



# Finance Monitoring Report

As at June (high level update for August) 2023-24

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By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services,  
Peter Oakford  
Corporate Director Finance, Zena Cooke  
Corporate Directors

To Cabinet – 05 October 2023

Unrestricted

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# 1 Introduction

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This report sets out an update of the Council's financial position. A high-level position as at the end of June 2023 was reported to Cabinet on 17<sup>th</sup> August with a forecast overspend of £43.7m before management action. This report provides more detail and further updates to the position reported at that meeting. The latest revenue forecast outturn position for 2023-24 before further management action is an overspend of £37.3m (excluding schools). The forecast overspend represents 2.8% of the revenue budget and presents a serious and significant risk to the Council's financial sustainability if it is not addressed as a matter of urgency. Within the overall outturn position there are still significant forecast overspends in Children's, Young People and Education totalling £28.5m, and in Adult Social Care & Health totalling £25.8m before management action.

Work has continued to identify and implement further management action that can be taken immediately in the current year, and over the medium term and is included in this report and in the "Securing Kent's Future" budget recovery plan. The management action is expected to reduce the 2023-24 forecast outturn position sufficiently to bring the budget back into balance. However, it should be noted, the majority of the management action is related to one-off measures, which means those spending reductions will not flow through into the 2024-25 budget position. The position after management action takes us to a balanced position. An updated position based on the end of August forecasts will be confirmed in the next few weeks; this will take account of the management actions now included in the forecast and any other changes to the forecast, particularly the latest underlying position in our people-based services.

Detailed analysis of the main areas of overspend has been and continues to be undertaken to fully identify the underlying causes, the degree of common features with the pressures experienced by other councils and how these will be mitigated. The Council will need to continue to limit its actions to focus on the most essential activities and priorities until the financial position is brought under control and stabilised. The outcome of the analysis, the related actions and progress to date in reducing the forecast overspend is presented in this report.

**Revenue and Capital budget adjustments are also included which require Cabinet approval.**

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| 1.1   | The overall Revenue forecast before managements action is +£37.3m overspend.   | The Revenue General Fund projected year end position is a net overspend of +£37.3m.<br><br>Overspends are forecast in CYPE, ASCH and GET with underspends in DCED, CED & NAC. The largest overspends are +£28.5m (7.9%) in CYPE and +£25.8m (4.9%) in ASCH, with an overspend in GET of +£0.8m (0.4%). NAC including Corporately Held Budgets is forecasting an underspend of -£15.2m, DCED is forecasting an underspend of -£2.5m and CED is forecasting an underspend of -£0.3m. Details can be found in the individual directorate sections.  |
| <hr/> |  |  |
| 1.2   | There is £27.9m of planned management action and £9.4m of new market sustainability and improvement fund (MSIF) grant which brings the forecast overspend to within budget | The overspend is reduced to bring the forecast outturn to within budget by the end of the financial year as a result of management action totalling £37.3m.<br><br>There is 27.9m of management action and £9.4m of MSIF grant<br><br>£10m has been identified by ASCH, £3.2m in CYPE, £1.5m in GET, £1.5m in CED and £0.3m in DCED. £11.4m has been identified to be met from reducing cross cutting non committed spend and will be removed across all directorates. The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and the grant will be used to fund the increased fees for new clients (subject to final |
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# 1 Introduction

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agreement of the plan for the use of this grant). Details of the management action can be found in section 12.

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| 1.3   | The Schools' Delegated Budgets are reporting an +£11.7m overspend. | The overspend position is +£11.7m. The forecast in year deficit on the High Needs budget is +£38m due to a combination of higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision.<br>In 2022-23 the Council entered into a "Safety Valve" agreement with the Department for Education (DfE) and the accumulated DSG deficit will reduce from an estimated £174m to £73m as at 31 <sup>st</sup> March 2024 as a result of contributions from the Council and DfE. |
| <hr/> |  |  |
| 1.4   | The Capital budget forecast is a net underspend of -£42.3m.        | The net underspend is made up of +£8.2 real overspend and -£50.5m slippage, which represents almost 15% of the budget.<br><br>The largest real variance is an overspend of +£12.4m in GET. Details can be found in the capital sections.<br><br>The major slippage is -£28.6m in GET and -£21.4m in CYPE. Details can be found in the capital sections.  |
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## 2 Recommendations

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### Cabinet is asked to:

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| 2.1  | Note the forecast revenue monitoring position of £37.3m overspend before management action   | Please refer to sections 3 to 9 for details    |
| 2.2  | Consider and note the management action of £27.9m and additional £9.4m MSIF grant identified to bring the Council to a balanced position | Please refer to sections 3 and 12 for details  |
| 2.3  | Agree the call-off contract award to the supplier known as Oxygen Finance Ltd for the supply of Early Payment Services                   | Please refer to section 12 for further details |
| 2.4  | Consider and note the structural budget deficits in both ASCH and CYPE   | Please refer to sections 3 to 9 for details    |
| 2.5  | Note the projected Schools' monitoring position of £11.7m overspend  | Please refer to section 10 for details         |
| 2.6  | Consider and note the progress on the delivery of £65.3m savings and increased income  | Please refer to section 11 for details         |
| 2.7  | Agree the transfer of £1m recurring saving from the recalculation of debt charges to a new capital reserve                               | Please refer to section 9 for details          |
| 2.8  | Agree the transfer of £2m from the Earmarked Reserve to Support Future Years Budget to a new Budget Recovery Reserve.                    | Please refer to appendix 4 for details         |
| 2.9  | Agree the transfer from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve                                      | Please refer to appendix 4 for details         |
| 2.10 | Note the forecast Capital monitoring position of £42.3m underspend   | Please refer to Section 13 for details         |
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## Recommendations

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| 2.11 | Note and agree the Revenue budget adjustments   | Please refer to Section 14 and Appendix 2 for details |
| 2.12 | Note and agree the Capital budget adjustments   | Please refer to Section 15 for details                |
| 2.13 | Note the Prudential Indicators report   | Please refer to Appendix 3 for details                |
| 2.14 | Note the Reserves monitoring position   | Please refer to Appendix 4 for details                |
| 2.15 | Delegate authority to the s151 Officer to, in consultation with the Leader of the Council, finalise and enter into relevant contracts to implement the required contract award      |   |
| 2.16 | Delegate authority to the s151 Officer to take other actions, including but not limited to entering into contracts or other legal agreements, as required to implement the decision |   |
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### 3 Revenue

General Fund projected +£37.3m overspend  
Dedicated Schools Grant (DSG) +£11.7m overspend

#### General Fund

#### Forecast position as overspend/(underspend)

Directorate	Revenue Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Adult Social Care & Health	527.5	553.3	25.8
Children, Young People & Education	360.9	389.4	28.5
Growth, Environment & Transport	195.5	196.3	0.8
Deputy Chief Executive Department	84.6	82.1	(2.6)
Chief Executive Department	33.9	33.6	(0.3)
Non Attributable Costs	116.1	100.9	(15.2)
Corporately Held Budgets	(0.3)	0.0	0.3
<b>General Fund</b>	<b>1,318.3</b>	<b>1,355.6</b>	<b>37.3</b>
<b>Ringfenced Items</b>			
Schools' Delegated Budgets	0.0	11.7	11.7
<b>Overall Position</b>	<b>1,318.3</b>	<b>1,367.3</b>	<b>49.0</b>

#### Position after management action:

#### General Fund

#### Updated forecast position as overspend/(underspend)

Directorate	Revenue Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance	Management Action	New Grant	Revised Net Revenue Forecast Variance
	£m	£m	£m	£m	£m	£m
Adult Social Care & Health	527.5	553.3	25.8	(10.0)		15.8
Children, Young People & Education	360.9	389.4	28.5	(3.2)		25.3
Growth, Environment & Transport	195.5	196.3	0.8	(1.5)		(0.7)
Deputy Chief Executive Department	84.6	82.1	(2.6)	(0.3)		(2.9)
Chief Executive Department	33.9	33.6	(0.3)	(1.5)		(1.8)
Non Attributable Costs	116.1	100.9	(15.2)			(15.2)
Corporately Held Budgets	(0.3)	0.0	0.3	(11.4)	(9.4)	(20.5)
<b>General Fund</b>	<b>1,318.3</b>	<b>1,355.6</b>	<b>37.3</b>	<b>(27.9)</b>	<b>(9.4)</b>	<b>0.0</b>
<b>Ringfenced Items</b>						
Schools' Delegated Budgets	0.0	11.7	11.7			11.7
<b>Overall Position</b>	<b>1,318.3</b>	<b>1,367.3</b>	<b>49.0</b>	<b>(27.9)</b>	<b>(9.4)</b>	<b>11.7</b>

#### General Fund

The General Fund forecast position is a net overspend of +£37.3m, with significant overspends in Children, Young People and Education of £28.5m and Adult Social Care & Health of £25.8m. The projected overspend represents 2.8% of the Revenue Budget and presents a serious and significant risk to the Council's financial resilience if it is not addressed.

Non Attributable Costs is forecasting an underspend of -£15.2m. £7m relates to the recalculation of debt charges and £6.5m is the estimated impact of the increase in the Bank of England base rate on the net debt costs budget since setting the budget in February, leading to a significantly higher forecast income return on investments.

Management action of £27.9m has been identified to bring the budget back into balance by the end of the financial year. The £11.4m management action shown against Corporately Held Budgets relates to cross cutting reductions to non committed spend and is removed across all directorates. To deliver this will require a relentless focus across the whole Council and close monitoring each month to ensure the actual spend is coming down as set out in the budget recovery plan. More detail of the management action can be found in Section 12. The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

The position after management action takes us to a balanced position. This is based on the forecast position as at the end of June updated at a high level throughout August. We will have a more detailed updated position based on the end of August forecasts in the next few weeks ; this will take account of the management actions now included in the forecast and any other changes, particularly the latest underlying position in our people-based services.

There are indications that the forecast position for Adult Social Care has increased in recent weeks due to increased demand especially in older person's residential and nursing care, supported living for younger adults alongside increases in the costs for those new people receiving care. It is also likely that some of the savings may also be delayed and a proportion will need to be reprofiled due to the need to consult and also to align with the forthcoming tenders of contracts. Additional capacity has been commissioned to enhance this process. Further management action is being worked on to offset some of this increase and will focus on the main areas of growth such as residential care and supported living, and this will be reported in more detail in November

### **Schools' Delegated Budgets**

The projected overspend for 2023-24 is +£11.7m, of which +£11.3 relates to the DSG deficit and +£0.4m against Individual School reserves relating to academy conversions.

The cumulative DSG deficit will increase from £61.4m to £72.7m by the end of 2023-24. This is a combination of the in-year DSG overspend of +£39.9m which is almost entirely due to an increase in the High Needs budget deficit; and Safety Valve contributions from the Council and DfE of -£14.4m and -£14.2m respectively. For more information, please refer to section 10.

	Forecast Variance		
	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance
	£m	£m	£m
Adult Social Care & Health Operations	488.4	520.2	31.8
Strategic Management & Directorate Budgets (ASCH)	29.1	23.0	(6.1)
Public Health	0.0	0.0	0.0
Business Delivery	10.0	10.1	0.1
<b>Adult Social Care &amp; Health</b>	<b>527.5</b>	<b>553.3</b>	<b>25.8</b>

The Adult Social Care & Health directorate has a forecast net overspend of +£25.8m.

Management action has been identified to reduce the whole Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

The Adult Social Care & Health Operations division is forecasting a net overspend of +£31.8m which is predominately due to Older People Residential Care Services which is forecasting a net overspend of +£16.2m.

There are indications that the forecast position for Adult Social Care has increased in recent weeks due to increased demand especially in older person's residential and nursing care, supported living for younger adults alongside increases in the costs for those new people receiving care. It is also likely that some of the savings may also be delayed and a proportion will need to be reprofiled due to the need to consult and also to align with the forthcoming tenders of contracts. Additional capacity has been commissioned to enhance this process. Further management action is being worked on to offset some of this increase and will focus on the main areas of growth such as residential care and supported living, and this will be reported in more detail in November

Details of the significant variances on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Older People - Residential Care Services (Adult Social Care & Operations)	+£16.2m	Inflationary pressures beyond budgeted levels	<p>+£16.0m of this overspend is driven by costs for older people accessing residential and nursing care services, of which +£3.1m is from use of short-term beds where individuals leave hospital with increasingly complex needs.</p> <p>It is estimated that the most significant element of this is in relation to the average cost of 'beds' which is the continuation of the trend that has been seen over the last 2 years, and mainly relates to the cost of new people being placed at a far higher cost than those leaving care. It is considered that this is in part due to the current hospital discharge process, which will be reviewed as part of management action, to ensure costs are shared appropriately.</p> <p>Other pressures on this service line include a +£0.2m increase in contributions to the provision for bad and doubtful debts.</p>

<p>Adult Physical Disability - Community Based Services (Adult Social Care &amp; Operations)</p>	<p>+£6.5m</p>	<p>Increases in Supported Living care packages</p>	<p>+£5.4m of the overspend relates to clients receiving supported living services with higher cost packages.</p> <p>This service line is also impacted by a service restructure where lifespan pathway and autism clients are no longer recorded separately for budget monitoring purposes. Cash limits will be realigned to match where spend is now recorded. This will be in part offset by the underspend against Physical Disability 26+ Lifespan Pathway &amp; Sensory and Autism 18+ - Community Based Services.</p> <p>+£1.2m overspend relates to pressures across other community services, predominantly homecare which is seeing an increase in the average number of hours being provided.</p>
<p>Adult Learning Disability - Community Based Services &amp; Support for Carers (Adult Social Care &amp; Operations)</p>	<p>+£5.5m</p>	<p>Increases in Supported Living care packages</p>	<p>+£5.4m of the overspend relates to clients receiving supported living services which is driven in the main by increased activity in terms of hours of support being provided as well as average costs being higher than anticipated, which is most likely due to continued use of non-framework providers. A review of the use of non-framework providers is being undertaken as part of the management action.</p>
<p>Adult Mental Health - Community Based Services (Adult Social Care &amp; Operations)</p>	<p>+£3.3m</p>	<p>Increases in Supported Living care packages</p>	<p>+£3.1m overspend relating to clients receiving supported living care packages, including an increase in average hours provided per client to meet more complex needs.</p> <p>+£0.2m overspend relates to more minor pressures across daycare, direct payments, and supported accommodation services.</p>
<p>Older People - Community Based Services (Adult Social Care &amp; Operations)</p>	<p>+£2.6m</p>	<p>Increases in Homecare packages</p>	<p>+£4.6m overspend relates to homecare services where there has been an increase in both the number of people receiving homecare services and an increase in the average number of hours of support provided. Further to this there is also an increase in average costs which is higher than anticipated, most likely due to the on-going use of non-framework providers who are typically higher cost. A review of the use of non-framework providers is being undertaken as part of the management action.</p> <p>The above pressures are offset by an underspend of -£2.0m across other older people community services, mainly due to direct payments.</p>

Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services (Adult Social Care & Operations)	-£4.8m	Pending realignment of budgets following division restructure	-£4.8m underspend due to service restructure where lifespan pathway and autism clients are no longer recorded separately for budget monitoring purposes. Cash limits will be realigned to match where spend is now recorded.
Provision for Demographic Growth - Community Based Services (Strategic Management & Directorate Budgets (ASCH))	-£5.1m	Release of centrally held funds.	This is the release of centrally held funds to partly offset pressures across ASCH operations.

	Forecast Variance		
	Budget	Revenue Forecast	Net Revenue Forecast Variance
	£m	£m	£m
Integrated Children's Services (Operations and County Wide)	264.7	280.9	16.1
Education & Special Educational Needs	94.2	106.7	12.5
Strategic Management & Directorate Budgets (CYPE)	2.0	1.8	(0.2)
<b>Children, Young People &amp; Education</b>	<b>360.9</b>	<b>389.4</b>	<b>28.5</b>
Earmarked Budgets Held Corporately	-0.2	0.0	0.2
<b>Net Total incl provisional share of CHB</b>	<b>360.8</b>	<b>389.4</b>	<b>28.6</b>

The Children, Young People & Education directorate is forecasting to be overspent by +£28.5m.

