From:	Deputy Leader, Brian Collins Corporate Director Finance, Brendan Arnold
To:	Cabinet, 19 November 2026
Subject:	Revenue and Capital Budget Forecast Outturn Report – Quarter 2
Classification:	Unrestricted

Summary:

The attached report sets out the revenue and capital budget forecast monitoring position as at Quarter 2 2026-27, including progress against savings targets within the revenue budget, revenue and capital cash limit changes made between that period and monitoring updates for reserves, treasury management and prudential indicators.

Recommendation(s):

Cabinet is asked to:

a) NOTE the revenue and capital forecast outturn position for 2026-27 detailed in the report, and accompanying appendices

b) AGREE the capital cash limit adjustments (per Appendix 2)

Contact details

Report Authors

Cath Head
Head of Finance Operations
03000 416 934
cath.head@kent.gov.uk

Joe McKay
Chief Accountant
03000 419 601
joe.mckay@kent.gov.uk

Joanna Lee
Capital Finance Manager
03000 416 939
joanna.lee@kent.gov.uk

Relevant Director

Brendan Arnold
Corporate Director Finance
03000 419 095
brendan.arnold@kent.gov.uk

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The Revenue Position

The 2026-27 budget included significant core funded spending growth, much of which has once again focused on increased costs in adults and children's social care due to inflationary uplifts in provider contracts, rising demand and increased complexity of needs.

The current working budget for 2026-27 is £1,655.6m. The forecast outturn variance against this budget is an overspend of £15.8m, which represents 1.0% of the overall budget, as per the table below:

All figures in £m

Directorate		Working Budget	Forecast	Variance	Variance %
Adult Social Care & Health		787.1	793.3	6.2	0.8%
Children, Young People & Education		426.5	439.1	12.6	3.0%
Growth, Environment & Transport		217.8	216.1	-1.8	-0.8%
Chief Executive's Department		57.6	57.9	0.2	0.4%
Deputy Chief Executive's Department		60.9	59.8	-1.1	-1.8%
Non Attributable Costs		105.6	105.3	-0.3	-0.3%
Total revenue position		**1,655.6**	**1,671.5**	**15.8**	**1.0%**
Schools' Delegated Budgets		0.0	107.5	107.5	

When the council overspends, it must fund that overspend from reserves.

Any overspend is a concern for the authority and presents a risk to the Council's future financial sustainability and it is essential that the need to drawdown from reserves is reduced as far as possible, as drawdowns from reserves weaken the Council's financial resilience and increase the requirement to replenish reserves in future years. Our aim is that the Council holds General Reserves at a minimum of 5% of our net revenue budget.

The most significant overspend is in Children, Young People & Education (CYPE) totalling £12.6m (3.0% overspend). This variance includes +£20.4m relating to Looked After Children - Care & Support (Placements) offset by underspends of -£4.3m in Looked After Children (with Disability) - Care and Support (Placements) and -£3.9m in Home to School & College Transport. Please see Section 1b for further information.

There is an overspend in Adult Social Care & Health of £6.2m (0.8% overspend) relating to a combination of savings which are no longer anticipated to be delivered in-year (£3.8m), and other service pressures (£2.4m).

Each directorate is broken down into Divisions and Key Services. Each directorate has its own set of sections within the report presenting the forecast outturn position by Division and providing explanations of the significant variances. Information on what each Key Service is responsible for can be found in the 2026-27 Budget Book.

Savings and Additional Income Targets

This report sets out progress against the requirement to deliver savings and additional income of £91.7m. This does not include increases to grant income or the removal of one-off or undelivered savings in previous years.

As at Quarter 2, £74.7m is expected to be delivered in 2026-27, which represents 81% delivery against the target. There are alternative savings of £11.5m increasing the total delivery to £86.2m, representing 94% against the target.

Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £107.5m. Due to the in-year deficit on Schools' Delegated Budget, the Council's net DSG Deficit is forecast to increase from £130.5m to £236.3m. This forecast position does not include the impact of the new High Needs Stability Grant, expected to be received in Autumn 2026.

The statutory override for managing deficits runs until the end of the 2027-28 financial year. The Local Government Provisional Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. See Section 1h for further information.

The Capital Position

The total approved General Fund capital programme including roll forwards for 2026-27 is £421.5m.

The capital programme spend up to the end of Quarter 2 is £108.6m, which represents 26% of the approved budget, with forecast spend to the end of the year of £341.1m.

There is a forecast -£80.4m variance against the budget, which is split between a -£5.9m real variance and -£74.5m rephasing variance. It is usual to see a significant amount of rephasing in capital programmes. At Q2 in 2025-26 there was a -61.6m rephasing variance.

The major in-year variances (real variances of over £0.1m and rephasing variances of over £1.0m) are also described in Section 4.

All figures in £m

Directorate		Working Budget	Total Variance	*Real Variance*	*Rephasing Variance*
Adult Social Care & Health		1.1	0.5	*0.8*	*-0.3*
Children, Young People & Education		6.8	-2.9	*-0.1*	*-2.8*
Growth, Environment & Transport		288.8	-45.5	*-5.8*	*-39.7*
Chief Executive's Department		124.8	-32.5	*-0.8*	*-31.6*
Deputy Chief Executive's Department		0.0	0.0	*0.0*	*0.0*
Total		**421.5**	**-80.4**	***-5.9***	***-74.5***

Section 1 | Revenue by Directorate

1a | Adult Social Care & Health

The table below shows the Adult Social Care & Health position by each of the four divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Adult Social Care (short-term support)	72.0	70.8	-1.2
Adult Social Care (long-term support)	687.5	695.0	7.5
Strategic Management & Directorate Budgets	4.5	4.6	0.1
Strategic Commissioning (Integrated & Adults)	23.1	22.9	-0.2
Total	**787.1**	**793.3**	**6.2**

The Adult Social Care & Health directorate has a projected net overspend of +£6.2m of which +£3.8m relates to net savings which are no longer anticipated to be achieved this year, leaving +£2.4m of other service related pressures. The forecast assumes that £37.9m of savings and income changes will be delivered by the end of the financial year. In addition, it includes £14.1m for anticipated further growth in demand and cost pressures through the financial year.

The most significant variances are in the following Key Services:

- **Older People – Residential Care Services: +1.7m**

Pressures within this service line relate to placement costs being higher than budgeted, driven by the non-delivery of planned savings, alongside lower-than-expected income. The reduction in income is attributable to a combination of factors, including a decrease in the number of service users contributing the full cost of their care.
These pressures are partially offset by lower-than-budgeted activity levels, with fewer people being supported than originally anticipated.

- **Adult Mental Health - Residential Care Services: +3.1m**

Pressure relates to activity levels in mental health residential care services being higher than budgeted.

- **Adult Learning Disability - Residential Care Services and Support for Carers: +1.5m**

Pressure relates to activity levels in learning disability nursing and residential care being higher than budgeted.

- **Adult Mental Health - Community Based Services: +1.3m**

Pressure relates to activity levels in mental health supported living being higher than budgeted.

- **Adult Physical Disability - Residential Care Services: +1.1m**

Pressure relates to activity levels in Physical Disability 18-64 Nursing & Residential Care being higher than budgeted.

1b | Children, Young People & Education

The table below shows the Children, Young People & Education position by each of the four divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Education & Special Educational Needs	112.2	108.8	-3.5
Strategic Management & Directorate Budgets	4.4	4.6	0.2
Children's Countywide Services	121.2	120.4	-0.8
Operational Integrated Children's Services	188.6	205.3	16.7
Total	**426.5**	**439.1**	**12.6**

The Children, Young People & Education directorate has a projected net overspend of +£12.6m, this is mainly due to an overspend on looked after children placements and children in need support which is being partially offset by underspends on Home to School Transport and use of grants where appropriate.

The most significant variances are in the following Key Services:

- **Looked After Children - Care & Support (Placements): +20.4m**

Historically the number of Looked After Children (LAC) has remained relatively steady, with numbers fluctuating within a range over time. The number of children started to rise towards the end of 2025-26 and is now at the upper limit of this normal range. There continues to be approximately 70 more children than a year ago (5% increase). The full year effect of the increase in the cost of looked after children placements above those already budgeted during 2026-27, accounts for approximately £16.8m of the estimated overspend. This overspend is being driven by the higher costs of placing in care where there has been a reduction in capacity of our most cost effective placement: foster carers; and increasing reliance on the external market (at a higher cost) which is being exacerbated by significantly higher costs of residential care (with the cost of a residential placement increasing by 23% between March 2025 and 2026). A £1.35m contingency is also being forecast to reflect possible further reduction of carers & higher costs during the year although there are some signs the number of foster carers may be stabilising. The number of looked after children also appears to have steadied over the past few months. Negotiations with Health for contributions towards eligible children placement costs is continuing and the forecast assumes budgeted additional income will be achieved. The budget assumed Government would implement some actions during the year to reduce impact of rising market conditions however, this is unlikely to happen in 2026-27 leading to a further pressure of £0.6m. 2 of the 4 new in-house residential homes are due to open later than budgeted leading to reduced savings of nearly £1.2m in 2026-27. This forecast also assumes historic legal savings of £0.7m roll forward from 2025-26 cannot be achieved in 2026-27 - this saving is reliant on the Courts achieving their ambitions in speeding up proceedings (which has not been achieved to date).

