



AGENDA

CABINET

Wednesday, 28th January, 2015, at 10.00 am
Darent Room, Sessions House, County Hall,
Maidstone

Ask for: **Louise Whitaker**
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Tea/Coffee will be available 15 minutes before the meeting.

Webcasting Notice

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UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

1. Introduction/Webcasting
2. Apologies & Substitutions
3. Declaration of Interests by Member in Items on the Agenda for this meeting
4. Minutes of the Meeting held on 1 December 2014 (Pages 3 - 10)
To agree the minutes of the previous meeting held on 1 December 2014, as a correct record.
5. Revenue and Capital Budget Monitoring for 2014/15 - November (Pages 11 - 104)
To consider and note the latest budget monitoring position for 2014/15.
6. Budget 2015/16 and Medium Term Financial Plan 2015/16 (Pages 105 - 114)
To endorse the draft budget and the Council Tax precept taking into account proposed amendments from Cabinet Committees and late changes to the draft Budget and MTFP published on 12th January 2015

Draft budget books have been circulated to all members of the Council. Please

bring your copy to the meeting.

7. Elective Home Education Policy (Pages 115 - 130)

To agree the revised Elective Home Education Policy and the process of engagement to be undertaken

8. 14/00127 KCC Community Wardens Service - Public Consultation Response (Pages 131 - 162)

To agree the preferred option for the Community Warden Service redesign following the recent public consultation

9. Development of the Wildernesse Site in Sevenoaks to construct 2 new secondary school buildings - Sevenoaks Grammar Annexe and Trinity School (Pages 163 - 168)

To agree the proposed decisions set out in the report

Motion to Exclude the Press and Public

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(During this item the meeting is unlikely to be open to the public)

10. Development of the Wildernesse site in Sevenoaks to construct 2 new secondary school buildings - Sevenoaks Grammar Annexe and Trinity School (Pages 169 - 174)

To receive exempt information relating to Item 9 on the agenda

**Peter Sass
Head of Democratic Services
Tuesday, 20 January 2015**

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 1 December 2014.

PRESENT: Mr D L Brazier, Mr G Cooke, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr P J Oakford, Mr J D Simmonds, MBE and Mrs M E Crabtree (substitute for Mr R Gough)

IN ATTENDANCE: Miss S Carey

UNRESTRICTED ITEMS**87. Apologies & Substitutions**

(Item 2)

Apologies were received from Mr Carter, Leader; Mr Sweetland, Cabinet Member for Commercial and Traded Services; and Mr Gough, Cabinet Member for Education and Health Reform.

Mr Simmonds, Deputy Leader took the Chair and as a result Mrs Carey was in attendance to speak to the budget item. Mrs Crabtree, Deputy Cabinet Member for Education and Health Reform, was in attendance on behalf of Mr Gough.

Andy Wood, Corporate Director of Finance and Procurement also sent apologies and was substituted by Simon Pleace, Revenue Finance Manager.

88. Declarations of Interest

(Item 3)

None.

89. Minutes of the Meeting held on 13 October 2014

(Item 4)

The minutes of the meeting held on 13 October 2014 were agreed as a correct record and signed by the Chairman accordingly.

90. Care Act 2014 - Required Decisions

(Item 5)

(Item 5 – Report of Mr Gibbens, Cabinet Member for Adult Social Care and Health and Andrew Ireland, Corporate Director for Social Care Health and Wellbeing)

Cabinet received a report containing a further update on the implications of and necessary actions resulting from the Care Act 2014, in particular the provision of information on three of the key policy decisions which would be made by the Cabinet

Member for Adult Social Care and Public Health in readiness for implementation in April 2015:

- I. To adopt the national minimum eligibility criteria as Kent's offer from April 2015.
- II. To put the current charging arrangements for residential care and non-residential services on a new statutory footing under the Care Act 2014.
- III. To agree to the broad outlines of the Deferred Payments scheme from 1 April 2015 and to the recommendation that the Temporary Financial Assistance scheme ceases from 31 March 2015.

