361.7
Waste Facilities & Recycling Centres	33,415.6	(2,218.8)	31,196.8	33,053.9	(2,218.8)	30,835.1	(361.7)	0.0	(361.7)
Highways, Transport & Waste Management Costs and Commercial Operations	7,274.8	(2,666.9)	4,607.9	7,524.8	(2,666.9)	4,857.9	250.0	0.0	250.0
Total	162,993.1	(21,284.2)	141,708.9	163,243.1	(21,284.2)	141,958.9	250.0	0.0	250.0
Environment, Planning & Enforcement									
Public Protection (Enforcement)	13,033.1	(2,790.3)	10,242.8	12,948.1	(2,790.3)	10,157.8	(85.0)	0.0	(85.0)
Environment & Planning	20,139.7	(14,860.7)	5,279.0	20,648.5	(15,369.5)	5,279.0	508.8	(508.8)	0.0
Environment, Planning & Enforcement Management Costs	661.4	(8.2)	653.2	661.4	(8.2)	653.2	0.0	0.0	0.0
Total	33,834.2	(17,659.2)	16,175.0	34,258.0	(18,168.0)	16,090.0	423.8	(508.8)	(85.0)
Libraries, Registration & Archives	15,752.7	(6,389.4)	9,363.3	15,752.7	(6,389.4)	9,363.3	0.0	0.0	0.0
Growth, Environment & Transport	221,017.8	(48,575.3)	172,442.5	221,691.6	(49,084.1)	172,607.5	673.8	(508.8)	165.0

4. Strategic and Corporate Services

The cash limits which the Directorate is working to and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received totalling +£770.8k gross and -£770.8k income. Significant changes included in this are:

- Public Health Academy £381.1k to reflect a revised level of external income.
- Realignment of the budgets within the finance pensions team. £291.7k;
- In property related budgets realignment to take account of changes in expected level of income £98.0k.

In addition, there are cash limits amounting to +£125.1k which have transferred from Financing Items to fund a shortfall in income (£75.1k) in Property Related Services and additional postage costs (£50.0k) in Finance.

There are a number of other technical adjustments between key services totalling +£170.5k gross and -£170.5k income the most significant for which is a realignment of Finance commissioning budget and third-party contracts +/-£119.2k.

The overall movements are therefore an increase in gross of total +£895.9k and income of -£770.8k, giving an overall net increase of +£125.1k. This is detailed by Key Service line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each Key Service budget line.

Key Service	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets (S&CS)	3,416.7	(4,685.6)	(1,268.9)	3,416.7	(4,685.6)	(1,268.9)	0.0	0.0	0.0
Engagement, Organisation Design &									
Human Resources Related Services	8,754.6	(1,088.9)	7,665.7	8,723.5	(1,088.9)	7,634.6	(31.1)	0.0	(31.1)
Customer Contact, Communications &	6,063.6	(586.7)	5,476.9	6,063.6	(586.7)	5,476.9	0.0	0.0	0.0
Total	14,818.2	(1,675.6)	13,142.6	14,787.1	(1,675.6)	13,111.5	(31.1)	0.0	(31.1)
Finance	15,826.7	(6,164.7)	9,662.0	16,287.6	(6,456.4)	9,831.2	460.9	(291.7)	169.2
Governance & Law									
Governance & Law	5,823.6	(333.8)	5,489.8	5,823.6	(333.8)	5,489.8	0.0	0.0	0.0
Local Member Grants	1,215.0	0.0	1,215.0	1,215.0	0.0	1,215.0	0.0	0.0	0.0
Total	7,038.6	(333.8)	6,704.8	7,038.6	(333.8)	6,704.8	0.0	0.0	0.0
Infrastructure									
Property Related Services	36,247.9	(11,668.8)	24,579.1	36,421.0	(11,766.8)	24,654.2	173.1	(98.0)	75.1
ICT Related Services	19,637.8	(3,011.4)	16,626.4	19,549.7	(3,011.4)	16,538.3	(88.1)	0.0	(88.1)
Total	55,885.7	(14,680.2)	41,205.5	55,970.7	(14,778.2)	41,192.5	85.0	(98.0)	(13.0)
Strategic Commissioning including Public Health									
Strategic Commissioning	7,996.7	(702.3)	7,294.4	8,048.0	(753.6)	7,294.4	51.3	(51.3)	0.0
Public Health - Children's Programme	30,995.7	(30,995.7)	0.0	30,995.7	(30,995.7)	0.0	0.0	0.0	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	12,258.7	(12,258.7)	0.0	12,258.7	(12,258.7)	0.0	0.0	0.0	0.0
Public Health - Sexual Health	12,765.1	(12,765.1)	0.0	12,765.1	(12,765.1)	0.0	0.0	0.0	0.0
Public Health - Healthy Lifestyles	8,201.0	(8,201.0)	0.0	8,201.0	(8,201.0)	0.0	0.0	0.0	0.0
Public Health - Advice and Other Staffing	4,247.6	(4,247.6)	0.0	4,577.4	(4,577.4)	0.0	329.8	(329.8)	0.0
Total	76,464.8	(69,170.4)	7,294.4	76,845.9	(69,551.5)	7,294.4	381.1	(381.1)	0.0
Assurance	3,438.1	(1,686.0)	1,752.1	3,438.1	(1,686.0)	1,752.1	0.0	0.0	0.0
Strategic & Corporate Services	176,888.8	(98,396.3)	78,492.5	177,784.7	(99,167.1)	78,617.6	895.9	(770.8)	125.1

5. Financing Items & Unallocated

The cash limit upon which the variances in this report are based include technical adjustments where there is no change in policy, including realignment to more accurately reflect current levels of retained business rates income and business rates compensation grant to be received, totalling +£7,337.6k gross. This is to be transferred to the local taxation equalisation reserve to smooth future fluctuations in the business rates baseline and collection fund, in order to make provision for the impact of the natural economic cycle of growth and recession. There are also a small number of other corporate adjustments which total +£59.9k gross, giving an overall change of +£7,397.5k. This is detailed by Key Service line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each Key Service budget line.

Financing Items & Unallocated									
Financing Items - General	118,294.1	(16,801.6)	101,492.5	125,506.6	(16,801.6)	108,705.0	7,212.5	0.0	7,212.5
Financing Items - Unallocated	7,828.5	(87.5)	7,741.0	8,013.5	(87.5)	7,926.0	185.0	0.0	185.0
Financing Items & Unallocated	126,122.6	(16,889.1)	109,233.5	133,520.1	(16,889.1)	116,631.0	7,397.5	0.0	7,397.5