- **Looked After Children (with Disability) - Care and Support (Placements): -4.3m**

A recent reduction in the number of Looked After Children with Disability than had been budgeted is leading to a potential underspend against this service (this forecast still assumes £2m contingency for increased numbers and costs before the end of the year). This underspend would have been greater but savings have been delayed from the revised timelines for the delivery of the new in-house residential homes (+£0.7m) and it is now unlikely Government will implement actions to help alleviate rising cost of residential care as budgeted (+£0.3m). National & local initiatives to improve the number of foster carer placements are also likely to be delayed (+£0.4m).

- **Home to School & College Transport: -3.9m**

The forecast underspend reflects the expectation that the additional savings achieved against last year's budgets are still ongoing. This forecast is based on the latest number of starters in the Autumn Term

and does include £4m contingency for any increase to student numbers during the rest of year and any price increases from contracting of new routes (based on historic trends), it will also be used to offset any risk associated with savings delivery. The total forecast underspend is £1.2m for mainstream Home to School Transport and £2.8m for SEN transport.

- **Children in Need Dis - Care and Support (payments and commissioned services): +3.8m**

This overspend relates to the increase in cost and usage of day care/homecare services which is partly offset by an underspend in Direct Payments. This forecast assumes continual high use of daycare services to support disabled children and their families at home. This overspend is partly due to the expected non-delivery of savings from delays in the implementation of the Short Break Strategy and revised respite offer.

- **Family Hubs: -2.2m**

This underspend is due to the use of additional grant income to fund eligible existing services in line with grant conditions

- **Children's SW Services - Assessment and Safeguarding Service (Operational Teams): -1.4m**

Underspends arising across teams where recruitment has not been successful, either for permanent or agency social workers. This will be leading to higher caseloads in some teams.

1c | Growth, Environment & Transport

The table below shows the Growth, Environment & Transport position by each of the four divisions.

All figures in £m

Division	Budget	Forecast	Variance
Environment & Circular Economy	97.5	97.2	-0.3
Growth & Communities	33.0	32.7	-0.4
Highways & Transportation	85.9	84.8	-1.1
Strategic Management & Directorate Budgets	1.4	1.4	0.0
Total	**217.8**	**216.1**	**-1.8**

The Growth, Environment & Transport directorate has a projected net underspend of -£1.8m, of which key variance explanations are detailed below.

The most significant variances are in the following Key Services:

- **Highway Assets Management: -1.0m**

There are a number of compensating variances within this area. Pressures within general maintenance from higher than budgeted prices and activity (+£0.2m), alongside increased street-light energy costs (+£0.3m), are more than offset by £1.5m of reprofiled works across services and higher than budgeted income.

- **Libraries, Registration & Archives: -0.3m**

Underspend due to higher than budgeted levels of Registration and Citizenship income due to demand for service.

- **Residual Waste: -0.3m**

Underspend primarily resulting from favourable volume variance (-£0.4m)

1d | Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the six divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Finance	11.9	11.6	-0.3
Law	0.3	0.4	0.0
Infrastructure	41.3	41.7	0.4
Public Health	0.0	0.0	0.0
Strategic Management and Directorate Budgets	-1.5	-1.4	0.1
Strategic Policy Relationships and Corporate Assurance	5.6	5.6	-0.1
Total	**57.6**	**57.9**	**0.2**

The Chief Executive's Department directorate has a projected net overspend of +£0.2m. This is primarily due to a forecast overspend of £0.5m in Corporate Landlord, due to reduced income and non-delivery of savings. This has mostly been offset by an underspend in Finance resulting from vacancy management.

The most significant variances are in the following Key Services:

- **Corporate Landlord: +0.5m**

Budget pressure as a result of a rephasing service savings delivery plans in Growth, Environment & Transport (GET), together with reduced expected income from the Community Learning and Skills (CLS) service.

- **Finance: -0.3m**

Majority of underspend due to vacancy management across a number of teams.

1e | Deputy Chief Executive's Department

The table below shows the Deputy Chief Executive's Department position by each of the six divisions.

All figures in £m

Division	Working Budget	Forecast	Variance
Commercial and Procurement	6.3	6.3	0.0
People Operations	8.6	8.4	-0.2
Governance & Democracy	7.4	7.1	-0.3
Marketing & Resident Experience	6.8	7.0	0.2
Strategic Management & Directorate Budgets	3.4	2.9	-0.5
Technology	28.4	28.2	-0.2
Total	**60.9**	**59.8**	**-1.1**

The Deputy Chief Executive's Department has a projected net underspend of -£1.1m. This is primarily due to vacancy management across a number of areas including the Portfolio Management Office and Governance & Democracy service; savings achieved in the cost of appeals within the Governance & Democracy service; a small underspend in Technology where an overspend on Managed Print is more than covered by a reduction in Third Party Contracts; and an underspend in People Operations, where an increased take up of salary sacrifice schemes has led to rebates. There is a small overspend in Marketing and Resident Experience resulting from additional costs required to deliver our Marketing and Digital Services.

The most significant variances are in the following Key Services:

- **Portfolio Management Office: -0.6m**

Underspend due to vacancy management as this new service is established.

- **Marketing and Digital Services: +0.3m**

The overspend is attributable to additional staffing costs incurred to support the delivery of the council's Creative Services function, together with increased non-staffing expenditure relating to additional ICT software costs and pension strain charges.

- **Technology: -0.2m**

Reduced expenditure on ICT Third Party Contracts is largely offset by an overspend on Managed Print where the activity remains well below budgeted levels of income. Work is underway to review click rates (the cost charged per printed page) to better align income with service costs.

- **Governance & Democracy: -0.3m**

Underspend due to vacancy management both in the democratic and member services teams, as well as reduced costs of appeals, which are due to the use of virtual hearings and existing internal resources.

1f | Non Attributable Costs

The table below shows the Non Attributable Costs position, including Corporately Held Budgets:

All figures in £m

Division	Working Budget	Forecast Outturn	Forecast Variance
Non Attributable Costs	105.6	105.3	-0.3
Total	**105.6**	**105.3**	**-0.3**

Non Attributable Costs is forecasting a net underspend of -£0.3m.

The key variances are summarised below:

+£1.5m - primarily due to lower investment income after the Council repaid two LOBO loans from cash rather than refinancing, reducing cash balances and increasing the need for short-term borrowing. This has been partly offset by savings on debt servicing costs from the early loan repayments and higher-than-budgeted third-party interest income. The forecast remains volatile, and plans to reduce the long-term pooled investment portfolio and move funds into lower-yield, liquid investments may further reduce investment returns during the year.

-£1.7m - Anticipated increase in the retained business rates levy for 2025-26 compared to the debtor raised based on latest information from the pool lead, Maidstone Borough Council, but this is provisional and could change during the audits of the Kent District Council accounts.

A forecast overspend of £1.5m against the Insurance Fund mainly due the increase in premiums in recent years, combined with increasing claim costs. Any overspend will be offset by a drawdown from the Insurance Reserve.

1g | Schools' Delegated Budgets

The Schools' Budget reserves are Forecast to end the financial year with a surplus of £55.4m on individual maintained school balances, and a total deficit on the central schools' reserve of £105.8m after taking into account the impact of the High Needs Stability Grant that has recently been agreed. This deficit includes the total forecast overspend on Dedicated Schools' Grant for 2026-27.

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' Reserves 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 the net under or overspend relating to the whole dedicated schools grant in specific reserves 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 2026-27 (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) 2026-27 Forecast Summary:

			All figures in £m
DSG Block	**2026-27 Budget***	**2026-27 Forecast**	**2026-27 Variance**
Schools' Block	1,430.1	1,430.1	0.0
High Needs Block	397.0	505.3	+108.3
Early Years Block	264.1	261.6	-2.5
Central Services to Schools' Block	13.2	13.2	0.0
Total DSG 2026-27	**2,104.4**	**2,210.1**	**+105.8**

*Before recoupment and other DFE adjustments. Budgets include the impact of moving £17.3m 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:

	All figures in £m	
	Individual Maintained School Reserves	**Central Schools' (DSG) Reserve**
Reserve Balance as at 1st April 2026*	57.0	-130.5
Contribution to/(from) reserves: Academy Conversions	-1.7	
Overspend on DSG 2026-27		-105.8
Reserve Balance as at 31st March 2027*	**55.4**	**-236.3**
*Estimated High Needs Stability Grant to offset historic deficit***		*+130.5*
*Revised Reserves Balance as at 31st March 2027**	*55.4*	*-105.8*

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

**Total High Needs Stability Grant expected to be received is £162.5m of which £130.5m will be held to offset the DSG historic debt and £32m will be used to reimburse KCC for previous years contributions to the DSG deficit (this will be held in a separate earmarked reserve as a possible contingency for future year Council contributions).