Integrated Children's Services (Operations and County Wide) is forecasting a net overspend of +£16.1m, predominately in Looked After Children Care & Support, which is forecasting an overspend of +£12m. Education and Special Educational Needs are forecasting a net overspend of £12.5m, +£9m of which relates to Home to School & College Transport.

Earmarked Budgets Held Corporately relates to an estimated saving from increased fees and charges following the adoption of a revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and these need to be brought forward to deliver the saving.

Management action has been identified to reduce the while Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position and it is the recurring actions that will help the 2024-25 position.

Details of the significant variances on the General Fund are shown here:

Key Service (Division)	Variance	Summary	Detail
Looked After Children Care & Support (Integrated Children's Services)	+£12m	Increase in number and cost of looked after children.	The number of Looked After Children (excluding Unaccompanied Asylum-Seeking Children) continued to rise during the latter part of 2022-23 whereas it had been anticipated these numbers would stabilise and start to reduce as the delays in the courts started to clear. Due to the ongoing challenges of recruiting in-house foster carers, children are being placed in increasingly more expensive alternatives including independent fostering agencies, unregulated semi-independent placements or residential care. Pressures in the market for suitable children's social

care placements are also causing the costs of placements to rise at a higher rate than inflation, compounded by placements made by other Local Authorities in the County and UASC numbers. The number of looked after children reached a peak at the end of April and has started to slowly reduce although not at the pace provided for in the budget. The forecast assumes the costs of placements will continue to rise and the number of LAC remains relatively constant leading to an overall pressure of £10.3m.

Invicta Law have increased their prices but have not been able to match this with efficiencies leading to a possible cost pressure around £1.0m, the remaining £0.7m overspend assumes spend will continue to remain at a higher level during 2023-24.

Care Leavers Service  
(Integrated Children's Services)

+£0.5m

Delay in implementation of Post 19 strategy saving

The service is exploring options to deliver the saving arising from the post 19 policy to support Young People to reach independence by their 19<sup>th</sup> birthday. The implementation of this strategy is linked to the new accommodation contract for shared housing which is expected to be implemented from the 28<sup>th</sup> October in line with the wider regulation changes in supported accommodation for looked after children.

Adult Learning & Physical Disability Pathway – Community Based Services (Integrated Children's Services)

+£3.7m

Increased cost of Supported Living, Direct Payments and Day Care

The number of supported living, direct payments and homecare packages have remained relatively static, however the average cost of packages continues to increase in response to the level of support required. The forecast assumes trends in both numbers and cost of support will continue to rise in a similar way as 2022-23, whilst savings are expected to take longer to realise than initially anticipated. The service has seen a reduction in the use of residential care (see compensating saving) but this has resulted in higher packages of community support contributing to the higher cost.

Home to School & College Transport (Education & Special Educational Needs)

+£9m

Increases in demand and costs of transport contracts

The initial forecast includes +£2.7m overspend on mainstream home to school transport and +£6.2m on SEN transport services.

Forecasts have been based on the current cost of transport. The average cost of both mainstream and SEN transport has continued to increase higher than inflation leading to an estimated pressure of £1.0m and £5.9m respectively, as a result of transport requirements and capacity limitations.

The forecast assumes the number of children requiring SEN transport will continue to increase in line with historic trends with the number travelling assuming to increase by around 8%. This is a consequence of the

higher EHCP numbers and greater number of children with SEN not being educated in their local school. Work to slow this trend is underway but it is not expected to impact significantly in the short term and this has been reflected in the budget plans (with a residual pressure of +£0.3m).

The mainstream home to school transport forecast reflects the full year effect of the increasing costs of transporting children in 2022-23, resulting from a combination of increasing numbers of children travelling during the Autumn and Spring Term coupled with the use of more expensive hired transport (+£1.4m). The forecast assumes the numbers travelling will continue to remain high leading to a further +£0.3m pressure.

Further updates to this forecast will be made once the September & October actual pupil numbers are known.

Other School Services (Education & Special Educational Needs)	+£2.1m	Use of temporary school accommodation. Increased cost of legal services and costs of surveys in schools	Delays in basic need projects have resulted in use of more temporary accommodation to ensure sufficient school places are available (+£1.0m). In addition, an initial pressure of +£1.1m for other school related costs has been based on historic trends including feasibility costs associated with capital surveys to inform future additional works and costs relating to capital works that are no longer progressing. This is an estimate only as these costs tend to be one-off and so will be reviewed regularly in future forecasts.
Educational Needs & Psychology Services (Education & Special Educational Needs)	+£1.4m	Use of agency staff to support delivery of Accelerated Progress Plan	To support the delivery of the Accelerated Progress Plan, the service is using agency staff to create additional capacity to support the implementation of the new SEN operating model and support permanent staff recently recruited to the new structure. This includes additional support for the processing of both annual reviews and Education, Health and Care Plan (EHCP) assessments.
Adult Learning & Physical Disability Pathway – Residential Care Services & Support for Carers (Integrated Children’s Services)	-£1.5m	Reduction in the number of residential care placements	The number of residential care placements has continued to reduce where young people are preferring to live in the community with support. This saving partially offsets the pressure on community services outlined above.
Children in Need (Disability) – Care & Support (Integrated Children’s Services)	+£1.8m	Daycare & direct payments trend in spend and delay in achieving savings	The cost of packages for disabled children continued to increase in the latter part of 2022-23 due to additional support required, whilst savings assumed the costs and numbers would start to stabilise and reduce where packages started to return to pre-COVID levels.

## 5 Children, Young People & Education

General Fund forecast +£28.5m overspend

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Children's Social Work Services – Assessment & Safeguarding Service (Integrated Children's Services)	-£0.8m	Savings on the costs of agency staff.	The costs of agency staff have not increased in line with inflation as anticipated leading to a possible saving of £0.6m.
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	Forecast Variance		
	Budget	Revenue	Net
		Forecast	Revenue
£m	Outturn	Forecast	Variance
	£m	£m	£m
Highways &Transportation	70.6	70.1	(0.5)
Growth & Communities	31.1	31.4	0.2
Environment & Circular Economy	92.3	93.5	1.1
Strategic Management & Directorate Budgets (GET)	1.4	1.4	0.0
<b>Growth, Environment &amp; Transport</b>	<b>195.5</b>	<b>196.3</b>	<b>0.8</b>
Earmarked Budgets Held Corporately	-0.3	0.0	0.3
<b>Net Total incl provisional share of CHB</b>	<b>195.2</b>	<b>196.3</b>	<b>1.1</b>

The Growth, Environment & Transport Directorate is projected to be overspent by £0.8m. All services/budgets across the directorate will continue to review their staffing and spend levels to ensure only essential spend is incurred and income/activity levels will continue to be reviewed and reflected, as and when such opportunities are identified. A number of the budgets are volatile and demand/activity driven, favourable movements in those areas will help to reduce the overspend but a number, as explained below, have all moved in the wrong direction at the present time.

Earmarked Budgets Held Corporately relates to an estimated saving from increased fees and charges following the adoption of a revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and at this stage no such decisions have yet been presented or taken.

Management action has been identified to reduce the whole Council overspend – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

Details of the significant variance on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Waste Facilities & Recycling Centres (Environment & Circular Economy)	+£1.5m	Delayed HWRC saving, plus increased volumes of waste	<p>Part of the projected overspend is as a result of a delay in the proposed review of the Waste HWRC service (+£0.5m). An Informal Members Group (IMG) has been established to assess the options prior to the consultation being launched. The overspend is the non-delivery of the 2023-24 part-year effect of the planned 2-year £1.5m budget reduction.</p> <p>Increased prices on the Material Recycling Facilities contract (+£0.4m), which are highly variable and based on market commodity prices and volumes of materials are offset in part by a net underspend on other prices primarily on the sale of recyclables (paper and card) and reduced volumes of garden waste for composting (-£0.2m).</p>

There are overspends within haulage (+£0.4m) and tonnage volumes (+£0.2m) and minor variances across other areas of recycling (+£0.2m).

<p>Public Protection (Enforcement) (Growth &amp; Communities)</p>	<p>+£0.3m</p>	<p>Coroners' pressures plus delay to Community Wardens saving</p>	<p>Within this is an overspend on the Coroners Service resulting from postmortem fees, funeral director costs and NHS Mortuary costs (+£0.3m). The increased duration of the required public and staff consultations to achieve the budget reduction from the review of the Community Warden service represents part of the division's pressures (net £0.2m). Management actions will be implemented to manage the Community Warden overspend insofar as all current and future vacancies will remain unfilled and this has helped to reduce the forecast overspend this month. The full budget reduction for 23-24 was £0.5m.</p>
<p>Highways &amp; Transportation Divisional Management Costs (Highways &amp; Transportation)</p>	<p>-£0.2m</p>	<p>Additional income and other minor variances</p>	<p>Additional grant income within the Public Transport budget, plus vacancies and other minor variances.</p>
<p>Residual Waste, (Environment &amp; Circular Economy)</p>	<p>-£0.2m</p>	<p>Increased tonnes offset by lower than budgeted price</p>	<p>An overspend resulting from additional tonnes and extra haulage (+£0.4m) is more than offset by a reduced price for Allington Waste to Energy plant, as the contractual uplift based on April RPI was lower than the budgeted estimate (-£0.6m).</p>
<p>Highway Assets Management (Highways &amp; Transportation)</p>	<p>-£0.3m</p>	<p>Favourable energy prices and income offset by winter price uplift and tunnels/structures pressures</p>	<p>The main reason for this variance is an underspend on Streetlight energy following recent confirmation of a reduced summer price for electricity plus estimated savings on the winter rate for the proportion of energy that has already been purchased; both are below budgeted rates (-£1.6m). This higher than required budget allocation, together with additional income (-£0.3m), more than offset pressures against Winter Service, where there is a projected price uplift in the contract (+£0.8m), and additional activities for tunnels and structures (+£0.7m). The position has also improved from last month as the forecast assumes £0.3m of DfT funding to support border management activity, which was previously forecast as an overspend.</p>

	Budget	Forecast Variance	
		Revenue Forecast	Net Revenue Forecast
		Outturn	Variance
	£m	£m	£m
Infrastructure	7.9	7.9	0.0
Strategic Management & Departmental Budgets (DCED)	5.4	5.4	0.0
Technology	25.5	25.5	0.0
Corporate Landlord	33.8	31.3	(2.5)
Marketing & Resident Experience	6.8	6.8	0.0
Human Resources & Organisational Development	5.3	5.2	(0.1)
<b>Deputy Chief Executive's Department</b>	<b>84.6</b>	<b>82.1</b>	<b>(2.6)</b>
Earmarked Budgets Held Corporately	-0.1	0.0	0.1
<b>Net Total incl provisional share of CHB</b>	<b>84.6</b>	<b>82.1</b>	<b>(2.5)</b>

The Deputy Chief Executive's Department is forecasting to underspend by -£2.6m.

Management action has been identified to reduce the overspend across the whole Council– the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position..

Details of the significant variances on the General Fund are shown here:

Key Service (Division)	Variance	Summary	Detail
Corporate Landlord	-£2.5m	Utilities underspend due to provider revised cost estimate.	There is -£2.5m underspend within the Corporate Landlord budget. This is due to reduced utilities forecast. The budget for utilities was calculated using forecast estimates from our utilities provider (Laser). Since that time the wholesale price of energy has dropped, and Laser have revised their usage estimates resulting in a forecast underspend in 2023-24.

	Budget £m	Forecast Variance	
		Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m
Finance	13.0	13.0	(0.1)
Strategic Commissioning	7.6	7.6	0.0
Governance, Law & Democracy	8.3	8.1	(0.2)
Strategy, Policy, Relationships & Corporate Assurance	5.4	5.4	0.0
Strategic Management & Directorate Budgets (S&CS)	(0.5)	(0.5)	0.0
<b>Chief Executive's Department</b>	<b>33.9</b>	<b>33.6</b>	<b>(0.3)</b>

The Chief Executive's Department is forecasting to underspend by -£0.2m.

Management action has been identified to reduce the overspend across the whole Council – the detail of the management action is set out in section 12. The management action will need to be delivered to get the Council to a balanced position with the actions that have a recurring impact helping the 2024-25 position.

Details of the significant variance on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Governance, Law & Democracy (Governance & Law)	-£0.2m	Underspend against schools appeals and Member's travel.	Governance and Law have a forecast underspend of -£0.2m. -£0.1m is related to reduced costs of appeals due to the loss of some of the larger schools not asking us to undertake the appeals process. -£0.1m is due to reduced costs of Member's travel.

	Forecast Variance		
	Budget	Revenue	Net
		Forecast	Revenue
£m	Outturn	Forecast	Variance
	£m	£m	£m
Non-Attributable Costs	116.1	100.9	(15.2)
Earmarked Budgets Held Corporately	0.2	0.0	(0.2)
<b>Net Total incl provisional share of CHB</b>	<b>116.3</b>	<b>100.9</b>	<b>(15.4)</b>

The Non-Attributable Costs are forecasting to be underspent by (£15.2m).

£7m of the underspend relates to the annual recalculation of debt charges that has been completed and due to the decisions that Members have taken to contain the capital programme, the significant levels of slippage of the capital programme in 2022-23, and changes in interest rates £8m can be released from the debt charges budget, £4m of this is on a recurring basis, with £4m as a one-off in 2023-24. It is proposed to use £1m of the recurring saving as an annual revenue contribution to a new capital reserve to meet the cost of emergency capital events, giving an overall saving of £7m this financial year. This saving does not impact our prudent Minimum Revenue Provision policy which is unchanged.

Details of the significant variances on the General Fund are shown below:

Key Service (Division)	Variance	Summary	Detail
Non-Attributable Costs	-£15.2m	Recalculation of debt charges and increase in forecast return from investments	<p>-£7.0m relates to the recalculation of debt charges.</p> <p>-£6.5m is the estimated impact on the net debt costs budget of the increase in the Bank of England base rate since setting the budget, leading to a significantly higher forecast income return on investments.</p> <p>-£1.1m increase in Retained Business Rates levy for 2022-23 compared to the level of debtor raised at the end of the financial year.</p> <p>-£0.5m provisional adjustments for the 2022-23 and 2021-22 Business Rates Compensation Grants including Covid Additional Relief Fund, based on provisional NNDR3 information.</p> <p>In addition to the £15.2m underspend there are other significant items to report that have a net nil impact on the NAC projected position, as detailed below.</p> <p>Minimum Revenue Provision (MRP) has been recalculated based on assets completed in 2022-23. This has resulted in a saving of £0.3m. In line with usual practice, it is intended that this underspend is transferred to the MRP smoothing reserve to be used to fund future fluctuations in MRP, therefore there is no overall impact in the current year.</p>

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A forecast overspend of £0.8m against the Insurance Fund mainly due to increased cost of premiums including Insurance Premium tax will be offset by a drawdown from the Insurance Reserve. The increase cost of the premiums will need to be factored into the 2024-27 MTFP as it is not sustainable to continue to fund this from reserves.

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Corporately Held Budgets	-£0.2m	Residual of Pay Pot
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The residual of the pay pot after funding staff pay increases in accordance with policy.

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## 10 Schools' Delegated Budgets

**The Schools' Budget reserves are forecast to end the financial year with a surplus of £60.7m on individual maintained school balances, and a deficit on the central schools' reserve of £72.7m. The year end position on the Dedicated Schools Grant of £1,622.9m is a £39.9m overspend.**

The balances of individual schools cannot be used to offset the overspend on the central schools' reserve and therefore should be viewed separately.

The Central Schools Reserve holds the balance of any over or underspend relating to the Dedicated Schools Grant (DSG). This is a specific ring-fenced grant payable to local authorities to support the schools' budget. It is split into four main funding blocks: schools, early years, high needs and central, each with a different purpose and specific rules attached. The Council is required to hold any under or overspend relating to this grant in a specific reserve and is expected to deal with any surplus or deficits through future years' spending plans. The tables below provide the overall position for the DSG in 2023-24 (table 1) and an overview of the movements on both the central schools' reserve and individual schools' reserves (table 2).