It was intended that following consideration and 'in principle' agreement by Cabinet all three decisions would be debated in full at the Adult Social Care and Public Health Cabinet Committee scheduled for 4 December 2014 before being the subject of formal decision by Mr Gibbens, Cabinet Member for Adult Social Care and Health.

Mr Gibbens, presented the report for consideration, in particular he referred to the following:

- I. That the Care Act would have a major impact on social care in England and he supported its aims;
- II. That the Act would be introduced in two phases, firstly from April 2015 and a further tranche in April 2016, the latter being largely based on the recommendations of the Dilnott Report;
- III. That the changes to eligibility criteria, introduced by the Act, were likely to be the most important element of the current tranche of changes. Currently, eligibility criteria were set by each local authority; Kent County Council maintaining care eligibility at the 'moderate' level the Act would introduce a new national minimum, and as it was considered to be broadly similar to that already in place in Kent, it was proposed that it be adopted by Kent County Council. He stressed that all those currently receiving services would continue to do so.

Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing, spoke to the item. He echoed the sentiments of the Cabinet Member and concurred that changes to the eligibility criteria were the most significant element of the current tranche of implementation. He emphasised that extensive testing of the new national minimum criteria against real life cases had produced evidence that suggested a close proximity to the moderate criteria currently employed at Kent.

He also referred to the following:

- I. That the Act would introduce a right of appeal against the eligibility decision of the council for applicants.
- II. That the proposed decision on charging related to a power already in place and utilised by KCC, becoming a duty.
- III. That the proposed decision on deferred payments would be a largely technical measure as KCC already provided a voluntary scheme, the decision reflected the statutory nature of such schemes within the Act.

It was RESOLVED that the proposal by the Cabinet Member for Adult Social Care and Public Health to take the decisions identified within the report, after taking into

account the views expressed by Cabinet and any recommendations or comment of the Adult Social Care and Public Health Cabinet Committee on 4 December 2014 be supported.

91. Quarterly Performance Report - Quarter 2
(Item 6)

(Item 6 – Report of the Leader & Cabinet Member for Business Strategy, Audit and Transformation, Mr P Carter and Corporate Director for Strategic and Corporate Services, David Cockburn)

Cabinet received a report detailing key areas of performance for the authority as at quarter 2, based on data up to September 2014.

Richard Hallett, Head of Business Intelligence, was in attendance to speak to the item; he referred in particular to the following:

- I. The report was generally positive, showing a net positive direction of travel continued from the previous quarter. The report also included information on activity data and risk.
- II. Only one Key Performance Indicator (KPI) was reported as 'Red': Promoting Independence Reviews. However performance was in line with previously reported expectations with the programme expected to reach the target level in quarter three.
- III. That three KPI's had moved out of red status, namely:
 - The percentage of phone calls answered by the Contact Point had increased and satisfaction remained high as a result of the recruitment of new staff,
 - Business mileage claims had been reduced, although it should be considered a provisional result because late expenses claims might alter the position
 - Numbers of permanent qualified social worker staff had increased in line with the predicted trajectory.
- IV. That three outstanding risk actions remained, all having had significant action taken but not yet completed.

The item was opened for discussion.

The Cabinet Member for Economic Development, Mr Mark Dance, spoke to the item. He commented on the good performance of the TIGER and Escalate funds, detailed within the report. He reported that the scheme was working well for businesses and was producing new jobs. Funds would start to be recycled in the near future and loans would continue to be used to promote the Kent economy.

The Cabinet Member for Adult Social Care and Health, Mr Graham Gibbens, referred to the single 'Red' indicator; promoting independence reviews. He reported that the target had been adversely affected by staff changes and reorganisation work and that action had been taken to address this as part of the work being undertaken by Newton Europe. He believed that in the future it would be necessary to review the targets as it was not the intention, locally or nationally, to review everybody but only those people where outcomes could be improved by means of a review.