In accordance with the statutory override implemented by the Ministry of Housing, Communities and Local Government (MHCLG), and in line with the Department for Education (DfE) that local authorities cannot repay deficits on the DSG from the General Fund: in-year deficit balances are held in a separate unusable reserve from the main council reserves (see section 4). MHCLG have confirmed this statutory override will be in place until March

2028 and the 2026 Local Government Provisional Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. In February 2026, the DfE announced the first phase of these funding reforms with a commitment to write off 90% of the accumulated debt as at March 2026 (known as the High Needs Stability Grant), subject to the Council submitting an agreed SEN reform plan. The plan was submitted in June 2026 and was agreed in October. The grant is expected to be received in Autumn 2026. We are still awaiting confirmation on how future deficits will be covered and local authority responsibilities. In the meantime, councils are still expected to continue to keep the deficit as low as possible as resources to support recovery are not unlimited.

This new SEN reform funding has technically replaced the DfE's original deficit recovery programme known as the Safety Valve Programme which ended on 31st March 2026. Additional funding received from the DfE in respect of the programme (totalling £99.4m to date) will be retained by the Council and used towards the accumulated deficit of £291m, alongside the High Needs Stability Grant (estimated to be £162.5m), whilst Council contributions totalling £61.1m to date will be used to fund the remaining 10% residual deficit of £29.1m, with the balance to be held in a separate council reserve towards possible future DSG liabilities.

Whilst the Government has begun to set out its plan to eradicate the DSG deficits, it is still considered to be one of the Council's biggest financial risk due to the lack of clarity from government as to how future deficits in 2026-27 onwards will be funded therefore, the successful implementation of the Council's SEN reform plan is critical. Recent announcements have reinforced the expectation that whilst Government is planning to set out its proposals to reform the SEND and alternative provision (AP) system and achieve financial sustainability in high needs funding. Kent will still need to continue to implement local actions. These activities are also regularly reported to the DfE and will be published on kent.gov.uk once the plan has been refined in light of DfE feedback.

Key Issues	Details
Individual Maintained Schools Reserves	As at 31st March 2026, there were 285 maintained schools with a surplus reserve balance and 3 schools with a deficit reserve balance. Maintained Schools are required to submit a six & 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. This forecast includes 12 schools converting to academy status during 2026-27. 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.
Early Years Block: underspend on new entitlements	The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, including the newly expanded offer for working parents for children from 9 months to 2 years, along with the funding of some council led services for early years. Historic lower take-up of the Disability Access Fund is assumed to continue in 2026-27 (-£0.5m) along with SEN Inclusion Fund (-£0.9m) and Early Years Pupil Premium (£0.2m). The Schools Funding Forum have requested further suggestions as to how to use this DAF underspend to improve inclusion and support. Additional grant income in respect of 2025-26 activity makes up the majority of remaining underspend.
High Needs Block: Higher demand and higher cost for high	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 .

needs placements.

Safety Valve Payment & Local Authority Contribution.

The in-year funding shortfall for High Needs placements and support in 2025-26 is £108.3m due to a combination of continual higher demand for additional SEN support and higher cost per child resulting from continual demand for more specialist provision. The increase in the in-year overspend in comparison to last year is partly attributed to the freezing of the High Needs Block at 2025-26 levels with no additional grant to support inflation costs or continue demand pressures. Whilst there were some initial indicators the level of growth in spending was starting to slow slightly (in comparison to recent years, see table 3 & 4), total spend is forecast to increase by around 17% in 2026-27. Around 7% of this increase can be attributed to the inclusion of a number of historic grants into the High Needs Block that had previously been received separately (with a total value of just over £27m), the remaining 10% increase reflects continual growth in SEN demand across all placement types including in the most costly special and independent places (the forecast includes approximately £10m contingency for increased growth in number/cost of placements before the end of the year). The number of placements in independent schools remains high and is forecast to grow further, even though the numbers in mainstream, post 16 settings and special schools continue to increase. Higher placements costs, driven by inflation and greater demand by schools for additional funding, along with delays in DfE lead special school builds, are all contributing to higher spend. We continue to wait for Government to announce the next stage of the funding reforms although this is unlikely to be known until the Autumn after the Council SEN reforms plans have been reviewed and agreed.

Most 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 numbers of EHCPs and demand for SEN services. However, historically Kent has seen this demand rising at a significantly faster rate than other comparative councils resulting in the council now educating 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 most recent national benchmarking shows the number of children with an EHCP in Kent is starting to fall in line with other local authority comparators but the Council is still a statistical outlier for the number of children placed in either a state-funded or independent special school which is also reflected in our spend on the High Needs Block. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table 3: Total Spend on High Needs Block by main spend type

All figures in £m						
	21-22	**22-23**	**23-24**	**24-25**	**25-26**	**26-27**
Maintained Special School	123.4	136.6	150.8	164.3	175.9	202.3 *
Independent Schools	65.6	71.4	83.4	91.1	108.3	127.2
Mainstream Individual Support & SRP*	53.9	61.1	65.5	75.2	76.2	84.8
Post 16 institutions	17.0	19.2	21.8	24.9	28.8	33.7
Other SEN Support Services	42.5	45.6	49.3	46.4	44.3	56.9
Total Spend	**302.4**	**333.9**	**370.7**	**401.9**	**433.5**	**505.0**
Rate of increase in spend		10%	11%	8%	8%	17%

*Includes £27m of grants previously received separately and not part of the average cost in previous years.

Section 2 | Savings and Additional Income Targets by Directorate

Within the 2026-27 budget there is a requirement to deliver savings and additional income of £91.7m.
The table below summarises the delivery of savings against the original target. The full breakdown by saving is available in Appendix 1.

Figures in £m

Directorate	2026-27 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	(41.7)	(29.7)	(8.2)	0.0	(37.9)	3.8	9.7	(2.5)
Children, Young People & Education	(21.3)	(18.2)	0.0	0.0	(18.2)	3.1	1.0	(2.1)
Growth, Environment & Transport	(5.6)	(5.2)	(0.4)	(0.2)	(5.8)	(0.2)	0.2	(0.2)
Chief Executive's Department	(6.2)	(5.9)	0.0	0.0	(5.9)	0.3	0.0	(0.3)
Deputy Chief Executive's Department	(1.4)	(1.4)	0.0	0.0	(1.4)	0.0	0.0	0.0
Non Attributable Costs	(15.6)	(14.3)	(2.8)	0.0	(17.0)	(1.5)	1.3	0.0
Total	**(91.7)**	**(74.7)**	**(11.3)**	**(0.2)**	**(86.2)**	**5.5**	**12.2**	**(5.0)**

Section 3 | Reserves Monitoring

The council holds general fund reserves as a consequence of income exceeding expenditure, budgeted contributions to reserves or where money has been earmarked for a specific purpose. Earmarked reserves are categorised across several headings.

Reserves balances are held as credit balances. All reserves are a credit balance except the DSG Adjustment Account, which is an unusable reserve held to manage the deficit on schools. The table below provides a summary of each of the reserve categories and highlights the main forecasted movements in 2026-27.

Figures in £m

Reserve	Opening Balance (01/04/26)	Forecast Movement in-year	Forecast Closing Balance (31/03/27)	Details
General Reserves				
General Fund	-66.0	-24.4	-90.4	Includes repaying the General Reserve for the drawdown required in 2024-25 to fund the overspend (£20.2m), contribution to rebuild financial resilience and provide for future risks (£16.8m) and drawdown to fund the 2026-27 forecast overspend (-£15.8m). General reserves are forecast to be 5.5% of the 2026-27 revenue budget.
Earmarked Reserves				
Vehicles, Plant & Equipment (VPE)	-22.3	-0.3	-22.5	
Smoothing	-110.3	-35.6	-145.9	Includes the forecast contribution to the High Needs DSG Deficit smoothing reserve (-£43.1m) and the £7m use of reserves to support the 2026-27 budget per the approved 2026-29 MTFP.
Major Projects	-24.4	+9.0	-15.4	Reflects the £9m use of the reserves to support the 2026-27 budget per the approved 2026-29 MTFP.
Partnerships	-8.2	0.0	-8.2	
Grant & External Funds	-19.9	-125.7	-145.6	The majority of the movement reflects the anticipated receipt of the High Needs Sustainability Grant.
Departmental Over / Underspends	-1.1	+1.1	0.0	£1.1m drawdown to fund roll-forwards agreed as part of the outturn report for 2025-26.