Table 1 Dedicated Schools Grant (DSG) 2023-24 Forecast Summary:

DSG Block	2023-24 Total Budget* £'ms	2023-24 Forecast £'ms	2023-24 Forecast Variance £'ms
Schools Block	1,190.1	1,189.2	-0.9
High Needs Block	323.0	364.4	+41.4
Early Years Block	97.9	97.3	-0.6
Central Services to Schools Block	11.9	11.9	0.0
Total DSG 2023-24	1,622.9	1,662.8	+39.9

\*Before recoupment and other DfE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £10m from the Schools block to the High Needs Block as agreed by the Secretary of State.

Table 2: Overall Forecast Position for the Schools Budget Reserves:

	Individual Maintained School Reserves £'ms	Central Schools (DSG) Reserve £'ms
Reserve Balance as at 1 <sup>st</sup> April 2023*	61.1	-61.4
<i>Forecast contribution to/(from) reserves:</i>		
Academy Conversions	-0.4	
Change in School Reserve Balances	0	
Overspend on DSG 2023-24		-39.9
Safety Valve: Local Authority Contribution		14.4
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31 <sup>st</sup> March 2024*	60.7	-72.7

\*Positive figure is a surplus balance & negative balance is a deficit balance

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the Department for Education (DfE) advice that local authorities cannot repay deficits on the DSG from the General Fund without Secretary of State approval, the central schools (DSG) forecast deficit balance of £72.7m is held in a separate unusable reserve from the main council reserves (see appendix 4). DLUHC have confirmed this statutory override will be in place until March 2026 whilst Councils implement recovery plans.

## 10 Schools' Delegated Budgets

In 2022-23, the Council entered the DfE's Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery; this includes annual funding from the DfE, totalling £140m by 2027-28, to pay off part of the deficit but only if the Council can demonstrate and deliver a credible plan. Over the same period the Council is also expected to contribute towards the residual deficit estimated to total over £80m. The DSG deficit is the Council's single biggest financial risk; therefore, the successful implementation of the Council's deficit recovery plan is critical. It is recognised, the Government's proposals to reform the SEND and alternative provision (AP) system to support a more sustainable high needs funding will not impact immediately and local actions are required.

In 2023-24, the Council is expecting to receive £14m from the DfE, the second tranche of the £140m safety valve commitment, with the Council required to contribute a further £14m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £174m to £73m as at 31<sup>st</sup> March 2024.

Key Issues	Details
Individual Maintained Schools Reserves	<p>As at 31<sup>st</sup> March 2023, there were 299 maintained schools with a surplus reserve balance and 5 schools with a deficit reserve balance. Maintained Schools are required to submit a six &amp; nine-month monitoring return each financial year and these forecasts will be reported in future reports. The Council commissions The Education People to support Schools with their recovery plans.</p> <p>This forecast includes 5 schools converting to academy status during 2023-24. When a maintained school converts to an academy status, the council is no longer responsible for holding the schools reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion.</p>
School Block: Underspend falling roll funding	<p>The Schools Block funds primary and secondary core schools' budgets including funding for additional schools places to meet basic need or to support schools with significant falling rolls.</p> <p>The majority of the Schools' Block underspend is due to an anticipated underspend on the Falling Roll fund based on eligibility to access the fund.</p>
Early Years Block: general underspend	<p>The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, along with the funding of some council led services for early years.</p> <p>Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to under or overspends if activity is slightly lower or higher than expected. This has led to an underspend of £0.7m against a budget of £98m, and in line with DfE guidance (on the use of DSG), this will be used to partly fund spend on the Early Years SEN Inclusion Fund, which is currently funded from the High Needs Block, and reduces the overspend on High Needs Block.</p>
High Needs Block: Higher demand and higher cost for high needs placements.	<p>The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision. The HNB funds payments to maintained schools and academies (both mainstream and special), independent schools, further education colleges, specialist independent providers and pupil referral units. Some of the HNB is also retained by KCC to support some SEND services (staffing/centrally</p>

Safety Valve  
Payment & Local  
Authority  
Contribution.

commissioned services) and overheads. Costs associated with the EHCP assessment and annual review process are met from the General Fund and are not included in this section of the report.

The in-year funding shortfall for High Needs placements and support in 2023-24 is +£38m due to a combination of both higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision. Levels of growth are expected to be similar to previous years whilst actions to support future financial sustainability are implemented.

Many other councils are also reporting deficits on their high needs block, despite extra monies from the Government in recent years, resulting from significant increases in their number of EHCPs and demand for SEN services. However, the increases locally have been increasing at a significantly faster rate than other comparative councils and the council is placing a greater proportion of children in both special and independent schools compared to other councils, and a smaller proportion of children with SEND in mainstream schools. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table: Total Spend on High Needs Block by main spend type

	20-21 £'ms	21-22 £'ms	22-23 £'ms	23-24 £'ms
Maintained Special School	106	123	137	150
Independent Schools	49	60	68	76
Mainstream Individual Support & SRP* **	46	54	61	66
Post 16 institutions***	17	19	21	22
Other SEN Support Services	49	43	48	51
Total Spend	264	299	334	364

\*Specialist Resource Provision

\*\* Please note this data excludes any costs incurred by primary & secondary schools from their own school budget.

\*\*\*Individual support for students at FE College and Specialist Provision Institutions (SPIs)

Table: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is not the total number of children with SEN or number of EHCPs.

	20-21 No	21-22 No	22-23 No	23-24 No
Maintained Special School	5,118	5,591	6,019	6,492
Independent Schools	1,126	1,348	1,485	1,590
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,306
Post 16 institutions***	1,281	1,453	1,569	1,657
Total Number of Pupils	12,035	13,650	14,845	16,045

Table: Average cost of HNB funded pupils receiving individualised SEN Support or placement cost.

	20-21 £s per pupil	21-22 £s per pupil	22-23 £s per pupil	23-24 £s per pupil
Maintained Special School	£20,629	£21,648	£22,640	£23,156
Independent Schools	£43,734	£44,799	£44,911	£47,799
Mainstream Individual Support & SRP* **	£10,294	£10,245	£10,578	£10,399
Post 16 institutions***	£13,309	£13,090	£12,927	£13,064

The safety valve agreement, sets out the key actions the Council intends to take to achieve a positive in-year balance on its central schools DSG reserve by the end of 2027-28 and in each subsequent years. The actions are co-terminus with our strategy to support improvements across the SEN system in response to the SEN Improvement Notice through the delivery of the Accelerated Progress Plan. The impact of these actions will not be immediate and will take several years to be fully embedded.

# 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

The budget agreed at County Council included the requirement to deliver savings and increased income totalling £65.3m during 2023-24. A further £4.4m of undelivered savings from the previous year are included in the overall 2023-24 savings requirement of £69.9m. This section does not include changes to Grant Income of £34.7m, savings of less than £50k totalling £0.2m and £10.7m for the removal of one-off or undelivered savings from 2022-23. The breakdown of the position is as follows:

- £52.5m of the overall total £65.3m agreed savings are on track to be delivered
- £4.4m of savings brought forward from the previous year are forecast to be delivered.
- The Public Health, CED and DCED savings for 2023-24 are £3.4m and are on track to be delivered
- The NAC overachieved saving of £6.5m relating to investment income saving is due to increases in the base interest rate.
- A net position of £12.8m is forecast for ASCH, CYPE, GET and CHB as not achieved in 2023-24 and will slip into future years
- £0.2m has been identified by CYPE as undeliverable
- £6.7m of alternative one-off savings have been identified.

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Adult Social Care & Health	(4.4)	(30.0)	2.4		(2.4)				(34.4)
Public Health		(2.2)							(2.2)
Children, Young People & Education		(14.5)	6.0		(1.1)		0.2		(9.4)
Growth, Environment & Transport		(11.0)	3.9		(3.2)				(10.3)
Deputy Chief Executive's Department		(0.1)							(0.1)
Chief Executive's Department		(1.0)							(1.0)
Non Attributable Costs		(5.9)						(6.5)	(12.4)
Corporately Held Budget		(0.5)	0.5						0.0
<b>Total</b>	<b>(4.4)</b>	<b>(65.3)</b>	<b>12.8</b>	<b>0.0</b>	<b>(6.7)</b>	<b>0.0</b>	<b>0.2</b>	<b>(6.5)</b>	<b>(69.9)</b>



# 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
<b>Public Health</b>	<b>0.0</b>	<b>(2.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.2)</b>
Efficiency: Public Health - Estimated efficiency savings from Public Health Partnership working with Health		(1.0)							(1.0)
Efficiency: Public Health - Healthy Lifestyles		(0.1)							(0.1)
Efficiency: Public Health - Sexual Health		(0.2)							(0.2)
Efficiency: Public Health - Substance Misuse		(0.1)							(0.1)
Income: Public Health - Increase in external income to cover annual pay increases and new expenditure funded by external income		(0.1)							(0.1)
Policy: Public Health - Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant		(0.4)							(0.4)
Policy: Public Health - Family Drug & Alcohol Court		(0.2)							(0.2)
<b>Children, Young People &amp; Education</b>	<b>0.0</b>	<b>(14.5)</b>	<b>6.0</b>	<b>0.0</b>	<b>(1.1)</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>(9.4)</b>
Efficiency: Adult Social Care – Consistently adhere to our policy framework in relation to areas such as: Third Party Top Ups; arranging support and debt for self-funders; transport and maximisation of relevant benefits; use of in-house provision and occupancy to reduce reliance on external purchasing of short term beds; people in residential care in receipt of other services; timely reviews of Section 117 status with regard to charging		(0.3)	0.3						0.0

# 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Efficiency: Children's Services – Review of the Practice Development Service		(0.4)							(0.4)
Efficiency: Children's Services – Reconfigure the Family Drug & Alcohol Court Services into the main Children's Social Work Teams		(0.2)							(0.2)
Efficiency: Children's Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers		(1.0)							(1.0)
Efficiency: Community Learning & Skills – Development of income earning activities within the CLS service and engage in efficiency measures to reduce costs		(0.2)							(0.2)
Efficiency: 18-25 Adult Social Care Supporting Independence Service – Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health		(1.8)	0.8						(1.0)
Efficiency: Early Help & Preventative Services – Expanding the reach of case holding Early Help services		(0.5)							(0.5)
Efficiency: Early retirements – Reduction in the number of Historic Pension Arrangements		(0.3)							(0.3)
Efficiency: Open Access – Youth & Children's Centres – Continue to implement vacancy management and avoid all non-essential spend across open access		(0.6)							(0.6)
Income: Kent 16+ Travel Saver		(0.3)	0.3		(0.3)				(0.3)





# 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

Directorate	Previous year saving delivered in 2023-24 £m	2023-24 Target £m	Not achieved in 2023-24 £m	Alternative Saving (ongoing) £m	Alternative Saving (one-off) £m	Saving no longer required £m	Saving not Deliverable £m	Over Recovery of Saving £m	Forecast Savings 2023-24 £m
Efficiency: Libraries, Registration & Archives (LRA) – One-off reduction in Libraries Materials Fund and a one year contribution holiday for the Mobile Libraries renewals reserve		(0.2)							(0.2)
Efficiency: Transportation -Use developer agreement income to maintain current level of transportation services		(0.3)							(0.3)
Efficiency: Waste -Increased waste material segregation, increased re-use, black-bag splitting and trade waste recycling with a view to generating income or reducing cost		(0.6)	0.4		(0.4)				(0.6)
Efficiency: Waste – New waste contract efficiencies including reduction in payments to Kent Resource Partnership; new contract enabling separate disposal of currently co-mingled food waste; segregation of other waste materials		(0.2)							(0.2)
Income: Highways – Increase in net income budgets for streetworks and permit scheme		(0.6)							(0.6)
Income: Kent Travel Saver – Kent Travel Saver price realignment to offset an increase in bus operator inflationary fare increases in 2022-23 above the budgeted amount		(1.0)	1.0		(1.0)				(1.0)
Income: Kent Travel Saver (formerly Young Person’s Travel Pass) – Kent Travel Saver price realignment to offset bus operator inflationary fare increases		(1.5)	1.5		(1.5)				(1.5)





# 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

Corporately Held Budgets	0.0	(0.5)	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income: Review of fees & charges		(0.5)	0.5							0.0
<b>Total</b>	<b>(4.4)</b>	<b>(65.3)</b>	<b>12.8</b>	<b>0.0</b>	<b>(6.7)</b>	<b>0.0</b>	<b>0.2</b>	<b>(6.5)</b>	<b>(69.9)</b>	

Explanation of the Directorate Savings variances are shown below:

- 11.1 The ASCH budget savings for 2023-24 are £30.0m. £27.6m is identified as being on track to be delivered with £2.4m forecast to slip into future years. Alternative savings of £2.4m have been identified.
- £0.4m is due to decisions and potential consultation being required in relation to transport and charging policy for full paying service users.
- £2.0m relates to not being able to achieve the full year effect of the savings, but work is ongoing with providers to ensure £2.3m of this saving is expected to be delivered and it is expected that the remainder will be delivered in 2024-25, one-off public health funding has been identified to fund the continuation of the contracts in 2023-24.
- 11.2 The CYPE budget savings for 2023-24 are £14.5m. £8.5m has been identified as on track to be achieved and £6.0m has slipped into future years. Alternative savings of £1.1m have been identified.
- £1.1m is due to estimated delays in delivery of savings from the review of community-based packages of support including the delay in reviewing the charging policy for client transport (described in section 11.1). The review of high cost packages is ongoing and high costs panels are taking place to support delivery of the saving in 2024-25 onwards.
- £3.3m is due to estimated delays in delivery of placement related savings across integrated children's services (including disability services) where the number of Looked After Children and reductions in placement costs has not reduced as expected at the time of setting the budget. Use of High-cost panels and review of high cost packages is taking place to support delivery of the saving in 2024-25.
- £0.5m is due to delays in implementing a strategy in supporting independence by the age of 19. The implementation of this strategy is linked to the new accommodation contract for shared housing which is expected to be implemented from the 28th October in line with the wider regulation changes in supported accommodation for looked after children. This saving is anticipated to be delivered in 2024-25.
- £0.3m is due to delays in the review of open access services. This saving is being reviewed following the recent consultation on family hubs.

£0.2m is due to non-delivery of the Section 17 saving. This saving has been reconsidered in light of other strategies to avoid possible entrance into care. It is therefore possible spend may increase rather than decrease in future.

£0.4m is due to the delay in the review of some services to schools. This saving is still expected to be delivered in 2024-25 and is expected to be offset by other one-off alternative savings in 2023-24. More information regarding the alternative savings will be included in the next monitoring report.

£0.6m is due to delays in increasing the charges for the Kent 16+ Travel Saver to ensure Kent meets the requirement of the BSIP grant. £0.4m is estimated to be achieved through the use of the BSIP grant and a further £0.1m from other general underspends.

11.3 The GET budget savings for 2023-24 are £11.0m, of which £7.1m is identified as being on track to be delivered. Savings of £3.9m are forecast to now be delivered in future years. However, alternative savings of £3.2m have been identified to part-mitigate this.

£0.5m is due to the proposed consultation on the review of HWRC sites (Waste) being delayed so that an Informal Member Group (IMG) can spend further time assessing the proposed options.

In addition, and also in Waste, there was a £390k savings target from Reuse and Small Business trade waste. Reuse activities have been delivered; however, to meet the full target requires investment of capital to develop a shop facility. There is no capital finance for this. Small Business trade waste is an ongoing project with active plans of work to develop small trade waste through the districts/contractors at Dover Transfer Station and Dunbrik through Sevenoaks District Council. Strikes have disrupted any opportunity to introduce a small business waste service at the Canterbury HWRC (already permitted to take trade waste). Environmental permits for other HWRC's can only be pursued once the HWRC Review has been concluded, which as per above has been delayed. It is taking the Environment Agency circa one year to issue variations on current permits.