He also spoke about the non-smoking target and the downward travel to amber from green in quarter 2 explaining that since 2012 there had been a downward trend both locally and nationally in smoking. He also made members aware that the target in Kent was higher than that nationally being set at 52% as opposed to 50% elsewhere.

The Deputy Cabinet Member for Education and Health Reform, Mrs Margaret Crabtree, spoke to the item. She highlighted elements within the report relevant to the Education portfolio, in particular she welcomed news that:

- I. The percentage of schools rated as 'Good' or 'Outstanding' continued to rise;
- II. Performance at Key Stage 2 continued to improve and the gap between local and national performance continued to close;
- III. Performance at Key Stage 4 remained well ahead of national performance despite changes implemented at pace by government;
- IV. Expansion and new build work to increase primary school places continued in order to meet demand, however, she urged members to be aware that this pressure would transfer to secondary school places in the future.

The Cabinet Member for Community Services, Mr Mike Hill drew attention to the good work undertaken by the Trading Standards team at KCC to protect residents of Kent and was pleased that this was reflected in the performance indicators reported.

It was RESOLVED that the report be NOTED.

92. Financial Monitoring Report - Quarter 2 *(Item 7)*

(Item 7 – Report of the Deputy Leader & Cabinet Member for Finance and Procurement, Mr John Simmonds and Corporate Director of Finance and Procurement, Andy Wood)

Cabinet received a report providing the budget monitoring position for Quarter 2, to September 2014, for both the revenue and capital budgets and an update on key activity data.

Miss Susan Carey, was in attendance to introduce the item. She said the predicted overspend reported in quarter one had now been reduced and with management action an underspend was now predicted. This would be difficult to deliver and would depend on various factors, in particular demand for services and unforeseen circumstances such as adverse weather or flooding.

In addition Miss Carey drew information from the report for particular attention including information on the reduction in numbers of looked after children, the continued cost of unaccompanied young people seeking asylum and the reduction in need for residential care for the elderly, as a result of successful preventative work.

Furthermore, she reported that:

- I. Transformation work continued to be undertaken in Adult Social Care to create savings and manage costs, and such savings would be crucial to the success of the budget that savings were delivered on time

- II. The Kent Support and Assistance Service had been successful and owing to the good management of the fund an underspend might be delivered which would be used to continue the scheme.
- III. Pressure remained on the SEN Home to School Transport budget and work continued to be undertaken to manage that pressure, including independent travel training to enable young people to gain the skills and confidence to use public transport where appropriate.
- IV. That waste tonnage continued to increase and remained a cause for concern with a forecast overspend of approximately £2.3m largely offset by underspending elsewhere. The increase was largely attributed to the mild autumn and the associated impact on garden waste collection.
- V. Take up of the Young Persons Travelcard had exceeded expectation, despite the reduction in subsidy, and might create continued pressure on the GET budget during the second half of the year.

In relation to the Capital Programme Miss Carey reported that pressure remained on the Basic Need programme for the provision of school places as did the special school programme, the latter of which would be met from underspend elsewhere. However most projects remained on time and to budget.

Revenue Finance Manager, Simon Pleace, spoke to confirm those messages that Miss Carey had highlighted and also reminded members of the risks to predictions reliant on management action and the hard work that would be required to deliver the desired outcomes.

The Cabinet Member for Economic Development, Mr Dance, commented on the work underway to deliver Superfast Broadband in the County and the proposed phase 2 which would be pursued in the new financial year and how this might be able to take pressure off other departments in delivery of services via the internet. A film had been made and was available for members to view.

Mr Simmonds concluded by considering the Government's autumn statement and the impact that may have on local government, he noted that the pressures on Local Government funding were likely to remain.