Figures in £m

Reserve	Opening Balance (01/04/26)	Forecast Movement in-year	Forecast Closing Balance (31/03/27)	Details
Insurance	-8.7	+1.5	-7.2	£1.5m drawdown from reserves reflects the forecast in-year overspend against the Insurance Fund in line with usual policy.
Public Health	-14.3	+5.7	-8.6	Movements to manage the Public Health budget.
Trading	-0.3	0.0	-0.3	
Special Funds	-0.7	-0.2	-0.9	
Total Earmarked Reserves	**-210.2**	**-144.4**	**-354.6**	
Total General Fund & Earmarked Reserves	**-276.2**	**-168.8**	**-445.0**	
Schools Reserves	-57.0	+1.7	-55.4	
DSG Adjustment Account	+130.5	+105.8	+236.3	

Section 4 | Capital by Directorate

4a | Adult Social Care & Health

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
No new variances to report			
Previously reported variances			
Developer Funded Community Schemes	*+0.8*		*The real variance is due to schemes to be funded from banked developer contributions, which are not in the current cash limits (previously reported £0.463m).*

4b | Children, Young People & Education

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
No new variances to report			
Previously reported variances			
Family Hubs and Start for Life Programme	*+0.1*		*The real variance is due to additional grant which is not in the current cash limits.*
Childcare Expansion (Early Years)	*-0.2*	*-0.8*	*The real variance is due to the amount of estimated grant payments which will be under £0.01m and therefore will be charged to revenue, with the grant conditions allowing the grant to also be transferred to revenue (previously reported -£0.135m).*
In-House Residential Provision		*-1.9*	*The rephasing is due to the purchase of a home for the project falling through. There is a very challenging market for sourcing the right property (previously reported –£2.009m).*

4c | Growth, Environment & Transport

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Highways & Transportation			
Integrated Transport Schemes	+0.2		The real variance is due to: £0.160m to be funded from additional external funding. £0.066m virement from Active Travel Fund Phase 5. -£0.045m virement to Highways Major Enhancement to fund verge and footway improvements at the Malling Road layby.
Fastrack Full Network – Bean Road Tunnels		-10.9	The rephasing is due to programme slippage caused by planning delays. Spend has been moved from 2026-27 to 2027-28.
Galley Hill Reconstruction Project	+0.5		The scheme is to replace the Galley Hill Road in Swanscombe that collapsed, with a new bridge, for which a bid for Structures Funding is being progressed.
Local Electric Vehicle Infrastructure (LEVI)		-1.1	This is a new project with a grant from DFT for £12.081m. The forecast reflects the current work plan.
Maidstone Integrated Transport	+0.5		The real variance reflects an additional £0.120m contribution from drainage and £0.338m expected developer contributions that are not yet in the budget.
North Thanet Link Road		-1.5	The forecast has been reprofiled to reflect delays in progressing detailed design due to planning application and commissioning processes resulting in larger spend anticipated in 27-28 than previously forecast. The cost plan is currently being updated and this may lead to further reprofiling of costs.
Sturry Link Road		-17.9	The forecast has been updated to reflect the latest financial cost plan report which splits the full construction costs across two years.
Dover Bus Rapid Transit – Dover Fastrack		-0.2	The previously reported monitoring showed an underspend in 2026-27 of £1.543m. This was due to the adjudication decision being less than the provision that was set up at the end of 2025-26. This scheme is in its final stages but continues to be difficult to forecast due to ongoing disputes. There are landscaping works which are still to be completed and once an adjudication decision has been received, defects will need to be identified and corrected.
Previously reported variances			

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
A229 Blue Bell Hill	*+3.3*		*Costs have been updated based on the current programme to get the scheme to outline design and outline business case stage. To date external funding has not been forthcoming, hence the forecast real variance, but alternatives continue to be sought. (Previously reported £3.513m real variance and -£0.584m rephasing variance)*
EDC Landscaping	*-0.4*		*This is a fully externally funded scheme and at present KCC is awaiting confirmation of the final grant agreement.*
Greener Buses – Zero Emission Bus Regional Areas (Zebra)	*+0.2*		*The real variance is due to forecast spend in capital which is to be funded from the Fastrack revenue reserve but is not currently in the capital cash limits.*
National Bus Strategy – Bus Service Improvement Plan Phase 3	*-0.3*		*The real variance reflects funding that needs to be repaid as the project it related to did not happen.*
Environment & Circular Economy			
Folkestone & Hythe Waste Transfer Station	-13.1		Following a Member Key Decision in September 2026 to discontinue the design and build of a waste transfer station at Junction 11 in favour of a commercial procurement model, the project is no longer expected to incur further costs. Accordingly, the forecast for future project expenditure has been reduced to zero.
Growth & Communities			
Public Rights of Way	+0.4	-1.7	The real variance is due to additional developer contributions and other external funding that is not currently in the budget. The rephasing is due to works programmed on the basis of the timeframe available for delivery and the officer capacity to deliver them.
Growing Places Fund	+0.6		The real variance is due to confirmation that £0.597m of Growing Places Funding is to be repaid to the fund.
Innovation Investment Initiative		-1.1	This scheme will now re-launch in 2027-28, with a bespoke offer, with terms and eligibility distinct from the Kent and Medway Business Fund (KMBF).
Kent and Medway Business Fund (KMBF)	+2.7	+1.0	The real variance reflects monies allocated and approved to support a combined KMBF-No Use Empty Programme to support the construction of new commercial space in the county, using existing available loan repayments.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Previously reported variances			
Kent Empty Property Initiative	*-0.2*	*-2.0*	*The real variance reflects external funding which is no longer expected (previously reported -£0.217m). The rephasing variance reflects loans which have been deferred until the next financial year.*

4d | Chief Executive's Department

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation of Assets – Corporate Estate		-5.5	Rephasing variance is due to: -£1.0m reduced allowance for winter emergency works in 2026-27. -£1.9m rephasing of projects across the Highways Depots, no individual project is rephasing by more than £1m. Project delays are due to planning issues. -£2.6m rephasing across a number of projects each below £1.0m. Infrastructure have descoped some projects to only deliver warm safe and dry to allow rephasing of budget into later years where current Budget levels are predicted to be insufficient.
Schools Modernisation Programme	+0.6	-1.4	The real variance is due to: £0.262m Willesborough Juniors – forecast reflects the additional phase of works. £0.174m Rodmersham School – change in scope due to the condition of the mobile classroom, extensive refurbishment works are required. -£0.124m Blean Primary, project complete, cost came in below forecast. £0.300m change in project forecasts across 22 projects. The rephasing is due to: -£0.650m Cheriton Primary -£0.321m Dover Grammar School for Girls -£0.200m Boughton Monchelsea Primary -£0.140m Lawn Primary -£0.080m Oakley School.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Basic Need Programme – Overview			As part of the ongoing monitoring process for Basic Need, periodic reviews of the schemes included in the capital programme are undertaken with the four Assistant Directors of Education (ADEs), to identify where any individual schemes need to be adjusted. The programme was recently reviewed along with the latest pupil forecasts, which will be used for the next iteration of the Kent Commissioning Plan. This review highlighted that forecast pressures for secondary provision in both Swale and Maidstone had eased when compared to previous Commissioning Plans. Therefore, the number of schemes to expand existing and introduce new provision in those areas was significantly reduced, leading to an increased uncommitted balance across the Basic Need Programme over the next 5 years.
Basic Need Programme Kent Commissioning Plan (KCP) 2019	-1.0	-0.2	The real variance is due to: -£1.095m Maidstone Grammar School for Girls – school contribution towards project costs was previously excluded from forecasts. +£0.103m Westlands School – the increase is to match agreed funding for the school managed project.
Strategic Estate Programme	-1.0	-1.1	The real variance is due to expected reduction in costs resulting from value engineering.
Additional Accommodation Requirements for Unaccompanied Asylum-Seeking Children	+0.5		The real variance relates to land purchase that had not previously been accounted for. The project is fully funded from Government grant.
High Needs Provision - Overview			A periodic review has been undertaken on the High Needs Capital Programme. In recent months, two key workstreams have progressed. One is to provide circa 900 new Specialist Resource Provision (SRP) places through the expansion or introduction of 36 SRPs across the County. The other workstream is to address capacity and suitability issues in a number of state maintained special schools. The latest monitoring includes the projected financial requirements for those workstreams, this has reduced the uncommitted balance across the High Needs Capital Programme across the 3 year period. This programme is fully funded by grant.
Previously reported variances			

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Basic Need Programme 2022-26	*-0.5*		*The real variance is due to:* *-£0.270m Marden Primary - revenue funding for the school managed project, reduced need for capital funding.* *-£0.200m Sittingbourne Non-Selective – budget removed as Swale Secondary Schools are now included in Marker Projects.*
Basic Need Programme 2023-27	*+0.2*		*The real variance is due to the purchase of a mobile for Coxheath Primary to accommodate additional pupils.*
Basic Need Programme 2024-28	*+0.2*	*-4.0*	*Previously reported £0.186m) The real variance is due to:* *-£0.300m Leigh Academy Minster – project is no longer progressing.* *+£0.500m St Augustine Academy – an expansion project within the existing school site.* *(Previously reported -£2.980m) Rephasing is due to:* *-£3.283m Oakwood Park Grammar – additional work identified to relocate utilities has caused delays. Start date is subject to achieving planning.* *-£0.600m Dartford Grammar – this is a school managed project and delivery is dependent on the school securing other funding sources.*
Basic Need Markers – Future Projects		*-2.8*	*(Previously reported -£2.177m) Rephasing is across a number of schemes each less than £1m.*
Feasibility Fund		*-2.5*	*Projects within the feasibility fund still have ongoing feasibilities, hence the fund has been rephased to 2027-28.*
High Needs Provision	*+0.2*	*-13.5*	*(Previously reported £1.139m) The real variance is due to:* *+£0.570m Wyvern School – this is a new project of internal refurbishment at the Rainbow Centre for sixth form provision.* *-£0.500m Herne Bay High – project is no longer progressing, replaced with The Spires.* *+£0.557m Foreland Fields - new project added to create additional classrooms and all-weather outdoor space.* *+£0.407m Temple Hill - new project added to update provision.* *+£0.272m St Edmunds CEPS Specialist Resource Provision (SRP) - initial forecast covered feasibilities, estimated project costs to deliver SRP now confirmed.* *+£0.250m The Abbey SRP - new SRP project added, replacing the SRP at EKC.* *+£0.250m The Spires new SRP project, replacing the SRP at Herne Bay High.*