There is a net £0.2m pressure that relates to the £0.5m budget reduction from the Review of the Community Warden service. Due to required consultation timescales, both public and staffing, none of the £0.5m will be delivered in 23-24 as the revised timescale would not commence, subject to consultation, until at least April 2024. The £0.3m management action is to hold all existing and future vacancies to part offset this re-phasing of the proposed budget reduction. Current vacancy levels are higher than normal as some staff have chosen to leave for alternative employment ahead of any decisions being finalised.

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Within the £3.9m of savings that will now be delivered in 24-25, and within the £3.2m of mitigations, is £2.5m relating to the Kent Travel Saver (KTS). At February County Council, and in line with a previous decision, the KTS pass price would need to increase to offset the operator fare inflation. This consisted of £1.5m for 23-24 inflation and £1m for 22-23 inflation that was under-estimated. However, after the budget was set, KCC agreed to accept the Bus Services Improvement Plan (BSIP) grant from Govt which allowed initiatives around ticketing to sustain and enhance the bus network and it was agreed that the KTS pass price could be held for one year. In 23-24 the grant will be used in lieu of additional income and also represents a benefit for the users of the scheme, as well as sustaining the level of patronage which supports KCC's net zero and vision zero initiatives.

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| 11.4 | NAC budget savings for 2023-24 are £5.9m with £12.4m to be achieved.         | The £6.5m over achievement relates to investment income saving due to increases in base rate.  |
| 11.5 | CHB budget savings for 2023-24 are £0.5m, which will slip into future years. | The 2023-24 budget included an estimated saving of £0.5m from increased fees and charges following the adoption of revised fees and charges policy. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery where no concessions/ subsidies are agreed. Achieving the saving always required increases in some fees and charges in line with the policy. Changes in fees and charges will require a decision, and at this stage no such decisions have been presented or taken. |
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Alternative savings of £5.7m have been identified to offset the savings that will not be delivered. The table below shows the breakdown by Directorate of the alternative savings in 2023-24:

Overview of saving	Alternative saving identified	Alternative savings value £000s
<b>Adult Social Care &amp; Health</b>		
Client Related Transport	Review of spend on private taxis in light of new charging policy	44.0
Charging policy for Full Paying service users	Additional savings to be delivered as part of other continuous improvement plans in locality teams	380.0
Review of Discretionary Voluntary Sector Contracts	Alternative one off public health funding has been identified to fund continuation of contracts	2,000.0
<b>Children, Young People &amp; Education</b>		
Review of open access services through Family Hub model	Over-delivery of saving on vacancy management and ceasing non-essential spend across children's centres and youth hubs (in line with 2022-23 underspend).	300.0
Review the Kent 16+ Travel Saver scheme	Estimated cost of scheme for 23-24 estimated to be slightly lower than initially budgeted	100.0
Price Realignment of Kent 16+ Travel Saver in line with operator inflationary increases	Replaced through Bus Strategy Grant	250.0
Services to Schools	Alternative savings from The Education People company & ceasing of current arrangement with Kent Association of Headteachers. More detail will follow in the next monitoring report.	400.0

## 11 Savings

Target for year £69.7m  
£69.9m savings to be delivered

Overview of saving	Alternative saving identified	Alternative savings value £000s
<b>Growth, Environment &amp; Transport</b>		<b>2,800.0</b>
Income: Kent Travel Saver	Replaced through Bus Strategy Grant	1,000.0
Income: Kent Travel Saver (formerly Young Person's Travel Pass)	Replaced through Bus Strategy Grant	1,500.0
Review of Community Warden Service	Hold further future vacancies, and other operational savings.	300.0
	<b>Total</b>	<b>6,274.0</b>

## 12 Management Action

This section sets out the significant management action being taken to reduce the Council's forecast overspend of £37.3m, which are not yet reflected in this report. The actions identified to date are expected to deliver a reduction in spend, bringing the Council to a balanced position by the end of the financial year. £20.5m are one-off reductions only affecting the 2023-24 position with new grant of £9.4m plus £7.4m that will have an on-going positive impact into 2024-25. Work is continuing to ensure these management actions are delivered and this will be closely monitored to ensure spending reductions are achieved.

If the management action is not delivered in full, any remaining overspend at the end of the financial year will need to be met from general or earmarked reserves, further weakening the Council's financial resilience.

Directorate	23-24 one-off	23-24 recurring	Total 2023-24	24-25
	£k	£k	£k	£k
Adult Social Care & Health	-4,310.0	-5,700.0	-10,010.0	-4,528.6
Children, Young People & Education	-1,700.0	-1,550.0	-3,250.0	0.0
Growth, Environment & Transport	-1,480.0	0.0	-1,480.0	0.0
Deputy Chief Executive Department	-320.0	0.0	-320.0	0.0
Chief Executive Department	-1,350.0	-150.0	-1,500.0	-100.0
Cross Cutting Review	-11,399.9	0.0	-20,775	0.0
New Grant	-9,375.1			
<b>TOTAL</b>	<b>-29,935.0</b>	<b>-7,400.0</b>	<b>-37,335.0</b>	<b>-4,628.6</b>

## 12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
ASCH	Working <b>collaboratively with NHS Colleagues</b> to ensure the most appropriate and cost-effective pathways are in place for those people being discharged from hospital settings and ensuring that the <b>necessary joint funding arrangements</b> are in place, which makes clear who the lead commissioner of care and support is.		-5,350.0	-4,278.6
ASCH	Working <b>collaboratively with NHS Colleagues</b> to ensure the most appropriate and cost-effective pathways are in place for those people being discharged from hospital settings and ensuring that the <b>necessary joint funding arrangements</b> are in place, which makes clear who the lead commissioner of care and support is. Initial focus will be on those individuals who have been discharged through the Transforming Care Programme.		-350.0	-250.0
ASCH	Maximise the use of <b>framework providers</b> which will reduce new support being commissioned from non-framework providers. This will help reduce the administrative burden on front line social care staff and reduce overall unit costs of care and support. Harmonise processes to create capacity within framework providers to pick up support required for people who draw on care and support.	-2,400.0		
ASCH	<b>Data Quality:</b> resolving data quality issues on records and files. This will significantly improve accuracy of information available for reporting.	-500.0		
ASCH	<b>Social Care Debt:</b> - External support being commissioned to assist with Court of Protection deputyship applications, meaning that those debts relating to 'non-discretionary funding' can be settled more quickly	-500.0		
ASCH	Use of Rolled Forward and uncommitted Disabled Facilities Grant to support funding of new <b>Technology Enabled Lives Programme</b>	-910.0		
		<b>-4,310.0</b>	<b>-5,700.0</b>	<b>-4,528.6</b>

## 12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
CYPE	Work is continuing with the NHS to explore joint commissioning opportunities (including tier 4 admissions) and joint funding agreements for eligible young people (further review of existing savings profiles)		-1,000.0	
CYPE	Panels have been established in every district across both Integrated Children Services and Disability Services to review suitability and level of support for all looked after children's placements. This is in addition to a further peer review focused on high cost placements. (further review of existing savings profiles)		-250.0	
CYPE	Development of a Placement Framework to explore alternative ways to support children at risk of coming into care including increasing the role of family members.		-50.0	
CYPE	Signposting of families to community services where it is available and appropriate (further review of existing savings profiles).		-100.0	
CYPE	Review of 18-25 community-based services (i.e. direct payments, supporting living, daycare and transport): Reduction in expenditure on non-framework packages of care for 18-25 year olds and ensuring strict adherence to policy (further review of existing savings profiles)		-100.0	
CYPE	Use of grant to meet statutory responsibilities	-1,700.0		
CYPE	Increase in use of personal transport budgets		-50.0	TBC
		<b>-1,700.0</b>	<b>-1,550.0</b>	<b>0.0</b>

## 12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
GET	Holding vacancies across all divisions	-350.0		
GET	Review demand and operational expenditure (public transport and highways)	-650.0	TBC	
GET	Increased income from fees, charges and income raising activities (eg LRA, Highways)	-250.0		
GET	Proactive management of operational expenses and backlog (LRA, Environment)	-100.0		
GET	Use of available grants	-100.0		
GET	Rephasing projects	-30.0		
GET	Contract renegotiation and rescopeing with focus on waste and highways	TBD		
		<b>-1,480.0</b>	<b>0.0</b>	<b>0.0</b>

## 12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
DCED	SRP Option 1: Delete the vacant KR13 Programme Manager role	-41.0		
DCED	SRP Option 2: Delete the second KR12 Dependency Manager role when the postholder leaves and becomes a vacancy in November.	-29.0		
DCED	Hold vacancies within Infrastructure for the remainder of the year.	-250.0		
		<b>-320.0</b>	<b>0.0</b>	<b>0.0</b>

## 12 Management Action

Directorate	Details of Actions to be taken	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
CED	Cease the allocation of any more Member Grants in the current year and take the current underspend of c.£600k ie do not roll forward to 2024/25.	-600.0		
CED	Re-phase the appointments to vacant posts within SPRCA	-500.0		
CED	Re-phase the appointments to vacant posts within the newly structured Corporate Procurement team	-250.0		
CED	Release of Early retirement budget		-150.0	-100.0
		<b>-1,350.0</b>	<b>-150.0</b>	<b>-100.0</b>

## 12 Management Action

Directorate & Division	Details of Actions to be taken of Non-Committed Spend	23-24 one-off	23-24 recurring	24-25
		£k	£k	£k
Cross Cutting Review	<p><b><u>Subjective spend analysis</u></b></p> <p>The current budget on specific cost codes (excluding the main demand led budgets) is £446.5m, with forecast spend of £463.8m and actuals of £195.8m up to the end of August 2023. This includes permanent staffing and agency costs to provide the overall staffing position. All non-committed expenditure is being reviewed as part of the management action to bring the budget back into balance.</p> <p>Finance have been working with budget managers to review the spend and forecasts on these codes during September to reduce the forecast wherever possible and Finance will undertake deep dives into specific areas to provide further options for savings considerations.</p> <p>It is recognised that some of the spend within these codes is essential, preventative and/or specific grant funded and we will need to ensure there are no double counts with actions already taken. Detailed, regular monitoring and reporting will ensure the reductions in spend are happening in practice. Once the areas of spend reductions have been agreed the corresponding budgets will be reduced.</p>	-11,400		
Cross Cutting Review	<p><b><u>Capital Projects</u></b></p> <p>The capital officer group are identifying invest to save capital projects to put forward for consideration to reduce revenue costs, e.g. in the care and children's sectors</p>	TBC	TBC	
Cross Cutting Review	<p><b><u>"Balance Sheet" Review</u></b></p> <p>A review of specific areas on the balance sheet and other Council assets are being reviewed to determine whether there is scope to release funds, e.g. assets and provisions. Whilst the impact on the 2023-24 position is likely to be limited, there may be opportunities to review policies going forward.</p>	TBC		
Cross Cutting Review	<p><b><u>Contractual savings</u></b></p> <p>A review of all contracts due to expire within the next 12 months has been undertaken. Whilst It is considered unlikely that savings can be made in 2023-24, any reduction in activity related to contract re-procurement will enable staffing resources to be redirected and will support the delivery of a balanced budget in 2024-25.</p>	TBC		

## 12 Management Action

Cross Cutting Review	<u>Review Of Early Payments</u>			
	Using Oxygen Finance Ltd for the supply of Early Payment Services under the NEPO 521 Framework Agreement (established in May 2020 by South Tyneside Council on behalf of NEPO (North East Procurement Organisation) in accordance with the contract award criteria and subject to final Legal sign off.		TBC	TBC
		<b>-11,400.0</b>	<b>0.0</b>	<b>0.0</b>

The details of the £9.4m Market Sustainability and Improvement Fund grant have been confirmed since the last report and following determination will be used to fund the increased fees for new clients (subject to final agreement of the plan for the use of this grant).

Directorate	Capital Budget £m	Variance £m	Real Variance £m	Slippage £m
Adult Social Care & Health	1.7	-0.4	0.0	-0.4
Children, Young People & Education	118.0	-25.6	-4.2	-21.4
Growth, Environment & Transport	245.0	-16.2	12.4	-28.6
Chief Executive's Department	1.6	0.0	0.0	0.0
Deputy Chief Executive's Department	23.5	-0.1	0.0	-0.1
<b>TOTAL</b>	<b>389.8</b>	<b>-42.3</b>	<b>8.2</b>	<b>-50.5</b>

The total approved General Fund capital programme including roll forwards for 2023-24 is £389.8m

The current estimated capital programme spend for the year is forecast at £347.4m, which represents 89% of the approved budget. The spend to the end of June is £39.7m, representing 10.2% of the total approved budget.

Directorates are projecting a £42.3m underspend against the budget, this is split between a net +£8.2m real variance and -£50.5m due to slippage. £10.5m of the real variance is due to funding that has not yet been included within the cash limits because funding announcements were made after the budget was agreed. Such changes to cash limits will be requested in the Capital budget Changes section of this report. At least £4.5m of the slippage is outside of KCC control, due to projects being managed by external parties.

**The major variances to note across the life of the programme are as follows:**

**Thanet Parkway (GET)** – The overall project costs are still being reviewed with Network Rail. As with all major projects, final out turn costs are only confirmed when the project's accounts with contractors are finalised and closed.

**Sturry Link Road (GET)** - There is a potential increase in the estimated cost of this project of approximately £12m. This is higher than the cost that was submitted as part of the business case approval process and is predominantly due to inflation and increased construction costs. The position will continue to be closely monitored and updated once the Design and Build Contract has been awarded.

**Basic Need (CYPE)** - Over the next three years 2023-24 to 2025-26, the forecast overspend on the basic need programme is £25m. This is due to inflation of approximately £13m, and due to a change in methodology in how to forecast for abnormals. Basic need allocations for 2025-26 have now been published which are £20.5m more than has been assumed in the budget. The addition of this to the cash limits will offset the forecast overspend.

**Modernisation of Assets (DCED)** – The 2023-24 position is showing £2.4m of funding needing to be brought forward from 2024-25 in order to cover the expenditure required. The remaining budget for future years is not sufficient to maintain the warm, safe and dry standard for buildings. Options are being considered to address this, and the position will continue to be closely monitored.

The major in-year variances (real variances of >£0.1m and slippage >£1m) are described below:

**Adult, Social Care & Health:**

Project	Real Variance £m	Slippage £m	Detail
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Major variances to report:

There are no major variances to report.

**Children, Young People & Education:**

Project	Real Variance £m	Slippage £m	Detail
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New Variances to Report:

Overall Basic Need Programmes

Over the next three years 2023-24 to 2025-26, the forecast overspend on the basic need programme is £25m. This is due to inflation of approximately £13m, and due to a change in methodology in how to forecast for abnormals. Department for Education guidelines indicate an allowance of 10% of the project cost should be made for abnormals which is to cover items such as demolition, asbestos removal, pile foundations, extensive external works, and consequential improvements - some or all of which may be required on a scheme-by-scheme basis. This has been applied to projects which have not yet started. To partially offset this overspend, £8.7m has now been rephased beyond the three-year period. Basic need allocations for 2025-26 have now been published which are £20.5m more than has been assumed in the budget. The addition of this to the cash limits will offset the forecast overspend.