It was RESOLVED that:

CABINET Financial Monitoring Report – Quarter 2 1 December 2014	
1.	That the report, including the latest monitoring position on both the revenue and capital budgets, be NOTED
2.	That the changes to the capital programme Cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4, be AGREED.
REASON	
1.	In order that Cabinet can effectively carry out monitoring

	requirements.
2	In order that the budget accurately reflects the real time position and is fit for purpose enabling necessary actions to be taken.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

93. Corporate Risk Register - Annual refresh
(Item 8)

(Item 8 – Report of the Leader and Cabinet Member for Business Strategy, Audit and Transformation, Mr Paul Carter and Corporate Director for Strategic and Business Services, David Cockburn)

Cabinet received a report containing for consideration the refreshed Corporate Risk Register. The register was refreshed to reflect key themes which had arisen from meetings with Corporate and Directorate Management Teams and Cabinet Members during the autumn held for that purpose.

Richard Hallett, Head of Business Intelligence returned to the table. He thanked Directors and Cabinet Members for their involvement in the process; in addition the draft refresh document had been subject to consideration by Cabinet Committees which had been helpful.

He reported the main changes as set out in the report:

- I. CRR 14 relating to procurement risk had been broadened to reflect key considerations relating to the development of KCC as a Strategic Commissioning Authority. The risk now also incorporated elements of the Governance & Internal Control risk (CRR 7) particularly the importance of ensuring governance arrangements kept pace with any changes to operating models. As a result CRR7 had been closed.
- II. CRR17 relating to the future operating environment for local government now explicitly referenced the scale of the financial challenge, with the 2015 – 2018 medium term financial picture included.
- III. The level of risk for CRR9 relating to the Better Care Fund (previously known as Integration Transformation Fund) had been raised from ‘Amber’ to ‘Red’ following the announcement of changes to funding arrangements, which had the potential to impact on the level of funding available for social care initiatives that promote independence. This risk was now considered to have once again reduced and was therefore returned to ‘Amber’
- IV. CRR 10 relating to the management of social care demand had been separated into adults and children’s services risks, to reflect the different drivers of demand and consequent differences in required controls.
- V. CRR 18; a medium level risk relating to the Public Sector Network Code of Compliance (CoCo) information security standards was added early in 2014,

as the government took a 'zero tolerance' approach to compliance. KCC had since achieved compliance with the code, although there were still potential effects on KCC objectives that would need to be monitored and managed.

- VI. CRR 19 relating to the introduction of the Care Act, discussed previously, presented a number of opportunities and risks, believed to be significant enough to warrant a new individual entry. A programme plan had been devised and was being undertaken ahead of the implementation of the Act.
- VII. A new risk had been added as a result of the Banking Reform Act, and this would be reflected shortly in the Treasury Management Strategy.

Mr Gibbens, Cabinet Member for Adult Social Care and Health, welcomed the inclusion of safeguarding as a high risk on the register. He reported that the number of alerts relating to safeguarding had increased and that this showed a greater level of awareness and understanding at KCC.

Mr Dance, Cabinet Member for Economic Development commented on CRR3 relating to access to resource to aid economic growth and enable infrastructure. He talked of the difficulties in encouraging building in the east of the county and the related need for infrastructure improvements.

It was RESOLVED that the report be NOTED.

94. Policy on Gatwick Airport

(Item 9)

(Item 9 – Report of the Cabinet Member for Environment and Transport, Mr David Brazier and Corporate Director for Growth, Environment and Transport, Barbara Cooper)

Cabinet received a report seeking agreement to the adoption of a position of opposition to a second runway at Gatwick Airport and to any increase in flights over West Kent as a result of airspace changes, and in addition, of support for a reduction in the number of current night flights.

The Cabinet Member for Environment and Transport, Mr David Brazier, introduced the item. He explained that Kent County Council had a policy document describing its aviation position, Facing the Aviation Challenge but that it needed to be refreshed in the light of residents' concerns to include a position of opposition to a second runway at Gatwick as the government continued to consider how, and where, best to meet increased demand and business need.

In addition, and separately from the issue of a potential second runway, there were issues relating to the number of night flights and trials relating to airspace, both of which caused great concern for residents in West Kent and which Kent County Council wished to recognise in its aviation position, even though it had no statutory powers or duties related to aviation it would respond to government consultations on the matter.