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
			+£0.156m Homewood School SRP - following feasibility work, project costs have increased. £0.531m of banked S106 funding will go towards funding this project (total project costs £0.610m). *+£0.170m Oakley School – estimated project costs for external works now confirmed.* *+£0.131m The Beacon - path works required.* *-£0.500m EKC Sheppey SRP - project no longer progressing, replaced with The Abbey.* *-£0.450m Royal Harbour Academy – project is no longer progressing, SRP to be provided at an alternative school, location to be decided.* *-£0.250m Knole Academy SRP - following feasibility work, the previous forecast has now reduced.* *-£0.100m The Archbishops School – project no longer progressing.* *+£0.385m across 16 projects (all under £0.1m).* *(Previously reported -£12.661m) The rephasing is due to:* *-£2.000m Broomhill Bank - delays with project start date due to Estate matters.* *-£2.000m Whitstable new Special School - DfE delivery, phasing of KCC expenditure is dependent on DfE delivery timescale.* *-£1.618m Swanley new Special School - DfE delivery, phasing of KCC expenditure is dependent on DfE delivery timescale.* *-£1.946m Rosewood School satellite at Canterbury Academy - project at feasibility stage.* *-£1.000m Nexus School - planning delays.* *-£1.000m Meadowfield (Ufton Lane) - due to the complex nature of needs combined with the special school rightsizing review the project has not progressed at the expected pace.* *-£3.969m rephasing across 12 projects (all under £1m).*

4e | Deputy Chief Executive's Department

There are no major variances to report.

Section 5 | 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.

5.1	Total external debt outstanding in September was £593.2m down by £17.1m since 31st March 2026	KCC debt includes £393.0m 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 14.1 years at an average interest rate of 4.2%. Outstanding loans from banks amount to £156.1m. This is also at fixed term rates with average length to maturity of 35.6 years at an average interest rate of 4.5%. The council has £30m 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 41.1 years at an average interest rate of 4.2%. The council has £7m of Local Authority Temporary loans. These loans are at fixed term rates with average length to maturity of 0.1 year at an average interest rate of 4.3%. The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.1m with an average of 14.0 years to maturity at an average rate of 2.9%. 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.
5.2	Majority is long term debt with only 4.0% due to mature within 5 years	Maturity 0 to 5 years £24.0m (4.0%) Maturity 5 to 10 years £104.1m (17.6%) Maturity 10 to 20 years £184.2m (31.0%) Maturity over 20 years £280.9m (47.4%)
5.3	Total cash balance at end of September was £359.3m, up by £49.5m from the end of March 2026	Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.

5.4	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 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 September were £116.2m (32.3% 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 3.9%. 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 September, the Council had £4.7m in UK treasury bills and other deposits with the UK government. These deposits represent 1.3% of cash investments with an average rate of return of 3.7%. 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 September, the Council had £27.7m invested in covered bonds earning an average rate of return of 4.3%. The Council has outstanding loans of £22.2m through the No Use Empty Loans programme which achieves an average return of 3.9% that is available to fund general services. 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 £186.3m invested in pooled funds (51.9% of cash balances) as at 30 September 2026.
5.5	Treasury Management Advice	The Council secures external specialist treasury management advice from MUFG Corporate Markets. They advise on the overall strategy as well as borrowing options and investment opportunities. MUFG Corporate Markets provide regular performance monitoring reports.
5.6	Quarterly and statutory reports	The Governance and Audit Committee receives detailed statutory reports on a regular bi-annual basis (the Treasury Strategy Mid-Year Update, and the Annual Treasury Outturn report), which are subsequently reported to County Council.

Treasury Management Indicators

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

5.8 **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 30/09/2026**	**Minimum**
Portfolio average credit rating	AA+	AA-

5.9 **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 30/09/2026**	**Minimum**
Total cash available within 3 months	£120.9m	£75m

5.10 **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 30/09/2026**	**Upper Limit**
One-year revenue impact of a 1% rise in interest rates	£1.3m	£10m
One-year revenue impact of a 1% fall in interest rates	-£1.3m	-£10m

5.11 **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:

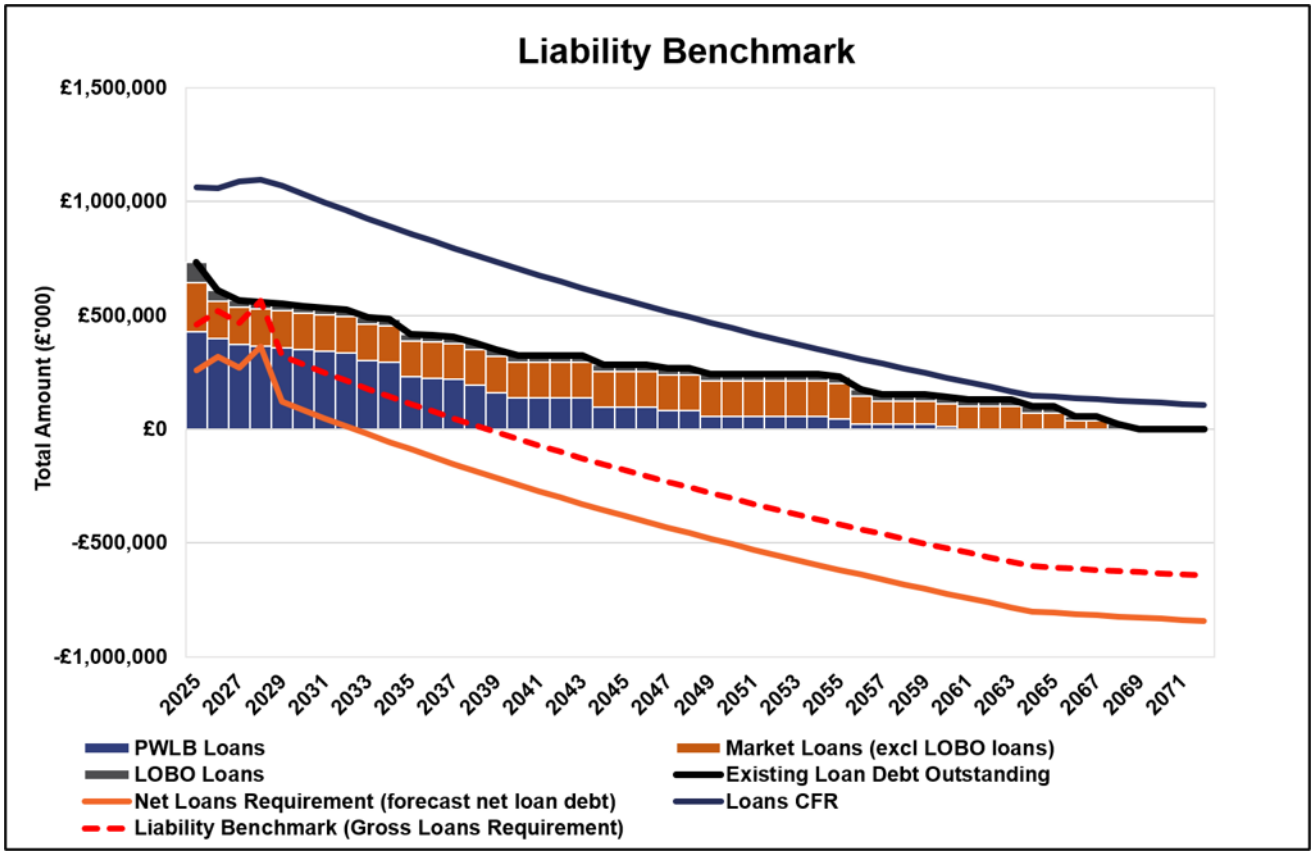
	Actual 30/09/2026	**Upper limit**	**Lower limit**
Under 12 months	4.0%	100%	0%
12 months and within 5 years	0.0%	50%	0%
5 years and within 10 years	17.6%	50%	0%
10 years and within 20 years	31.0%	50%	0%
20 years and within 40 years	38.0%	50%	0%
40 years and longer	9.4%	50%	0%

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.

5.12 **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:

Price risk indicator	**2026/27**	**2027/28**	**2028/29**	**No Fixed Date**
Limit on principal invested beyond year end	£100m	£80m	£50m	£220m
Actual as at 30 September 2026	£10.52m	£7.0m	£10.2m	£210.7m

5.13 Prudential Indicator: Liability Benchmark



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 31/03/2026 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £188.6m of external investments currently invested with fund managers over a long-term investment time horizon.