Basic Need Kent Commissioning Plan 2016	0.2		Works are being undertaken as part of the basic need scheme at Whitfield Aspen, which had been forecast under Annual Planned Enhancement. A virement has been requested to cover the spend and is included in the Capital Budget Changes section.
Basic Need Kent Commissioning Plan 2018	-0.7	-1.6	The real variance is due to: -£0.6m The Abbey. Works have been added to the project in the Basic Need KCP 21-25 line, but not until later years. -£0.2m Gravesend Boys Grammar. This reflects costs that have been identified as revenue. The slippage of -£1.6m is across 3 different projects, each of which are below £1m.
Basic Need Kent Commissioning Plan 2019	1.3	-7.0	The real variance is due to additional costs at Borden Grammar, where the project scope now includes kitchen and hall works. Abnormals have also been identified on site. The slippage is due to: -£2.4m Cable Wharf, replacement school for Rosherville, has been selected under the school rebuild programme. KCC are adding an additional 1FE and the KCC contribution to the scheme is dependent on DfE delivery. -£2.0m Teynham Primary. The current 1FE school is being replaced with a 2FE. The delays are due to planning and agreeing project scope with the school. -£1.9m Thanington Primary. Delays have been incurred due to agreeing the terms and conditions with the contractor. -£0.7m Maidstone Girls Grammar. Initial costings were high which has delayed contracts.
Basic Need KCP 2021-25	-0.5		The real variance is due to: -£0.6m Cornwallis Academy. A change of scope and works are now being school managed at a lower cost. +£0.1m St Peter's Aylesford. The project tenders are higher than anticipated.
Basic Need KCP 2022-26		-3.7	The slippage is due to: -£1.9m Cornwallis Academy. Forecasts have been aligned with the provision requirement date of September 2025. -£0.7m Marden Primary. Funding agreement with the school and forecasts have been aligned with provision requirement date of September 2024. -£1.0m Sittingbourne. A school has not yet been identified to provide additional places.
Basic Need KCP 2023-27	-2.0	1.8	The real variance is on Maidstone temporary secondary provision, where places are being provided at Cornwallis Academy. The slippage is on 6 projects, each of which is below £1m.
High Needs Provision	0.2		The real variance relates to an increase in contribution to the Callum Centre, Canterbury Primary. This is to be funded

			from the High Needs Provision 2022-24 budget line.
High Needs Provision 2022-24	-0.2	-8.4	The real variance is to fund the overspend on the High Needs Provision budget line. The slippage is due to: -£6.3m The Beacon Satellite Provision. Space analysis was recently completed to confirm Special Educational Needs and Disability (SEND) spaces still required. Contracts for the next phase of works were not able to be entered into until this was completed. -£1.0m Five Acre Woods. This is being held for possible further works. -£0.8m Oakley Satellite Provision and -£0.5m Nexus Satellite Provision – site for these satellites have not yet been identified.
Modernisation Programme		-2.9	58 sites have been identified as potentially needing replacing under the mobile replacement programme. Site visits are being undertaken to confirm which mobiles need replacing. The list of prioritised sites will be presented to Education Asset Board for approval to feasibility stage.
School Roofs	-2.0		Reinforced Autoclaved Aerated Concrete (RAAC) works at Birchington CEPS are being funded from the Department for Education.
Annual Planned Enhancement Programme	-0.2	0.3	The real variance is due to works being undertaken as part of the Whitfield Aspen Basic Need Scheme in KCP16. A virement has been requested in the Capital Budget Changes section.
Family Hubs and Start for Life Programme	0.2		This reflects the grant allocation which is requested to be added into the capital programme. See the Capital Budget Changes section.

## Growth, Environment &amp; Transport:

Project	Real Variance £m	Slippage £m	Detail
<u>Major Variances to Report:</u> <u>Highways and Transportation</u>			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	6.1	-4.4	The real variance is due to grant received for potholes from the Government's spring budget. Once this has been added to the cash limits there will be no variance. The slippage relates to: - structures and the inability to recruit to senior posts, - some schemes that are in or have completed the design phase will be constructed in future years - some schemes take more than one year to construct, - delays due to KCC waiting for access to be granted by Network Rail.
Housing Infrastructure Fund (HIF) Swale	1.2	-6.1	The real variance will be negated by additional developer contributions once these have been added to the cash limits. The slippage is due to delays in the commencement of the works contract whilst awaiting the sign off from National Highways. This project is externally funded by the HIF forward fund from Homes England and the variance has been reprofiled with them.
Green Corridors		-3.6	The spend profile has been rephased to align with the construction timescales for the Green Corridors Programme. The construction periods have been delayed so that the sites can be procured together and constructed by a single contractor. Other works nearby mean that the construction of these sites could not begin as originally intended due to road space availability and procurement timescales. This programme is funded by Ebbsfleet Development Corporation who are aware of the reprofiling of spend.
Thanet Parkway Railway Station	3.9		The overall project costs are still being reviewed with Network Rail and so the costs are not yet finalised. Network Rail have made further funding requests for 2023-24 which are not included in the forecast, and KCC has engaged independent experts to carry out a review of costs. As with all major projects, final out turn costs are only confirmed when the project's accounts with contractors are finalised and closed.

Kent Thameside Strategic Transport Programme (STIPS)		-3.1	The Thamesway project is on hold pending the outcome of the Ebbsfleet Central and Northfleet Harbourside planning applications. This follows a decision by the Cabinet Member following Environment and Transport Cabinet Committee in January 2023, to amend the Thamesway project.
A28 Chart Road, Ashford		-2.4	Based on estimated occupation levels it is currently anticipated that construction will commence in early 2025 for a duration of 2 years, hence the rephasing. This is reliant on the developer producing a financial bond to give KCC certainty of funds to award a construction contract. The design update will be concluding shortly, after which a complete review and update of project costs will be completed.
Bearsted Road	0.4	-2.4	Enabling works have commenced. The award of contract for the main works has been delayed due to procurement delays and a review of project costs. The predicted increase in the estimated scheme cost is due to delays and loss of income due to COVID.
Dover Inter Border Facility		-2.2	The forecast has been adjusted to expected spend. Any residual grant will be repaid to the funders and cash limits will be reduced when final costs are certain.
Dartford Town Centre		-2.1	Dartford Borough Council (DBC) are managing this scheme and have provided an updated programme for the construction of phases 3 and 4, and the spend profile is now aligned with their intended draw down of the funding. DBC will be procuring phase 3 in late 2023, and construction will commence in Spring 2024.
Zero Emission Bus Regional Areas (ZEBRA)		-1.8	The purchase of the electric vehicle chargers for this project will now take place in 2024-25. The reprofiling is due to procurement/supply delays.
Kent Active Travel Fund phase 4	1.5		This reflects additional grant funding received for phase 4 of this programme. Once this has been added to the cash limit there will no longer be a variance.
Maidstone Integrated Transport		1.4	The spend profile has been rephased to align with the construction timescales for the MITP. The Coldharbour scheme is currently at the procurement stage and the delivery programme is being aligned to 2024 against other road space requirements. A full review of the scheme costs against the available LGF and S106 contributions is currently being carried out.

Sturry Link Road, Canterbury	1.3	There is a potential increase in the estimated cost of this project of approximately £12m. This is higher than the cost that was submitted as part of the business case approval process and is predominantly due to inflation and increased construction costs. This cost estimate will be refined through the design process and any increase is expected to be covered by S106 contributions that are index linked and possibly more S106 contributions which have been identified. Further confidence in the delivery programme is a requirement of SELEP this in turn safeguards the £5.9m Local Growth Fund (LGF) contribution, so progress with land negotiations and design work must be suitably demonstrated. The position will continue to be closely monitored and updated once the Design and Build Contract has been awarded.
LED Conversion	-1.2	Rephasing is required as the budget is to convert newly adopted assets to LED where the approved design was prior to the LED conversion project. The date for adopting new developments is an unknown quantity, therefore the carry forward reflects that less assets will be adopted this year than expected.
Bath Street Fastrack	1.2	Some of the funding from 2024-25 is required in 2023-24 to cover additional risk, however the overall scheme remains within budget.
Folkestone – a Brighter Future	1.1	The Delivery Partner Agreement with Folkestone and Hythe District Council (FHDC) is nearing completion which will enable KCC to draw down £15.9m from FHDC (Levelling Up Fund 2 grant) and to deliver the transport and public realm elements of Folkestone A Brighter Future on behalf of Folkestone and Hythe over several years. Once the agreement has been signed the grant will be added to the cash limits and there will be no variance.
Kent Active Travel Fund Phase 2	-0.5	A change control request was submitted to Active Travel England (ATE) to vire £500k from the Phase 2 Cinque Ports Scheme to Phase 3 due to an underspend on Phase 2. This has been approved by ATE. Once the cash limits have been changed there will no longer be a variance.
Kent Active Travel Fund Phase 3	0.5	-0.9 The real variance is due to be covered from a virement from Kent Active Travel Fund Phase 2 – see above.
Integrated Transport Schemes	0.3	The real variance is due to smaller schemes that will be externally funded, the funding for which has not yet been added to the cash limit.

Environment & Waste

Transfer Station Folkestone & Hythe	0.1	<p>Although there is a small requirement to bring £0.1m funding forward to 2023-24, the overall position on the project is a forecast cost of £3.1m over the current budget. The outline costs for the project are expected at the end of September 2023.</p> <p>In earlier planning scenarios, at alternative locations, it was not envisaged to have to finance land acquisition costs. There is now a preferred development site, where the project is being designed and legal options are being pursued, the budgeted increase accounts for the purchase of this private land. These are due to be funded from additional S106 developer contributions and additional Community Infrastructure Levy (CIL). The timing of when these contributions are expected by KCC is being looked at in line with the spend profile to establish if there will be any requirement for forward funding.</p>
Surface Water Flood Risk Management	0.1	<p>Real variance in 2023-24 is forecast to be funded from grant that is expected but not yet banked. There is another £0.3m grant expected in 2024-25. Once this has been banked it will be requested to be added to the cash limits.</p>

Growth & Communities

Digital Autopsy	-2.9	<p>Digital Autopsy (DA) funds have been re-phased as the project tender for the DA and body store delivery has failed. The project is now looking at alternative options to bring in the necessary providers. Given the amount of time this will take to bring forward, the capital spend has been deferred as the capital element can only be entered into at the same time as the revenue contracts to ensure the project is de-risked.</p>	
Kent and Medway Business Fund (KMBF)	-0.3	-1.9	<p>The real variance is due to £0.3m transferring to the Small Business Boost (SBB) element of this scheme. The slippage of £1.9m is due to a lower value of loans likely to be defrayed during 2023-24, given the time available once the new round is launched in October 2023.</p>
Kent and Medway Business Fund – Small Business Boost (SBB)	+0.3		<p>The real variance relates to loans expected to be distributed as part of the SBB stream, which will be covered from a transfer of funds from the main KMBF fund.</p>

## Deputy Chief Executive's Department:

Project	Real Variance £m	Slippage £m	Detail
<u>New variances to report:</u>			
Modernisation of Assets (MOA)		2.4	The bringing forward of funding is due to addressing category 1-5 sites and urgent MOA works.
Strategic Estate Programme		-2.6	The slippage reflects the descoping of initial Stage 2 proposals for Sessions and Invicta refurbishment to keep costs in line with the approved budget, which alongside a delay in the release of the Sessions House Masterplan means a postponement of the original planned commencement date for any refurbishment.

## 14 Revenue Budget Changes

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation between Key Services in light of the 2022-23 final spend and activity levels and the latest service transformation plans. Explanations for these cash limit changes are provided below and a breakdown of the changes by Key Service is available in Appendix 2.

These changes need to be approved Cabinet, for reporting purposes the variances reflected in this report assume these cash limit changes have been approved.

Adult Social Care & Health	Gross Expenditure increase +£1.2m Income increase -£1.2m
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Roll forwards previously agreed at the June Cabinet meeting:

Various budgets	£0.073m gross
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Technical adjustments, more accurately reflecting current levels of services and income to be received:

Realignment of Prevent and Dovetail funding to reflect 23-24 funding and expenditure plans	-£0.049m gross +£0.049m income
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Realignment of Prisons grant funding to reflect 23-24 funding and expenditure plans	-£0.019m gross +£0.019m income
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Realignment of cash limit across Business Delivery Unit to reflect 23-24 funding and expenditure plans	-£0.183m gross +£0.183m income
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Realignment of ASC discharge grant funding	+£0.703m gross -£0.703m income
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Realignment of cash limit for Westbrook and Westview PFIs to reflect 23-24 funding and expenditure plans	-£0.263m gross +£0.263m income
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Allocation of cash limit for estimated impact of leap day on 29th February 2024.	+£0.257m gross -£0.257m income
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Realignment of cash limit across Community Based Preventative Services to reflect 23-24 funding and expenditure plans	+£0.809m gross -£0.809m income
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Realignment of cash limit across Public Health to reflect 23-24 funding and expenditure plans	+£0.699m gross -£0.699m income
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Realignment of cash limit across Social Support for Carers to reflect 23-24 funding and expenditure plans	+£0.250m gross -£0.250m income
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Realignment of cash limit across ASCH Operations	-£0.023m gross +£0.023m income
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Formal virements, requiring approval:

Allocation of 23-24 savings across Enablement and Service Provision	-£0.141m gross +£0.141m income
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Realignment of ASC discharge grant funding	-£0.729m gross +£0.729m income
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## 14 Revenue Budget Changes

Allocation of achieved savings in 22/23	Net Nil
Allocation of 22-23 prices funding across ASCH Operations	-£0.012m gross +£0.012m income
Allocation of centrally held funds across ASCH Operations	-£0.008m gross +£0.008m income
Allocation of £1.0m from ASCH Corporate Director to ASCH Operations for Director joint investments	Net Nil
Permanent increase in the budgeted annual contribution to the ASCH Leap Year reserve, based on 23-24 budget allocations.	Net Nil
Locality Model Staffing - adjustments to realign base funding across in-scope staffing budgets in line with agreed establishments, and to transfer realised savings to ASCH OPs divisional budgets.	Net Nil
Locality Model Staffing - adjustments to realign BCF funding across in-scope staffing budgets.	Net Nil
Locality Model Staffing - adjustments to realign CAI funding across in-scope staffing budgets.	Net Nil
Locality Model Staffing - adjustments to realign S75 funding across in-scope staffing budgets.	Net Nil
BCF - unused KARA money to fund TEC	Net Nil
Correction of treatment of iBCF – reversal of permanent adjustment to one off allocation	Net Nil
Transfer of budget from Commissioned Short Term Residential beds to reflect target for increased usage of inhouse beds	Net Nil
transfer of funding for new Telecare contract from Adaptive & Assistive Technology to Business Delivery.	-£0.116m gross +£0.116m income

### Children, Young People & Education

Gross Expenditure increase +£53.2m  
Income increase -£52.4m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.965m gross
Technical adjustments, more accurately reflecting current levels of services and income to be received:	
Special Educational Needs & Psychology Services - Realignment of DSG High Needs Block so that SEN budgets are in line with Safety Valve.	+£46.161m gross -£46.161m income
Strategic Management & Directorate Budgets – Realignment of asylum cash limits to take account of increased numbers of UASC	-£0.117m gross +£0.117m income

## 14 Revenue Budget Changes

Early Years Education – Correction to budget build in relation to schools staffing and non staffing	-£0.056m gross +£0.056m income
Education Services provided by the Education People – Transfer Education Safeguarding back into KCC from 1st April 2023	-£0.266m gross
Special Educational Needs & Psychology Services - Realignment of STLS/Sensory & PD Budgets	-£0.084m gross +£0.084m income
Special Educational Needs & Disability Management & Divisional Support/ Special Educational Needs & Psychology Services – Transfer of budget to SEN following CYPE realignment	+/-£0.231m gross
Asylum – Realignment of asylum cash limits to take account of increased numbers of UASC	+£3.832m gross -£3.832m income
Care Leavers Service – Realignment of Housing Related Support cash limit	-£0.506m gross
Care Leavers Service –realignment of asylum cash limits to take account of increased numbers of UASC	+0.031m gross -0.031m income
Children’s Social Work Services – Assessment & Safeguarding Service – Transfer Education Safeguarding back into KCC from 1st April 2023	+£0.937m gross -£0.671m income
Children’s Social Work Services – Assessment & Safeguarding Service – Realignment of asylum cash limits to take account of increased numbers of UASC	+£1.470m gross -£1.470m income
Children’s Social Work Services – Assessment & Safeguarding Service – Transfer of pay allocation from Corporately Held Budgets	+0.006m gross
Children’s Social Work Services – Assessment & Safeguarding Service – Early Help saving transferred to correct Key Service	+£0.540m gross
Children in Need – Care & Support – Realignment of Housing Related Support cash limit	+£0.027m gross
Early Help & Preventative Services – Early Help saving transferred to correct Key Service	-£0.540m gross
Looked After Children – Care & Support – Realignment of asylum cash limits to take account of increased numbers of UASC	+£0.195m gross -£0.195m income
Looked After Children – Care & Support – Realignment of Housing Related Support cash limit	+£0.480m gross
Pupil Referral Units – Adjustment to DSG for Devolved PRU	+£0.278m gross -£0.278m income
Integrated Services (Children's) Management & Directorate Support - Realignment of asylum cash limits to take account of increased numbers of UASC	+£0.022m gross -£0.022m income

## 14 Revenue Budget Changes

Formal virements, requiring approval:

Correction of treatment of iBCF – reversal of permanent adjustment to one off allocation	Net Nil
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Transfer of Customer Care and Complaints teams from the Children, Young People & Education to the Deputy Chief Executive Department	-£0.147m gross
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### Growth, Environment & Transport

Gross increase +£7.7m  
Income increase -£7.1m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.818m gross
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Technical adjustments, more accurately reflecting current levels of services and income to be received:

Increase in grant funding for Supported Bus Services (for Bus Service Improvement Plan)	+£6.531m gross -£6.531m income
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Increase in income for Highways Asset Management (primarily for Streetworks and Permits)	+£1.032m gross -£1.032m income
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Increase in funding for Country Parks (Community (Assets & Services)	+£0.429m gross -£0.429m income
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Decrease in funding for Growth & Support to Business (EU and other grants)	-£0.970m gross +£0.970m income
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Formal virements, requiring approval:

Transfer of the Country Parks and Countryside Management Partnerships between key services in relation to the Directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£3.661m gross and +£3,015m income from Community (Assets & Services) to Environment	Net Nil
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Transfers of staff between key services in relation to the directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£0.407m gross from Environment and -£0.019m gross from Growth & Support to Business with +£0.273m gross to Environment and Circular Economy Divisional management costs, +£0.080m gross to Public Protection and +£0.073m gross to Residual Waste	Net Nil
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Transfer of Explore Kent between key services in relation to the Directorate restructure of the Environment & Circular Economy and Growth & Communities Divisions comprising -£0.156m gross and +£0,142m income from Community (Assets & Services) to Environment and Circular Economy Divisional management costs	Net Nil
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Transfer of Highway Definition budget comprising +£0.242m gross and -£0.380m income from Highways & Transportation divisional management costs key service to Highway Assets Management key service	Net Nil
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Transfer of £0.175m gross budget for the GET Complaints Team from Highways & Transportation Divisional Management Costs in the Growth, Environment &	-£0.175m gross
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## 14 Revenue Budget Changes

Transport Directorate to Resident Experience - Contact Centre; Gateways;  
Customer Care & Complaints in the Deputy Chief Executives Department

Transfer of £0.074m gross budget for Gypsy & Romany Traveller Residents Service property costs from Community (Assets & Services) in the Growth, Environment & Transport Directorate to Corporate Landlord in the Deputy Chief Executives Department	-£0.074m gross
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### Deputy Chief Executive's Department

Gross increase +£1.2m  
Income increase -£0.8m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Realignment in Corporate Landlord primarily for rental income from investment properties	+£0.819m gross -£0.819m income
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Formal virements, requiring approval:

Transfer of Customer Care and Complaints teams from the Children, Young People & Education and the Growth, Environment & Transport Directorates to the Deputy Chief Executive Department	+£0.321m
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Transfer of facilities management budget from Gypsy and Traveller Sites from Growth & Communities division into Corporate Landlord division, due to change of contract	+£0.074m gross
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Transfer of senior management budgets from various divisions within the directorate to consolidate the directorate management team under the newly created Strategic Management & Departmental Support division.	+/-£0.434m gross
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### Chief Executive's Department

Gross increase +£0.8m  
Income increase -£0.0m

Roll forwards previously agreed at the June Cabinet meeting:

Various Budgets	+£0.831m gross
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Formal virements, requiring approval:

Transfer of the New Burdens Domestic Abuse Grant from the Strategy, Policy, Relationships & Corporate Assurance key service to the Resettlement Schemes, Domestic Abuse and Civil Society Strategy key service, to match the grant funding to the appropriate activity	+/-£4.473m gross +/- £4.473m income
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## 14 Revenue Budget Changes

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Corporately Held Budgets

Gross decrease -£0.0m

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Technical adjustments, more accurately reflecting current levels of services and income to be received:

A budget transfer from CHB to CYPE to fund pay allocation due to transfer of TEP – Safeguarding Team back to KCC -£0.006m gross

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## 15 Capital Budget Changes

### Cabinet is asked to approve the following changes to the Capital Budget:

Project	Year	Amount (£m)	Reason
<u>CYPE Directorate:</u>			
Annual Planned Enhancement Programme	23-24	-0.217	Vire Schools Condition Allocation (SCA) grant to Basic Need KCP16 to fund works at Whitfield Aspen.
Basic Need KCP16	23-24	+0.217	Vire SCA grant from Annual Planned Enhancement to fund works at Whitfield Aspen.
Basic Need KCP22-26	23-24	-0.108	To remove the developer contributions from the cash limits as the project to which they relate is not yet planned.
Family Hubs and Start for Life Programme	23-24	+0.202	Additional grant funding allocation.
<u>GET Directorate:</u>			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	23-24	+6.055	Additional grant from the Department for Transport for major potholes.
		-0.039	Reduction in external funding as a result of a cancelled invoice.
Housing Infrastructure Fund, Swale	23-24	+1.200	Additional developer contributions available to be added to the cash limits.
Kent Active Travel Fund Phase 2	23-24	-0.500	To vire grant to Kent Active Travel Fund Phase 3 as per the change control request which was approved by Active Travel England.
Kent Active Travel Fund Phase 3	23-24	+0.500	To vire grant from Kent Active Travel Fund Phase 2 as per the change control request which was approved by Active Travel England.
Kent Active Travel Fund Phase 4	23-24	+1.498	Grant funding received for phase 4 of the programme.
Trees Outside Woodland	23-24	-0.016	Cash limit adjustment is to align the budget with the final claim amount for Phase 1 of this project.
Windmill Weatherproofing	23-24 24-25	+0.200 -0.200	To bring forward revenue funding in line with the revenue budget to enable spend to be progressed in the current financial year.
Kent & Medway Business Fund	23-24	-0.283	To transfer some loan repayment funding to the Small Business Boost variant of this scheme.
Kent & Medway Business Fund Small Business Boost	23-24	+0.283	To transfer some loan repayment funding from the main Kent and Medway Business Fund scheme.

## 15 Capital Budget Changes

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Marsh Million	23-24	-0.082	To remove remaining cash limits as this scheme is now complete.
	24-25	-0.019	
	25-26	-0.017	
	26-27	-0.008	

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## 16 Treasury Management Monitoring

Treasury management relates to the management of the Council's debt portfolio (accumulated borrowing to fund previous and current capital infrastructure investments) and investment of cash balances. The Council has a comparatively high level of very long-term debt, a significant proportion of which was undertaken through the previous supported borrowing regime.

16.1 Total external debt outstanding in June was £788.62m down by £13.85m since 31<sup>st</sup> March 2023

KCC debt includes £471.45m of borrowing from the Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at a fixed rate of interest. The average length to maturity of PWLB debt is 15.29 years at an average interest rate of 4.46%.

Outstanding loans from banks amount to £216.10m. This is also at fixed term rates with average length to maturity of 38.98 years at an average interest rate of 4.54%.

The council has £90m of Lender Option Borrower Option (LOBO) loans. These loans can only be renegotiated should the lender propose an increase in interest rates. The average length to maturity of LOBO loans is 40.63 years at an average interest rate of 4.15%.

The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £11.07m with an average of 14.08 years to maturity at an average rate of 2.33%.

KCC's principal objective for borrowing is to achieve an appropriately low risk balance between securing low interest rates and certainty of financing costs. This is achieved by seeking to fund capital spending from internal resources and short-term borrowing, only considering external long-term borrowing at advantageous interest rates.

16.2 Majority is long term debt with only 9.27% due to mature within 5 years

Maturity 0 to 5 years £73.13m (9.27%)<sup>1</sup>  
Maturity 5 to 10 years £25m (3.17%)  
Maturity 10 to 20 years £258.58m (32.79%)  
Maturity over 20 years £431.90m (54.77%)

16.3 Total cash balance at end of June was £528.35m, up by £35.97m from the end of March

Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure. Balances are forecast to decline over the remainder of the year in line with the typical trend observed in previous years.

<sup>1</sup> Split across the next five years is as follows: Year 1 £10.00m, Year 2 £22.13m, Year 3 £24.00m, Year 4 £17.00m, and Year 5 £0.00m

- 16.4 Cash balances are invested in a range of short-term, medium term and long-term deposits
- Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal to or exceeding prevailing inflation rates.

Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in June were £137.64m (26.05% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning an average rate of return of 4.70%.

Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of June, the Council had £96.82m in government bonds. These deposits represent 18.32% of cash investments with an average rate of return of 4.76%.

Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of June, the Council has £97.36m invested in covered bonds earning an average rate of return of 4.59%.

The Council has lent £24m through the No Use Empty Loans programme which achieves a return of 4.00% that is available to fund general services. This total includes £2m of loans made since March.

The Council has now agreed 3 rolling credit facilities (RCF) with registered providers totalling £25m, for a fee ranging from 0.25% to 0.40%. None of the facilities have been drawn so far.

Long term investments are made through Strategic Pooled Funds. These include a variety of UK and Global Equity Funds, Multi Asset Funds and Property Funds. In total the Council has £171.21m invested in pooled funds (32.41% of cash balances) as at 30 June 2023.

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## 16 Treasury Management Monitoring

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16.5	Treasury Management Advice	The Council secures external specialist treasury management advice from Link. They advise on the overall strategy as well as borrowing options and investment opportunities. Link provide regular performance monitoring reports.
16.6	Quarterly and Bi-annual reports	A fuller report is presented to Governance and Audit Committee on a bi-annual basis. A report on treasury performance is also reported twice a year to full Council.

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## 16 Treasury Management Monitoring

### 1. Treasury Management Indicators

1.1 The Council measures and manages its exposures to treasury management risks using the following indicators:

1.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Actual 30/06/2023	Target
Portfolio average credit rating	AA+	AA

1.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Actual 30/06/2023	Target
Total cash available within 3 months	£216.87m	£100m

1.4 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

Interest rate risk indicator	Actual 30/06/2023	Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	£2.43m	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£2.43m	-£10m

1.5 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing were:

	Actual 30/06/2023	Upper limit	Lower limit
Under 12 months	1.27%	100%	0%
12 months and within 5 years	8.01%	50%	0%
5 years and within 10 years	3.17%	50%	0%
10 years and within 20 years	32.79%	50%	0%

## 16 Treasury Management Monitoring

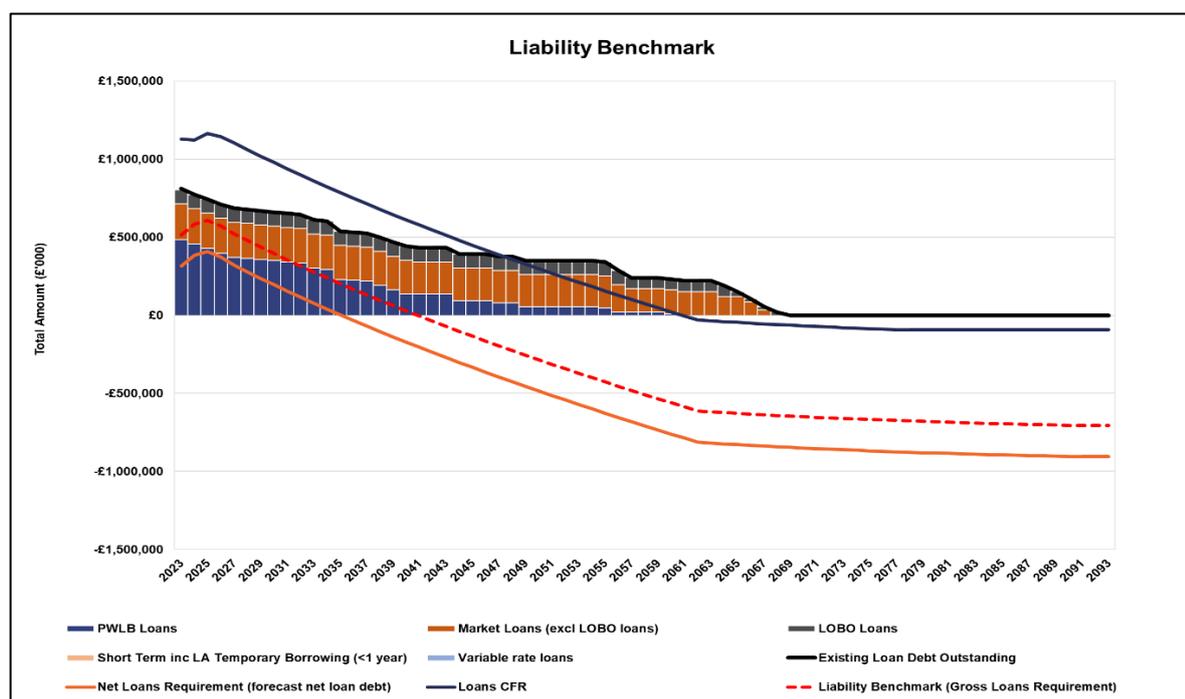
20 years and within 40 years	26.73%	50%	0%
40 years and longer	28.04%	50%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 1.6 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	Actual	Limit	Limit	Limit
Price risk indicator	30/06/2023	2021/22	2022/23	2023/24
Principal invested beyond year end	£286.24m	£300m	£300m	£300m

## 2. Prudential Indicator: Liability Benchmark



- 2.1 The liability benchmark chart shows the Council should be able to accommodate the movement in Loans CFR through additional internal borrowing given the resources on the balance sheet if it wants to maintain treasury investments at the £200m liquidity allowance. However, this is based on the current assumption with regards to movement in reserves and that the working capital position remains at the 31/03/2023 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £174m of external investments currently invested with fund managers over a long-term investment time horizon.