Appendix 1 | Savings Statement

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	**-41.728**	**-29.737**	**-8.164**	**0.000**	**-37.901**	**3.828**	**9.664**	**-2.492**
Commissioning of Residential Care for Learning Disability, Physical Disability & Mental Health clients	-0.178	-0.178	0.000	0.000	-0.178	0.000	0.000	**0.000**
A new Older People Residential & Nursing (OPRN) contract is planned for Quarter 2/3 which will introduce a new sustainable pricing model. Ahead of implementation ASC are managing cost pressures during the transition period ensuring affordability of all new placements until the new contract is mobilised.	-2.000	0.000	-2.000	0.000	-2.000	0.000	2.000	**0.000**
Realign for unachievable efficiency savings in relation to the purchasing of care and support in the home	-0.010	-0.174	0.000	0.000	-0.174	-0.164	0.000	**0.000**
Under current arrangements we use the Camberwell Assessment of Need (CAN) Tool to determine the % funding split for services provided to people eligible for aftercare under section 117 of the Mental Health Act. The use of this tool typically ends up with a greater proportion of the care being funded by social care than by health (ICB). There is no nationally agreed mechanism to determine funding splits but other authorities have achieved a 50/50% split and move to 50/50% would be in line with neighbouring authorities.	-5.900	0.000	-4.400	0.000	-4.400	1.500	5.900	**0.000**

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams	-5.808	-5.808	0.000	0.000	-5.808	0.000	0.000	**0.000**
Efficiencies through Enablement	-9.114	-9.114	0.000	0.000	-9.114	0.000	0.000	**0.000**
Occupational Therapists	-0.986	-0.432	0.000	0.000	-0.432	0.554	0.000	**-0.554**
Technology Enhanced Lives Service (TELS) uses a range of care technologies and data to help people stay safe and independent, both at home and in the community. Care technology achieves financial benefits through right shaping care and support.	-3.591	-3.591	0.000	0.000	-3.591	0.000	0.000	**0.000**
Public Health increased contribution for Domestic Abuse	-0.295	-0.295	0.000	0.000	-0.295	0.000	0.000	**0.000**
Review of preventive services that prevent, reduce and delay care and support. Looking at where there is duplication within KCC's prevention approach and provision. Ensuring prevention services are more efficient, targeted and making best use of limited resources and focusing on the areas and people with greatest need.	-3.042	-3.042	0.000	0.000	-3.042	0.000	0.000	**0.000**
Review of embedded teams in ASCH Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.055	-0.055	0.000	0.000	-0.055	0.000	0.000	**0.000**
Estimated annual increase in Better Care Fund (BCF)	-2.046	-2.046	0.000	0.000	-2.046	0.000	0.000	**0.000**
Estimated annual increase in Better Care Fund - short term support	-0.067	-0.067	0.000	0.000	-0.067	0.000	0.000	**0.000**
Estimated annual increase in Better Care Fund - Strat Management	-0.044	-0.044	0.000	0.000	-0.044	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Estimated annual increase in Better Care Fund - Strat Commissioning		-0.035	-0.035	0.000	0.000	-0.035	0.000	0.000	**0.000**
Efficiency Savings in relation to the purchasing of residential and nursing care for older people		-2.497	-2.337	0.000	0.000	-2.337	0.160	0.000	**-0.160**
Efficiency savings in relation to the purchasing and monitoring of delivery of supported living		-1.344	-0.372	-0.300	0.000	-0.672	0.672	0.300	**-0.672**
Maximisation of in-house short term beds		-1.504	-0.398	0.000	0.000	-0.398	1.106	0.000	**-1.106**
Partnership working - continuing health care		-1.046	-0.523	-0.523	0.000	-1.046	-0.000	0.523	**0.000**
Ongoing Reviews		-0.254	-0.179	-0.075	0.000	-0.254	0.000	0.075	**0.000**
First Reviews		-1.336	-0.470	-0.866	0.000	-1.336	-0.000	0.866	**0.000**
Review of structures across the Council to ensure adherence to the Council's organisation design policy		-0.577	-0.577	0.000	0.000	-0.577	0.000	0.000	**0.000**
Children, Young People & Education		**-21.283**	**-18.156**	**0.000**	**0.000**	**-18.156**	**3.127**	**1.001**	**-2.126**
Community Learning & Skills general efficiencies to ensure service is fully funded from external grants and income		-0.098	-0.098	0.000	0.000	-0.098	0.000	0.000	**0.000**
Implementation of a new system to support transport planning and explore route optimisation, along with wider review of existing processes, to deliver efficiencies across the school network.		-1.553	-1.553	0.000	0.000	-1.553	0.000	0.000	**0.000**
Review to identify opportunities to consolidate and/or standardise practices through use of technology and modernisation of processes (SEN)		-0.404	-0.404	0.000	0.000	-0.404	0.000	0.000	**0.000**
Increased income from other local authorities for transport following recent Government announcements		-1.000	-1.000	0.000	0.000	-1.000	0.000	0.000	**0.000**
Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases		-0.125	-0.125	0.000	0.000	-0.125	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Introduction of charging in September 2024 for post 16 Special Educational Needs (SEN) transport and reductions to the Post 19 transport offer		-0.300	-0.300	0.000	0.000	-0.300	0.000	0.000	**0.000**
Review Kent Association of Leaders in Education (KALE) Funding		-0.047	-0.047	0.000	0.000	-0.047	0.000	0.000	**0.000**
Review of 16+ Special Educational Needs (SEN) transport offer (from September 2026)		-1.800	-1.800	0.000	0.000	-1.800	0.000	0.000	**0.000**
Review of ongoing discretionary offer for post 19 education transport (from September 2026)		-0.900	-0.900	0.000	0.000	-0.900	0.000	0.000	**0.000**
Review of services for schools including contribution to The Education People (TEP), staff care services and any other services for maintained schools (CYPE).		-0.546	-0.546	0.000	0.000	-0.546	0.000	0.000	**0.000**
Review of services provided by TEP to deliver efficiencies		-0.383	-0.383	0.000	0.000	-0.383	0.000	0.000	**0.000**
Review the Kent 16+ Travel Saver Scheme		-0.274	-0.274	0.000	0.000	-0.274	0.000	0.000	**0.000**
Public Health contribution to Family Hub Offer		-1.000	-1.000	0.000	0.000	-1.000	0.000	0.000	**0.000**
Use of grant to fund the Social Connection Service		-1.500	-1.500	0.000	0.000	-1.500	0.000	0.000	**0.000**
Use of grants to fund Family Hub Offer		-1.500	-1.500	0.000	0.000	-1.500	0.000	0.000	**0.000**
Review to identify opportunities to consolidate and/or standardise practices, including through use of technology and modernisation of processes (Children Social Care)		-0.400	-0.400	0.000	0.000	-0.400	0.000	0.000	**0.000**
Increase contributions from health towards the placement cost of looked after children		-1.150	-1.150	0.000	0.000	-1.150	0.000	0.000	**0.000**
Development of in-house residential units to provide an alternative to independent sector residential care placements (invest to save)		-1.905	-0.684	0.000	0.000	-0.684	1.221	0.000	**-1.221**
Strategies to improve the recruitment and retention of in-house foster carers (Integrated Children's Services)		-1.218	-1.218	0.000	0.000	-1.218	0.000	0.000	**0.000**

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Use of grant to partly fund Virtual Schools Kent offer	-0.200	-0.200	0.000	0.000	-0.200	0.000	0.000	**0.000**
Review to identify opportunities to consolidate and/or standardise practices through use of technology and modernisation of processes (Countywide Children's Other Services)	-0.400	-0.400	0.000	0.000	-0.400	0.000	0.000	**0.000**
Increase contributions from health towards the placement cost of looked after children with a disability	-0.750	-0.750	0.000	0.000	-0.750	0.000	0.000	**0.000**
Strategies to improve the recruitment and retention of in-house foster carers (children with a disability)	-0.730	-0.730	0.000	0.000	-0.730	0.000	0.000	**0.000**
Development of residential special schools offer creating greater availability of 52-week looked after children placements	-0.704	0.000	0.000	0.000	0.000	0.704	0.000	**-0.704**
Review of embedded teams in CYPE Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.175	-0.175	0.000	0.000	-0.175	0.000	0.000	**0.000**
Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-0.223	-0.223	0.000	0.000	-0.223	0.000	0.000	**0.000**
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.400	0.000	0.000	0.000	0.000	0.400	0.400	**0.000**
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - ICS Operations	-0.601	0.000	0.000	0.000	0.000	0.601	0.601	**0.000**
Adoption Service	-0.026	-0.026	0.000	0.000	-0.026	0.000	0.000	**0.000**
Review of Respite Offer	-0.200	0.000	0.000	0.000	0.000	0.200	0.000	**-0.200**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Review of structures across the Council to ensure adherence to the Council's organisation design policy		-0.772	-0.772	0.000	0.000	-0.772	0.000	0.000	**0.000**
Growth, Environment & Transport		**-5.574**	**-5.207**	**-0.380**	**-0.217**	**-5.804**	**-0.230**	**0.217**	**-0.150**
A review and re-let of haulage contracts has identified a reduced cost		-0.250	-0.250	0.000	0.000	-0.250	0.000	0.000	**0.000**
Reduced cost of mixed dry recycling and food waste disposal following Government legislation regarding Simpler Recycling, and work with Kent District Councils to deliver savings from improving kerbside recycling rates		-0.343	-0.343	0.000	0.000	-0.343	0.000	0.000	**0.000**
Review of staffing budgets across GET - Environment and Circular Economy		-0.013	-0.013	-0.013	0.000	-0.025	-0.013	0.000	**0.000**
Income generation initiatives in 25/26 were even more successful than projected, providing an opportunity to build on these further in 26/27 whilst also increasing service efficiency. Additional opportunities to reduce the cost of county parks to the authority will also be explored to include looking at (but not limited to): · Closure of public spaces for income generating private events and functions · Private / non-public sector investment arrangements for carbon offsetting, habitat banking or Biodiversity Net Gain (BNG).		-0.130	-0.130	0.000	0.000	-0.130	0.000	0.000	**0.000**
Savings from reduced incentivisation payments to districts due to the proposed introduction of Extended Producer Responsibility (EPR) legislation and where Department for Environment, Food & Rural Affairs (DEFRA)		-0.310	-0.310	0.000	0.000	-0.310	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
will recompense the districts for their costs incurred in collection of packaging. These costs will be based on average payments with the districts being put into individual family grouping with average fees rather than actuals									
Increased recycling rate as a result of behaviour change activities		-0.392	-0.392	0.000	0.000	-0.392	0.000	0.000	**0.000**
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Environment and Circular Economy Division		-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	**0.000**
Review of staffing budgets across GET - Growth and Communities		-0.215	-0.215	-0.215	0.000	-0.430	-0.215	0.000	**0.000**
Annual inflationary uplift to Library, Registration and Archives (LRA) income levels and fees and charges in relation to existing service income streams		-0.050	-0.050	0.000	0.000	-0.050	0.000	0.000	**0.000**
Changes to the contribution from Medway Council under Service Level Agreement (SLA) relating to increasing/decreasing costs for provision of Coroner service in Medway		-0.025	-0.025	0.000	0.000	-0.025	0.000	0.000	**0.000**
Increased income within Kent Scientific Services (KSS) for toxicology analysis for the Coroners Service		-0.014	-0.014	0.000	0.000	-0.014	0.000	0.000	**0.000**
Increased Libraries, Registration and Archives income due to forecast increase in uptake of services in Registration.		-0.200	-0.200	0.000	0.000	-0.200	0.000	0.000	**0.000**
Inflationary increase in income levels and pricing policy for Kent Scientific Services (KSS)		-0.036	-0.036	0.000	0.000	-0.036	0.000	0.000	**0.000**
Saving due to full government funding now being received for border control work		-0.200	-0.200	0.000	0.000	-0.200	0.000	0.000	**0.000**
Trading Standards inflationary fee increases		-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Reduction in the level of grant funding awarded		-0.057	-0.057	0.000	0.000	-0.057	0.000	0.000	**0.000**
Grant funding to cover part of project cost for a further 3 years of the roll out of the on-street charging (LEVI) infrastructure programme.		-0.056	-0.056	0.000	0.000	-0.056	0.000	0.000	**0.000**
Review of staffing budgets across GET - Highways and Transportation		-0.103	-0.103	-0.103	0.000	-0.206	-0.103	0.000	**0.000**
Kent Travel Saver price realignment to offset bus operator inflationary fare increases		-0.480	-0.480	0.000	0.000	-0.480	0.000	0.000	**0.000**
Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation		-0.065	-0.065	0.000	0.000	-0.065	0.000	0.000	**0.000**
Review of pricing and strategy for the scheme		-0.290	-0.290	0.000	0.000	-0.290	0.000	0.000	**0.000**
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Highways and Transportation Division		-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	**0.000**
Review of staffing budgets across GET - Strat Management		-0.049	-0.049	-0.049	0.000	-0.098	-0.049	0.000	**0.000**
Increase to fees and charges for paid for products and services to offset contract inflation and pay award for Kent Country Parks staff and to move towards full cost recovery as part of Fees and Charges policy		-0.015	-0.015	0.000	0.000	-0.015	0.000	0.000	**0.000**
A reduction in the KCC contribution to the operational costs of the Cyclopark sports and community facility in Gravesend. The park is owned by KCC and operated on KCC's behalf by the Cyclopark charitable trust.		-0.035	-0.035	0.000	0.000	-0.035	0.000	0.000	**0.000**
Efficiency review of on-street parking, which may involve districts working collaboratively to deliver efficiency savings and/or for them declaring their surpluses to KCC		-0.600	-0.600	0.000	0.000	-0.600	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
The income share from the roll out of the on-street charging (LEVI) infrastructure programme.		-0.018	-0.018	0.000	0.000	-0.018	0.000	0.000	**0.000**
Ensuring full cost recovery against these income lines and reflecting current and forecast activity		-0.950	-0.950	0.000	0.000	-0.950	0.000	0.000	**0.000**
Surplus from traffic management penalties including contravening traffic restrictions, box junctions and bus lanes under new Moving Traffic Enforcement powers, to offset operational costs and overheads - compliance with fees and charges policy		-0.200	-0.050	0.000	0.000	-0.050	0.150	0.000	**-0.150**
Review of structures across the Council to ensure adherence to the Council's organisation design policy		-0.434	-0.217	0.000	-0.217	-0.434	0.000	0.217	**0.000**
Chief Executive's Department		**-5.768**	**-5.518**	**0.000**	**0.000**	**-5.518**	**0.250**	**0.000**	**-0.250**
Staffing savings		-0.105	-0.105	0.000	0.000	-0.105	0.000	0.000	**0.000**
Recruitment of in-house solicitors to reduce utilisation of more expensive external law firms. Recruitment of 4 senior solicitors will lead to likely saving of c. £121k per solicitor; an in-house trial has already been accomplished which indicates that this is an achievable target.		-0.488	-0.488	0.000	0.000	-0.488	0.000	0.000	**0.000**
Efficiencies in Legal case management		-0.028	-0.028	0.000	0.000	-0.028	0.000	0.000	**0.000**
Full year saving from senior staff reorganisation		-0.195	-0.195	0.000	0.000	-0.195	0.000	0.000	**0.000**
Support Service targeted reductions - reduced contribution to pension fund in respect of staff who transferred to Invicta Law		-0.286	-0.286	0.000	0.000	-0.286	0.000	0.000	**0.000**
Staffing savings identified from the deletion of two currently vacant roles		-0.161	-0.161	0.000	0.000	-0.161	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SPRCA Division		-0.128	-0.128	0.000	0.000	-0.128	0.000	0.000	**0.000**
Current contract includes pruning, watering, pest control and replacement at no cost of any plants that die. It is not suitable for staff to replace these activities due to previous issues, therefore it is proposed to remove plants entirely.		-0.040	-0.040	0.000	0.000	-0.040	0.000	0.000	**0.000**
Greenbanks, Orchards, & Rainbow MASH sites currently seeking to remove from rating list. We believe they should be exempt.		-0.070	-0.070	0.000	0.000	-0.070	0.000	0.000	**0.000**
Property savings from a Corporate Landlord (CLL) review of specialist assets		-0.263	-0.263	0.000	0.000	-0.263	0.000	0.000	**0.000**
Removal of payment for family hubs rates where appropriate		-0.052	-0.052	0.000	0.000	-0.052	0.000	0.000	**0.000**
Review service provision of plumbed water coolers and bottled water.		-0.030	-0.030	0.000	0.000	-0.030	0.000	0.000	**0.000**
Review of car parking provision associated with office estate to ensure that it is aligned to the office estate. Review car parking models.		0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Corporate Landlord review of Community Delivery including Assets		-0.772	-0.772	0.000	0.000	-0.772	0.000	0.000	**0.000**
Corporate Landlord review of Office Assets. 2025-26 includes the re-phasing of savings into future years due to programme timeline changes		-0.190	-0.190	0.000	0.000	-0.190	0.000	0.000	**0.000**
Saving from exit and disposal of Invicta House, assuming sale after two years of holding costs.		-0.526	-0.526	0.000	0.000	-0.526	0.000	0.000	**0.000**
Review of services for maintained schools including facilities management costs, tree		-2.048	-2.048	0.000	0.000	-2.048	0.000	0.000	**0.000**

Saving (Figures in £m)		2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
surveys and health and safety support (Infrastructure)									
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Infrastructure Division		-0.009	-0.009	0.000	0.000	-0.009	0.000	0.000	**0.000**
Review of Library estate to match the Library Service requirements		-0.250	0.000	0.000	0.000	0.000	0.250	0.000	**-0.250**
Review of structures across the Council to ensure adherence to the Council's organisation design policy		-0.128	-0.128	0.000	0.000	-0.128	0.000	0.000	**0.000**
Public Health									
Healthy Lifestyles transformation saving		-0.407	-0.407	0.000	0.000	-0.407	0.000	0.000	**0.000**
Deputy Chief Executive's Department		**-1.365**	**-1.365**	**0.000**	**0.000**	**-1.365**	**0.000**	**0.000**	**0.000**
Savings target following assessment of ongoing service requirements		-0.035	-0.035	0.000	0.000	-0.035	0.000	0.000	**0.000**
Senior reorganisation as approved by full council vote		-0.165	-0.165	0.000	0.000	-0.165	0.000	0.000	**0.000**
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - HROD		-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	**0.000**
Process changes approved by Full Council on 18 December 2025 intended to provide Committee administration, SRA and Member expense savings. The arrangements involve the de-commissioning of some Ordinary Committees and the disbanding a sub-committee. Savings also include related		-0.075	-0.075	0.000	0.000	-0.075	0.000	0.000	**0.000**