2022-23			Appendix 1 - Key Service Summary	2023-24		
Revenue Budget	Outturn	Variance		Revenue Budget	Forecast	Variance
£m	£m	£m		£m	£m	£m
0.0	0.0	0.0	Adult In House Carer Services	2.4	2.5	0.1
2.4	2.6	0.2	Adult In House Community Services	5.8	5.8	0.0
5.9	5.6	-0.4	Adult In House Enablement Services	6.4	7.0	0.6
2.8	1.7	-1.1	Adult Case Management & Assessment Services	25.6	25.1	-0.4
5.7	5.5	-0.2	Adult Learning Disability - Case Management & Assessment Service	0.5	0.5	0.0
101.7	105.3	3.7	Adult Learning Disability - Community Based Services & Support for Carers	116.3	121.8	5.5
72.3	72.5	0.2	Adult Learning Disability - Residential Care Services & Support for Carers	76.6	76.6	0.0
10.0	9.8	-0.2	Adult Mental Health - Case Management & Assessment Services	3.0	3.6	0.5
11.4	17.8	6.4	Adult Mental Health - Community Based Services	17.9	21.2	3.3
15.6	18.0	2.3	Adult Mental Health - Residential Care Services	18.4	20.0	1.6
21.0	21.8	0.9	Adult Physical Disability - Community Based Services	25.5	32.0	6.5
17.9	20.8	3.0	Adult Physical Disability - Residential Care Services	20.3	22.1	1.9
6.9	6.3	-0.6	ASCH Operations - Divisional Management & Support	5.7	5.6	0.0
38.0	36.2	-1.8	Independent Living Support	1.0	1.0	0.0
9.4	9.8	0.4	Older People - Community Based Services	42.7	45.3	2.6
49.0	79.5	30.5	Older People - In House Provision	16.1	15.1	-1.0
21.8	21.9	0.1	Older People - Residential Care Services	78.0	94.2	16.2
0.0	0.0	0.0	Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	10.9	10.5	-0.4
1.2	1.9	0.7	Older People & Physical Disability Carer Support - Commissioned	1.6	2.6	1.0
5.9	6.0	0.0	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	7.5	2.7	-4.8
1.1	1.3	0.2	Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.3	0.5	-0.8
			Sensory & Autism - Assessment Service	0.7	0.7	0.0
0.7	0.7	0.0	Statutory and Policy Support	1.7	2.1	0.4
0.0	0.0	0.0	Strategic Safeguarding	0.8	0.8	0.0
5.1	1.6	-3.4	Adaptive & Assistive Technology	1.7	0.8	-0.9
405.8	446.7	40.8	Adult Social Care & Health Operations	488.4	520.2	31.8
8.6	8.1	-0.5	Business Delivery	10.0	10.1	0.1
0.7	0.7	0.0	Independent Living Support	0.0	0.0	0.0
9.3	8.8	-0.5	Business Delivery Unit	10.0	10.1	0.1
455.1	479.6	24.4	Adult Social Care & Health	527.5	553.3	25.8
0.0	0.0	0.0	Earmarked Budgets Held Corporately	0.0	0.0	0.0

2022-23			Appendix 1 - Key Service Summary	2023-24		
Revenue Budget £m	Outturn £m	Variance £m		Revenue Budget £m	Forecast £m	Variance £m
2.3	1.9	-0.3	Strategic Management & Directorate Budgets	2.0	1.8	-0.2
15.5	15.1	-0.4	Adoption & Special Guardianship Arrangements & Service	17.1	16.9	-0.1
32.9	37.3	4.4	Adult Learning & Physical Disability Pathway - Community Based Services	40.0	43.8	3.7
9.3	9.3	0.1	Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.2	7.7	-1.5
-0.1	-0.1	0.0	Asylum	-0.1	-0.1	0.0
6.0	5.2	-0.8	Care Leavers Service	5.1	5.6	0.5
3.3	3.2	0.0	Children in Need - Care & Support	3.1	3.4	0.2
5.5	6.7	1.1	Children in Need (Disability) - Care & Support	5.9	7.7	1.8
4.6	3.6	-1.0	Children's Centres	4.5	4.5	0.0
1.7	1.1	-0.6	Children's Disability 0-18 Commissioning	1.7	1.8	0.0
51.2	51.9	0.7	Children's Social Work Services - Assessment & Safeguarding Service	53.8	53.0	-0.8
9.0	9.3	0.2	Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	9.7	9.6	-0.1
6.9	6.1	-0.8	Early Help & Preventative Services	5.2	5.2	0.0
5.7	4.9	-0.8	Integrated Services (Children's) Management & Directorate Support	5.6	5.7	0.1
66.8	76.7	9.9	Looked After Children - Care & Support	76.6	88.5	12.0
16.4	17.7	1.3	Looked After Children (with Disability) - Care & Support	18.9	19.0	0.1
3.6	4.0	0.4	Looked After Children (with Disability) - In House Provision	3.8	3.8	0.1
0.1	0.1	0.0	Pupil Referral Units & Inclusion	0.1	0.1	0.0
5.7	4.2	-1.5	Youth Services	4.5	4.5	0.0
244.2	256.5	12.3	Integrated Children's Services (Operations and County Wide)	264.7	280.9	16.1

2022-23			Appendix 1 - Key Service Summary	2023-24		
Revenue Budget £m	Outturn £m	Variance £m		Revenue Budget £m	Forecast £m	Variance £m
-0.4	-0.1	0.4	Community Learning & Skills (CLS)	-0.2	-0.2	0.0
0.0	0.0	0.0	Early Years Education	0.0	0.0	0.0
1.4	1.3	-0.2	Education Management & Division Support	1.2	1.0	-0.3
6.2	6.5	0.3	Education Services provided by The Education People	4.0	4.1	0.1
0.3	0.3	0.1	Fair Access & Planning Services	0.4	0.6	0.1
49.7	65.8	16.1	Home to School & College Transport	68.8	77.9	9.0
-11.6	-8.5	3.1	Other School Services	5.1	7.2	2.1
13.2	14.3	1.1	Special Educational Needs & Psychology Services	14.8	16.2	1.4
0.2	0.2	-0.1	Special Educational Needs & Disability Management & Divisional Support	0.0	0.1	0.1
59.1	79.8	20.8	Education & Special Educational Needs	94.2	106.7	12.5
305.6	338.3	32.7	Children, Young People & Education	360.9	389.4	28.5
0.0	0.0	0.0	Earmarked Budgets Held Corporately	-0.2	0.0	0.2

2022-23			Appendix 1 - Key Service Summary	2023-24		
Revenue Budget £m	Outturn £m	Variance £m		Revenue Budget £m	Forecast £m	Variance £m
1.4	1.3	-0.1	Strategic Management & Directorate Budgets	1.4	1.4	0.0
4.7	5.1	0.4	Growth and Support to Businesses	6.2	6.1	-0.1
2.8	2.9	0.1	Community (Assets & Services)	2.2	2.2	0.0
11.4	11.0	-0.4	Public Protection	11.8	12.2	0.3
9.5	8.6	-0.9	Libraries, Registration & Archives	10.5	10.5	0.0
0.8	0.8	0.0	Growth and Communities Divisional management costs	0.4	0.4	0.0
29.1	28.4	-0.8	Growth & Communities	31.1	31.4	0.2
33.0	33.8	0.7	Highway Assets Management	37.0	36.7	-0.3
6.6	6.0	-0.6	Transportation	6.6	6.5	-0.1
4.7	6.2	1.5	Supported Bus Services	5.3	5.3	0.0
13.8	11.8	-2.0	English National Concessionary Travel Scheme (ENCTS)	13.0	13.0	0.0
4.8	6.2	1.4	Kent Travel Saver (KTS)	5.1	5.1	0.0
3.6	3.2	-0.4	Highways & Transportation divisional management costs	3.7	3.6	-0.2
66.6	67.1	0.6	Highways & Transportation	70.6	70.1	-0.5
2.4	2.3	-0.1	Environment	3.4	3.3	-0.1
45.8	45.9	0.2	Residual Waste	50.5	50.3	-0.2
31.6	32.9	1.2	Waste Facilities & Recycling Centres	36.4	37.9	1.5
1.8	1.8	0.0	Environment and Circular Economy Divisional management costs	2.1	2.0	-0.1
81.6	82.8	1.2	Environment & Circular Economy	92.3	93.5	1.1
178.6	179.6	0.9	Growth, Environment & Transport	195.5	196.3	0.8
0.0	0.0	0.0	Earmarked Budgets Held Corporately	-0.3	0.0	0.3

2022-23			Appendix 1 - Key Service Summary	2023-24			
Revenue Budget £m	Outturn £m	Variance £m		Revenue Budget £m	Forecast £m	Variance £m	
0.0	0.0	0.0					
0.5	0.5	0.0		Strategic Refresh Programme	1.6	1.6	0.0
0.4	0.4	0.0		Strategic Management & Departmental Support	1.1	1.1	-0.1
2.1	2.0	0.0		Health & Safety	0.4	0.4	0.0
				Business & Client Relationships	2.3	2.3	0.0
2.9	2.9	0.0		Strategic Management & Departmental Budgets (DCED)	5.4	5.4	0.0
5.1	4.8	-0.3		Human Resources & Organisational Development	5.3	5.2	-0.1
				Marketing & Digital Services	1.9	2.1	0.1
				Resident Experience - Contact Centre; Gateways; Customer care & Complaints	4.8	4.7	-0.1
6.0	5.8	-0.2		Marketing & Resident Experience	6.8	6.8	0.0
5.9	5.6	-0.4		Property related services	7.5	7.5	0.0
0.0	0.0	0.0		Kent Resilience	0.3	0.3	0.0
0.2	0.2	-0.1		Emergency Planning	0.2	0.2	0.0
6.2	5.8	-0.4		Infrastructure	7.9	7.9	0.0
23.5	23.5	0.0		Technology	25.5	25.5	0.0
0.0	0.0	0.0		Business Services Centre	0.0	0.0	0.0
26.5	29.0	2.5		Corporate Landlord	33.8	31.3	-2.5
70.1	71.7	1.6		Total - Deputy Chief Executive Department	84.6	82.1	-2.6
				Earmarked Budgets Held Corporately	-0.1	0.0	0.1

2022-23			Appendix 1 - Key Service Summary	2023-24		
Revenue Budget £m	Outturn £m	Variance £m		Revenue Budget £m	Forecast £m	Variance £m
0.0	-0.7	-0.7	Strategic Management & Directorate Budgets	-0.5	-0.5	0.0
3.2	3.1	0.0	Grants to Kent District Councils to maximise Council Tax collection	3.2	3.2	0.0
9.2	9.1	-0.1	Finance	9.9	9.8	-0.1
12.4	12.2	-0.2	Finance	13.0	13.0	-0.1
6.9	6.4	-0.5	Governance & Law	7.3	7.1	-0.2
1.4	0.7	-0.8	Local Member Grants	1.0	1.0	0.0
8.3	7.1	-1.2	Governance, Law & Democracy	8.3	8.1	-0.2
8.1	7.2	-0.9	Strategic Commissioning	7.6	7.6	0.0
0.0	0.0	0.0	Childrens and Adults Safeguarding Services	0.4	0.4	0.0
0.0	0.0	0.0	Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.4	0.4	0.0
4.5	4.0	-0.5	Strategy, Policy, Relationships & Corporate Assurance	4.6	4.5	0.0
4.5	4.0	-0.5	Strategy, Policy, Relationships & Corporate Assurance	5.4	5.4	0.0
33.4	29.9	-3.5	Total - Chief Executive Department	33.9	33.6	-0.3
156.7	144.7	-12.0	Non Attributable Costs	116.1	100.9	-15.2
-0.3	0.0	0.3	Corporately Held Budgets (to be allocated)	0.2	0.0	-0.2
1,199.1	1,243.7	+44.4	Total excluding Schools' Delegated Budgets	1,318.3	1,355.6	+37.3

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Community Based Preventative Services	15.6	-7.1	8.6	16.5	-7.9	8.5	0.8	-0.9	-0.0
Housing Related Support	3.4	-1.9	1.5	3.4	-1.9	1.5	-0.1	0.1	0.0
Provision for Demographic Growth - Community Based Services	12.4	-1.7	10.7	12.4	-1.7	10.7	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	7.5	-0.3	7.3	5.6	-0.2	5.4	-1.9	0.1	-1.9
Social Support for Carers	5.5	-2.3	3.2	5.6	-2.6	3.0	0.1	-0.3	-0.2
Partnership Support Services	10.4	-10.4	0.0	10.4	-10.4	0.0	0.0	0.0	0.0
<b>Strategic Management &amp; Directorate Budgets</b>	<b>55.0</b>	<b>-23.8</b>	<b>31.2</b>	<b>53.9</b>	<b>-24.8</b>	<b>29.1</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-2.1</b>
Public Health - Advice and Other Staffing	5.9	-5.9	0.0	6.8	-6.8	0.0	0.9	-0.9	0.0
Public Health - Children's Programme	34.6	-34.6	0.0	33.7	-33.7	0.0	-0.8	0.8	0.0
Public Health - Healthy Lifestyles	8.0	-8.0	0.0	9.4	-9.4	0.0	1.5	-1.4	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	17.3	-17.3	0.0	17.0	-17.0	0.0	-0.3	0.4	0.0
Public Health - Sexual Health	15.2	-15.2	0.0	14.8	-14.8	0.0	-0.4	0.4	0.0
<b>Public Health</b>	<b>81.0</b>	<b>-81.0</b>	<b>0.0</b>	<b>81.7</b>	<b>-81.7</b>	<b>0.0</b>	<b>0.7</b>	<b>-0.7</b>	<b>0.0</b>
Adult In House Carer Services	2.3	-0.0	2.3	2.4	-0.0	2.4	0.1	0.0	0.1
Adult In House Community Services	5.6	-0.0	5.6	5.9	-0.0	5.8	0.3	0.0	0.3
Adult In House Enablement Services	18.3	-12.0	6.3	18.2	-11.9	6.4	-0.1	0.1	0.1
Adult Case Management & Assessment Services	0.6	+0.0	0.6	27.2	-1.6	25.6	26.6	-1.6	25.0
Adult Learning Disability - Case Management & Assessment Service	6.2	-0.3	5.9	0.5	+0.0	0.5	-5.7	0.3	-5.4
Adult Learning Disability - Community Based Services & Support for Carers	126.2	-9.3	116.9	125.7	-9.3	116.3	-0.5	0.0	-0.5
Adult Learning Disability - Residential Care Services & Support for Carers	83.2	-6.3	76.9	82.9	-6.3	76.6	-0.2	-0.0	-0.3
Adult Mental Health - Case Management & Assessment Services	10.8	-0.3	10.5	3.4	-0.3	3.0	-7.4	-0.1	-7.4
Adult Mental Health - Community Based Services	18.7	-1.5	17.2	19.4	-1.5	17.9	0.7	0.0	0.7
Adult Mental Health - Residential Care Services	19.4	-1.1	18.3	19.5	-1.1	18.4	0.1	0.0	0.1
Adult Physical Disability - Community Based Services	28.9	-3.6	25.3	29.1	-3.6	25.5	0.2	0.0	0.2
Adult Physical Disability - Residential Care Services	22.4	-2.2	20.2	22.6	-2.3	20.3	0.2	-0.1	0.1
ASCH Operations - Divisional Management & Support	7.5	-0.2	7.3	5.9	-0.3	5.7	-1.6	-0.0	-1.6
Independent Living Support	1.3	-0.2	1.0	1.3	-0.2	1.0	-0.0	0.0	-0.0
Older People - Community Based Services	72.0	-29.9	42.1	72.6	-29.9	42.7	0.6	-0.0	0.6
Older People - In House Provision	22.0	-7.4	14.6	23.3	-7.2	16.1	1.2	0.3	1.5
Older People - Residential Care Services	150.8	-72.5	78.3	150.6	-72.6	78.0	-0.2	-0.1	-0.3
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	25.7	-2.7	23.0	12.0	-1.2	10.9	-13.6	1.5	-12.1
Older People & Physical Disability Carer Support - Commissioned	3.0	-1.4	1.6	3.1	-1.5	1.6	0.1	-0.1	0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	8.2	-0.7	7.4	8.2	-0.7	7.5	0.1	-0.0	0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.4	-0.1	1.3	1.4	-0.1	1.3	0.0	-0.0	0.0

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Sensory & Autism - Assessment Service	0.7	+0.0	0.7	0.7	-0.0	0.7	0.0	-0.0	0.0
Statutory and Policy Support	1.3	+0.0	1.3	1.7	+0.0	1.7	0.3	0.0	0.3
Strategic Safeguarding	1.0	-0.3	0.7	1.1	-0.2	0.8	0.1	0.0	0.1
Adaptive & Assistive Technology	11.2	-9.1	2.1	10.1	-8.4	1.7	-1.1	0.7	-0.4
<b>Adult Social Care &amp; Health Operations</b>	<b>648.5</b>	<b>-161.2</b>	<b>487.3</b>	<b>648.7</b>	<b>-160.3</b>	<b>488.4</b>	<b>0.2</b>	<b>0.9</b>	<b>1.1</b>
Business Delivery	9.5	-0.6	8.9	11.0	-1.0	10.0	1.4	-0.4	1.1
Business Delivery Unit	9.5	-0.6	8.9	11.0	-1.0	10.0	1.4	-0.4	1.1
<b>Adult Social Care &amp; Health</b>	<b>793.9</b>	<b>-266.5</b>	<b>527.4</b>	<b>795.2</b>	<b>-267.7</b>	<b>527.5</b>	<b>1.2</b>	<b>-1.2</b>	<b>0.1</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	6.0	-3.9	2.0	5.8	-3.8	2.0	-0.1	0.1	0.0
Community Learning & Skills (CLS)	12.7	-12.9	-0.2	12.7	-12.9	-0.2	0.0	0.0	0.0
Early Years Education	84.4	-84.4	0.0	84.4	-84.4	0.0	-0.1	0.1	0.0
Education Management & Division Support	2.2	-1.0	1.2	2.2	-1.0	1.2	0.0	0.0	0.0
Education Services provided by The Education People	8.6	-4.3	4.3	8.3	-4.3	4.0	-0.3	0.0	-0.3
Fair Access & Planning Services	3.1	-2.6	0.4	3.1	-2.6	0.4	0.0	0.0	0.0
Home to School & College Transport	73.1	-4.2	68.8	73.1	-4.2	68.8	0.0	0.0	0.0
Other School Services	41.9	-37.4	4.5	42.5	-37.4	5.1	0.6	0.0	0.6
Special Educational Needs & Psychology Services	102.1	-87.5	14.7	148.3	-133.5	14.8	46.2	-46.1	0.1
Special Educational Needs & Disability Management & Divisional Support	0.2	+0.0	0.2	0.0	+0.0	0.0	-0.2	0.0	-0.2
Education & Special Educational Needs	328.2	-234.3	93.9	374.5	-280.3	94.2	46.3	-46.0	0.3
Adoption & Special Guardianship Arrangements & Service	18.2	-1.3	16.9	18.4	-1.3	17.1	0.2	0.0	0.2
Adult Learning & Physical Disability Pathway - Community Based Services	41.7	-1.7	40.0	41.7	-1.7	40.0	0.0	0.0	0.0
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	9.7	-0.4	9.2	9.7	-0.4	9.2	0.0	0.0	0.0
Asylum	32.2	-32.3	-0.1	36.0	-36.1	-0.1	3.8	-3.8	-0.0
Care Leavers Service	9.5	-3.9	5.6	9.0	-3.9	5.1	-0.5	-0.0	-0.5
Children in Need - Care & Support	3.1	-0.0	3.1	3.2	-0.0	3.1	0.0	0.0	0.0
Children in Need (Disability) - Care & Support	5.9	-0.0	5.9	5.9	-0.0	5.9	0.0	0.0	0.0
Children's Centres	12.2	-7.6	4.5	12.2	-7.6	4.5	0.0	0.0	0.0
Children's Disability 0-18 Commissioning	3.1	-1.4	1.7	3.1	-1.4	1.7	0.0	0.0	0.0
Children's Social Work Services - Assessment & Safeguarding Service	56.9	-3.9	53.0	59.8	-6.0	53.8	3.0	-2.1	0.8
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	9.7	+0.0	9.7	9.7	+0.0	9.7	0.0	0.0	0.0
Early Help & Preventative Services	16.7	-11.0	5.8	16.2	-11.0	5.2	-0.5	0.0	-0.5
Integrated Services (Children's) Management & Directorate Support	8.1	-2.5	5.6	8.1	-2.5	5.6	0.0	-0.0	0.0
Looked After Children - Care & Support	80.5	-4.4	76.1	81.1	-4.6	76.6	0.7	-0.2	0.5
Looked After Children (with Disability) - Care & Support	21.8	-3.0	18.9	21.8	-3.0	18.9	0.0	0.0	0.0
Looked After Children (with Disability) - In House Provision	5.6	-1.8	3.8	5.6	-1.8	3.8	0.0	0.0	0.0
Pupil Referral Units & Inclusion	8.6	-8.5	0.1	8.9	-8.8	0.1	0.3	-0.3	-0.0
Youth Services	6.9	-2.5	4.4	7.0	-2.5	4.5	0.1	0.0	0.1
Integrated Children's Services (Operations and County Wide)	350.3	-86.2	264.2	357.4	-92.7	264.7	7.1	-6.5	0.6
<b>Children, Young People &amp; Education</b>	<b>684.5</b>	<b>-324.4</b>	<b>360.1</b>	<b>737.7</b>	<b>-376.8</b>	<b>360.9</b>	<b>53.2</b>	<b>-52.4</b>	<b>0.8</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	1.5	-0.1	1.4	1.5	-0.1	1.4	-0.0	0.0	0.0
Growth and Support to Businesses	8.3	-2.6	5.7	8.0	-1.8	6.2	-0.3	0.8	0.5
Community (Assets & Services)	4.6	-2.4	2.2	4.5	-2.4	2.2	-0.1	0.0	-0.1
Public Protection	14.7	-3.0	11.7	14.9	-3.0	11.8	0.2	0.0	0.2
Libraries, Registration & Archives	16.8	-6.2	10.5	16.8	-6.2	10.5	0.0	0.0	0.0
Growth and Communities Divisional management costs	0.4	+0.0	0.4	0.4	+0.0	0.4	0.0	0.0	0.0
Growth & Communities	44.8	-14.2	30.6	44.6	-13.4	31.1	-0.2	0.8	0.6
Highway Assets Management	42.3	-5.3	37.0	43.3	-6.3	37.0	1.0	-1.0	0.0
Transportation	11.3	-4.7	6.6	11.3	-4.7	6.6	0.0	0.0	0.0
Supported Bus Services	8.8	-3.6	5.3	15.4	-10.1	5.3	6.5	-6.5	0.0
English National Concessionary Travel Scheme (ENCTS)	13.0	-0.0	13.0	13.0	-0.0	13.0	0.0	0.0	0.0
Kent Travel Saver (KTS)	14.6	-9.5	5.1	14.6	-9.5	5.1	0.0	0.0	0.0
Highways & Transportation divisional management costs	4.2	-0.2	3.9	4.0	-0.2	3.7	-0.2	0.0	-0.2
Highways & Transportation	94.1	-23.3	70.8	101.5	-30.9	70.6	7.4	-7.6	-0.2
Environment	14.0	-10.3	3.7	14.0	-10.6	3.4	0.1	-0.3	-0.3
Residual Waste	50.9	-0.5	50.4	50.9	-0.5	50.5	0.1	0.0	0.1
Waste Facilities & Recycling Centres	40.5	-4.1	36.4	40.5	-4.1	36.4	0.0	0.0	0.0
Environment and Circular Economy Divisional management costs	1.9	-0.1	1.8	2.3	-0.2	2.1	0.4	-0.0	0.3
Environment & Circular Economy	107.2	-15.0	92.2	107.7	-15.4	92.3	0.5	-0.4	0.2
<b>Growth, Environment &amp; Transport</b>	<b>247.6</b>	<b>-52.7</b>	<b>194.9</b>	<b>255.3</b>	<b>-59.8</b>	<b>195.5</b>	<b>7.7</b>	<b>-7.1</b>	<b>0.6</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Reset Programme	1.7	+0.0	1.7	1.6	+0.0	1.6	-0.1	0.0	-0.1
Business & Client Relationships	2.4	-0.1	2.3	2.4	-0.1	2.3	0.0	0.0	0.0
Strategic Management & Departmental Support	1.0	-0.3	0.7	1.4	-0.3	1.1	0.4	0.0	0.4
Health & Safety	0.4	-0.0	0.4	0.4	-0.0	0.4	0.0	0.0	0.0
Strategic Management & Departmental Budgets (DCED)	5.4	-0.4	5.1	5.8	-0.4	5.4	0.3	0.0	0.3
Human Resources & Organisational Development	5.6	-0.3	5.3	5.6	-0.3	5.3	0.0	0.0	0.0
Resident Experience - Contact Centre; Gateways; Customer care & Complaints	4.7	-0.2	4.5	5.1	-0.2	4.8	0.3	0.0	0.3
Marketing & Digital Services	2.3	-0.4	1.9	2.3	-0.4	1.9	0.0	0.0	0.0
Marketing & Resident Experience	7.1	-0.6	6.4	7.4	-0.6	6.8	0.3	0.0	0.3
Property related services	9.6	-1.9	7.6	9.4	-1.9	7.5	-0.2	0.0	-0.2
Kent Resilience	0.4	-0.1	0.3	0.4	-0.1	0.3	0.0	0.0	0.0
Emergency Planning	0.3	-0.1	0.2	0.3	-0.1	0.2	0.0	0.0	0.0
Infrastructure	10.2	-2.1	8.1	10.1	-2.1	7.9	-0.2	0.0	-0.2
Technology	28.8	-3.1	25.7	28.6	-3.1	25.5	-0.2	0.0	-0.2
Corporate Landlord	42.5	-8.8	33.7	43.4	-9.6	33.8	0.9	-0.8	0.1
Deputy Chief Executive Department	99.6	-15.4	84.2	100.8	-16.2	84.6	1.2	-0.8	0.4

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets	2.2	-2.7	-0.5	2.2	-2.7	-0.5	0.0	0.0	0.0
Grants to Kent District Councils to maximise Council Tax collection	3.5	-0.4	3.2	3.5	-0.4	3.2	0.0	0.0	0.0
Finance	16.4	-6.5	9.9	16.4	-6.5	9.9	0.0	0.0	0.0
Finance	19.9	-6.9	13.0	19.9	-6.9	13.0	0.0	0.0	0.0
Governance & Law	7.6	-0.3	7.3	7.6	-0.3	7.3	0.0	0.0	0.0
Local Member Grants	0.3	+0.0	0.3	1.0	+0.0	1.0	0.7	0.0	0.7
Governance, Law & Democracy	7.9	-0.3	7.6	8.7	-0.3	8.3	0.7	0.0	0.7
Strategic Commissioning	9.3	-1.6	7.6	9.3	-1.6	7.6	0.0	0.0	0.0
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	4.4	-4.0	0.4	8.9	-8.5	0.4	4.5	-4.5	-0.0
Childrens and Adults Safeguarding Services	0.9	-0.6	0.3	1.0	-0.6	0.4	0.1	0.0	0.1
Strategy, Policy, Relationships & Corporate Assurance	9.3	-4.7	4.6	4.8	-0.3	4.6	-4.5	4.5	0.0
Strategy, Policy, Relationships & Corporate Assurance	14.6	-9.3	5.3	14.7	-9.3	5.4	0.1	0.0	0.1
<b>Chief Executive Department</b>	<b>53.9</b>	<b>-20.8</b>	<b>33.1</b>	<b>54.8</b>	<b>-20.8</b>	<b>33.9</b>	<b>0.8</b>	<b>0.0</b>	<b>0.8</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Non Attributable Costs	138.7	-22.6	116.1	138.7	-22.6	116.1	0.0	0.0	0.0
Corporately Held Budgets (to be allocated)	22.3	-22.6	-0.3	22.3	-22.6	-0.3	-0.0	0.0	-0.0
Total excluding Schools' Delegated Budgets	2,040.6	-725.0	1,315.6	2,104.8	-786.5	1,318.3	64.2	-61.5	2.7
Schools' Delegated Budgets	733.6	-733.6	0.0	700.1	-700.1	0.0	-33.5	33.5	0.0
Total including Schools' Delegated Budgets	2,774.2	-1,458.6	1,315.6	2,804.9	-1,486.6	1,318.3	30.7	-28.0	2.7

### Appendix 3 - Monitoring of Prudential Indicators as at 30 June 2023

The prudential indicators consider the affordability and impact of capital expenditure plans, in line with the prudential code.

#### Prudential Indicator 1 : Estimates of Capital Expenditure (£m)

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Total	235.3	393.8	347.40	308.50	229.50	176.8

#### Prudential Indicator 2: Estimate of Capital Financing Requirement (CFR) (£m)

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources.

It is a measure of the Council's underlying borrowing need.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Total CFR	1,292.42	1,345.30	1,288.15	1,329.77	1,308.77	1,268.11

#### Prudential Indicator 3: Gross Debt and the Capital Financing Requirement (£m)

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the CFR.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Other Long-term Liabilities	222.40	235.80	222.40	222.40	222.40	222.4
External Borrowing	802.47	771.80	771.89	742.56	710.34	685.11
Total Debt	1,024.87	1,007.60	994.29	964.96	932.74	907.51
Capital Financing Requirement	1,292.42	1,345.30	1,288.15	1,329.77	1,308.77	1,268.11
Internal Borrowing	267.55	337.70	293.86	364.81	376.03	360.60

#### Prudential Indicator 4 : Authorised Limit and Operation Boundary for External Debt (£m)

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt).

A lower "operation boundary" is set should debt approach the limit.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Authorised Limit - borrowing	802	946	946	905	875	849
Authorised Limit - Other long term liabilities	222	232	222	222	222	222
Authorised Limit - total external debt	1,024	1,178	1,168	1,127	1,097	1,071
Operational Boundary - borrowing	802	896	822	855	825	799
Operational Boundary - Other long term liabilities	222	232	222	222	222	222
Operation Boundary - total external debt	1,024	1,128	1,044	1,077	1,047	1,021

#### Prudential Indicator 5: Estimate of Finance Costs to Net Revenue Stream (%)

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue.

This indicator compares the net financing costs of the Authority to the net revenue stream.

	22-23 Actuals	23-24 Budget	23-24 Forecast	24-25 Estimate	25-26 Estimate	26-27 Estimate
Proportion of net revenue stream	9.18%	8.40%	8.30%	7.69%	7.41%	6.98%

**Prudential Indicator 6: Estimates of Net Income from Commercial and Service Investments to Net Revenue Stream**

	22-23	23-24	24-25	25-26
	Actual	Estimate	Estimate	Estimate
Net income from commercial and service investments to net revenue stream	0.64	0.47	0.38	0.20

## Appendix 4 - Reserves Monitoring as at 30 June 2023

	Balance as at 1 April 2023 £m	Forecast Contribution to/(from) Reserve £m	Projected Balance at 31 March 2024 £m
<b>General Fund (GF) Balance</b>	36.9		36.9
Budgeted contribution to/(from) in MTFP		5.8	5.8
	<b>36.9</b>	<b>5.8</b>	<b>42.7</b>
<b>Earmarked reserves :</b>			
Vehicle, Plant & Equipment (VPE)	20.3	(0.1)	<b>20.2</b>
Smoothing	109.2	17.4	<b>126.6</b>
Major Projects	68.9	(13.8)	<b>55.1</b>
Partnerships	31.4	(17.9)	<b>13.5</b>
Grant/External Funds	53.2	(23.2)	<b>30.0</b>
Departmental Under/Overspends	3.3	(3.1)	<b>0.2</b>
Insurance	13.2	(0.8)	<b>12.4</b>
Public Health	16.9	(3.3)	<b>13.6</b>
Trading	1.1	0.0	<b>1.1</b>
Special Funds	0.7	0.1	<b>0.8</b>
<b>Total Earmarked Reserves</b>	<b>318.2</b>	<b>(44.7)</b>	<b>273.5</b>
<b>Total GF and Earmarked Reserves</b>	<b>355.1</b>	<b>(38.9)</b>	<b>316.2</b>
<b>Individual Maintained Schools Reserves</b>			
	Balance as at 1 April 2023 £m	Forecast Contribution to/(from) Reserve £m	Projected Balance at 31 March 2024 £m
School delegated revenue budget reserve - committed	19.0	(0.1)	18.9
School delegated revenue budget reserve - uncommitted	41.8	(0.3)	41.5
Community Focussed Extended Schools Reserves	0.3	0.0	0.3
<b>Total Individual Maintained School Reserves</b>	<b>61.1</b>	<b>(0.4)</b>	<b>60.7</b>

## DSG Adjustment Account - Unusable Reserve

	Balance as at 1 April 2023 £m	Forecast Contribution to/(from) Reserve £m	Projected Balance at 31 March 2024 £m
<b>DSG Adjustment Accounts</b>	<b>(61.4)</b>	<b>(11.3)</b>	<b>(72.7)</b>

The General fund Reserve has been increased as agreed by County Council in the 2023-24 MTFP.

The earmarked reserves are decreasing mainly due to the following:

- £19.2m drawdown from the Covid-19 emergency grant reserve to fund the continuation of projects.
- The 'Smoothing' reserves include a drawdown from the Kings Hill Smoothing Reserve of £14.4m to fund the 2023-24 safety valve.
- The 'Smoothing' reserves show a net increase of £16.0m, this includes the transfer of £6m from 'Major Projects' reserves, transferring £2m of which is used to set up the Emergency capital events & abortive costs reserve along with further £1m contribution as per the recommendation in section 2 of this report, and £4m for the recategorization of Capital Feasibility reserve as a smoothing reserve. As well as the transfers there is a £12m contribution to the risk reserve.

Within the smoothing reserves, £2m has been moved from the Earmarked Reserve to Support Future Years Budgets to create a new reserve, also within the smoothing category, entitled Budget Recovery Reserve. This is to support the plan for Securing Kent's Future.

The DSG Adjustment Account deficit has increased due to pressures in Schools Funding. More details can be found in Section 10.