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
decommissioning of a Cabinet Committee as approved by the Leader in December 2025.								
Running costs of the County Car, which is no longer in use.	-0.005	-0.005	0.000	0.000	-0.005	0.000	0.000	**0.000**
Impact of July 2025 decision to reduce Member allowances by 5% available to fund one-off increase in Member Community Grants for 2026-27	-0.081	-0.081	0.000	0.000	-0.081	0.000	0.000	**0.000**
Review of the use of technology to create efficiencies when the contract for the provision of the Contact Centre is renewed	-0.290	-0.290	0.000	0.000	-0.290	0.000	0.000	**0.000**
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Marketing & Resident Experience Division	-0.003	-0.003	0.000	0.000	-0.003	0.000	0.000	**0.000**
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Technology	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	**0.000**
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SMDB Division	-0.468	-0.468	0.000	0.000	-0.468	0.000	0.000	**0.000**
Efficiencies and use of AI in School Appeals	-0.006	-0.006	0.000	0.000	-0.006	0.000	0.000	**0.000**
Explore alternative sources of funding for the Kent Support & Assistance Service	-0.038	-0.038	0.000	0.000	-0.038	0.000	0.000	**0.000**
Explore alternative sources of funding for the administration of the Kent Support & Assistance Service	-0.105	-0.105	0.000	0.000	-0.105	0.000	0.000	**0.000**

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Review of structures across the Council to ensure adherence to the Council's organisation design policy	-0.090	-0.090	0.000	0.000	-0.090	0.000	0.000	**0.000**
Non Attributable Costs	**-15.563**	**-14.263**	**-2.783**	**0.000**	**-17.045**	**-1.483**	**1.300**	**0.000**
Impact on debt charges of changes made to the capital programme such as reduction in the Strategic Estate Programme, removal of Digital Autopsy and public mortuary project, use of grant instead of borrowing for Schools Basic Need Programme and Schools Modernisation/annual planned enhancement offset by an increase in the Modernisation of Assets and Highways Risks Category 1's.	-0.660	-0.660	0.000	0.000	-0.660	0.000	0.000	**0.000**
One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. This is part of a £25m package of one-off measures towards balancing the 2026-27 budget.	-9.000	-9.000	0.000	0.000	-9.000	0.000	0.000	**0.000**
Projected fluctuations in investment income due to predicted changes in base rate as forecast by our Treasury Management Advisor, and also movement in forecast available cash flows and balances including loss of investment income due to repaying £50m loan from cash balances	-1.300	0.000	-2.783	0.000	-2.783	-1.483	1.300	**0.000**
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1.000	-1.000	0.000	0.000	-1.000	0.000	0.000	**0.000**

Saving (Figures in £m)	2026-27 Savings Target	Forecast against original saving	Forecast against alternative saving (ongoing)	Forecast against alternative saving (one-off)	Total Forecast Delivery	Variance	Un-deliverable	To be achieved in future years
Estimated increase in income contribution from our limited companies	-0.500	-0.500	0.000	0.000	-0.500	0.000	0.000	**0.000**
Annual discount received for 10 years on £50m early debt redemption in September 2025 and £10m in March 2025	-0.683	-0.683	0.000	0.000	-0.683	0.000	0.000	**0.000**
Impact on debt interest costs of £50m early debt redemption in 2025-26	-2.420	-2.420	0.000	0.000	-2.420	0.000	0.000	**0.000**
Corporately Held Budgets								
Review of embedded teams in Directorates, to establish opportunities for consolidation and/or centralisation of practice	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Review of structures across the Council to ensure adherence to the Council's organisation design policy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Corporately Held Budgets Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Total	**-91.687**	**-74.652**	**-11.327**	**-0.217**	**-86.195**	**5.492**	**12.182**	**-5.018**

Appendix 2 | Capital budget changes

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

Project	Year	Amount (£m)	Reason
Adult Social Care & Health			
Developer Funded Community Schemes	26-27	+0.761	To reflect developer contributions that have been banked and now have schemes allocated to use them.
Children, Young People & Education			
Family Hubs and Start for Life Programme	26-27 27-28 28-29	+0.119 +0.242 +0.247	To reflects additional confirmed grant allocations across the three year period.
Growth, Environment & Transport			
Highways Major Enhancement	26-27 26-27 26-27	-0.120 +0.026 +0.045	Virement to Maidstone Integrated Transport scheme Additional developer contributions Virement from Integrated Transport
Integrated Transport Schemes	26-27	-0.045	Virement to Highways Major Enhancement
Maidstone Integrated Transport	26-27	+0.120	Virement from Highways Major Enhancement
Blue Bell Hill	26-27 26-27	+0.524 -0.524	Additional grant Reduction in developer contributions
Kent Active Travel Phase 5	26-27	+0.038	Additional developer contributions
Active Travel Capability Fund	26-27	-0.020	Virement to a Public Rights of Way scheme at the Judd School.
Local Electric Vehicle Infrastructure (LEVI)	26-27	+0.016	Additional revenue contribution
Moving Traffic Enforcement	26-27 26-27	+0.024 +0.025	Additional grant Additional developer contributions
National Bus Service Improvement Plan Phase 3	26-27	-0.250	Grant repaid to Department for Transport
Growing Places Fund	26-27	+0.597	Grant confirmed to be repaid to the fund.
Kent Empty Property Initiative	26-27	-0.202	Cash limit adjustment to reflect repayment of external funding to Folkestone and Hythe District Council (£0.110m) and to Dover District Council (£0.092m).

Project	Year	Amount (£m)	Reason
Chief Executive's Department			
Basic Need Kent Commissioning Plan (KCP) 19	26-27	+2.490	Additional Community Infrastructure Levy (CIL) funding re Maidstone Grammar School for Girls
Basic Need 2024-28	26-27 26-27	+0.313 -0.322	Additional developer contributions re Paddock Wood. Decrease in developer contributions re Ebbsfleet Primary.
Basic Need Markers	26-27	0.460	Additional developer contributions re Water Meadows.
High Needs Provision	26-27	0.199	Additional developer contributions re Dover Christ Church Academy

Appendix 3 | Prudential Indicators

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)

	25-26 Actual	26-27 Budget	26-27 Forecast	27-28 Estimate	28-29 Estimate	29-30 Estimate
Total	273.86	421.48	341.08	318.86	220.03	184.89

Prudential Indicator 2: Estimate of Capital Finance 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.

	25-26 Actual	26-27 Budget	26-27 Forecast	27-28 Estimate	28-29 Estimate	29-30 Estimate
Total CFR	1,277.6	1,284.2	1,248.3	1,230.7	1,190.9	1,153.6

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.

	25-26 Actual	26-27 Budget	26-27 Forecast	27-28 Estimate	28-29 Estimate	29-30 Estimate
Other long-term liabilities	216.5	194.7	216.5	216.5	216.5	216.5
External borrowing	610.4	600.6	565.1	556.9	548.7	540.4
Total Debt	**826.9**	**795.3**	**781.6**	**773.4**	**765.2**	**756.9**
Capital Financing Requirement	1,277.6	1,284.2	1,248.3	1,230.7	1,190.9	1,153.6
Internal borrowing	450.8	488.9	466.7	457.3	425.7	396.7

Prudential Indicator 4: Authorised Limit and Operational 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.

	25-26 Actual	26-27 Budget	26-27 Forecast	27-28 Estimate	28-29 Estimate	29-30 Estimate
Authorised limit – borrowing	1,201.0	1,200.6	1,201.0	1,023.0	996.0	990.0
Authorised limit – other long-term liabilities	216.5	216.5	216.5	216.5	216.5	216.5
Authorised limit – total external debt	**1,417.5**	**1,417.1**	**1,417.5**	**1,239.5**	**1,212.5**	**1,206.5**
Operational boundary – borrowing	1,101.0	1,101.0	1,101.0	1,000.0	975.0	960.0
Operational boundary – other long-term liabilities	217.0*	217.0	217.0	217.0	217.0	217.0
Operational boundary – total external debt	**1,318.0**	**1,318.0**	**1,318.0**	**1,217.0**	**1,192.0**	**1,177.0**

* Includes IFRS16 long term liability

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.

	25-26 Actual	26-27 Budget	26-27 Forecast	27-28 Estimate	28-29 Estimate	29-30 Estimate
Proportion of net revenue stream	6.75%	5.93%	6.27%	5.73%	5.58%	5.44%

Prudential Indicator 6: Estimates of net income from commercial and service investments to net revenue stream

	25-26 Actual	26-27 Estimate	27-28 Estimate	28-29 Estimate
Net income from commercial and service investments to net revenue stream (%)	0.49%	0.41%	0.40%	0.39%