It was important that the aviation position of the Council continued to reflect current issues and the views of residents and therefore the proposed update for agreement at Cabinet would be amalgamated with the current document if agreed.

Joe Ratcliffe, Principal Transport Planner – Strategy, was in attendance to give a presentation on the topic of a potential expansion at Gatwick and on current use. *[The presentation is published on line as an appendix to these minutes].*

The Cabinet Member for Corporate and Democratic Services, Mr Gary Cooke, spoke to the item. He considered that questions of capacity were no longer concentrated on airspace issues, because technology had advanced, but now related to managing the disturbance created for some residents. The noise from flights had the potential to severely adversely affect the quality of life of an individual and any solutions to issues of capacity and business need should also seek to disperse the inconvenience to residents, he therefore supported the adoption of the position as proposed.

It was RESOLVED that

- I. The creation of a second runway at Gatwick Airport, be opposed
- II. Any increase in overflights across West Kent as a result of airspace changes, be opposed
- III. A reduction in the number of night flights be supported.

From: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement
Andy Wood, Corporate Director of Finance & Procurement
Corporate Directors

To: CABINET - 28 January 2015

Subject: **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - NOVEMBER**

Classification: **Unrestricted**

1. SUMMARY

1.1 This report provides the budget monitoring position for November 2014-15 for both revenue and capital budgets. Due to revenue finance resources being focused predominately on preparing the 2015-16 budget, which is a separate item on the agenda for this meeting, no activity data is supplied in this report.

1.2 The format of this report is:

- An executive summary which provides a high level financial summary and highlights only the most significant issues
- Appendix 1 provides a summary of the remaining proposed management action
- Appendix 2 provides a summary of the proposed capital programme cash limit changes
- There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health
 - **Annex 5** **Growth, Environment & Transport**
 - **Annex 6** **Strategic & Corporate Services**
 - **Annex 7** **Financing Items**

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in

3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined directorate revenue budgets is an underspend of £0.959m, before management action, but management action is expected to reduce this to an underspend of £4.264m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2015-16 to fulfil our legal obligations, detailed in section 3.6, therefore this changes the position to an underspend of £4.054m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.7, which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the Authority as whole is sufficiently underspending by year end. If we allow for this, then this changes the position to an **underlying overspend of £0.781m**. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the outstanding proposed management actions are provided in Appendix 1 but further work is required to identify actions to eliminate this forecast £0.781m underlying pressure if we want to be able to provide these roll forwards. We also need to take into consideration that delivery of the £3.305m of management action already built into this forecast is by no means certain. The annexes to this report provide the detail of the overall forecast position which is summarised in Table 1 below.

3.2 This report does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is an encouraging £1.813m reduction in the forecast position (excluding schools and before rollover requests), as shown in table 1. This is mainly due to:

E&YP - further underspending on: Early Years, Educational Psychology, other schools services and schools improvement and further re-phasing against the Kent Youth Employment programme and the Tackling Troubled Families programme. In addition, the forecast underspend for Children's Centres is now less than previously forecast.

SCH&W (SCS) - a general reduction in strategic management, preventative services, leaving care and legal budgets has been offset by an increase in fostering, residential care and adoption.

SCH&W (Adults) - although the overall position after management action has barely changed, there are some significant offsetting movements, with the pressure on the direct payments and domiciliary care budgets continuing to increase, offset by the release of funds held within other adult services. The increased pressure on direct payments is largely due to a further transfer of clients from domiciliary care as a result of the domiciliary care contract re-let, as clients are choosing to remain with their existing service providers. Whilst the increased pressure on domiciliary care results from a review on the expected timing of transformational savings.

GE&T - a further increase in waste tonnage than profiled in the budget; reduction in the savings on Concessionary Fares following the reconciliation of data provided by the bus companies on journey numbers for quarter 2. These increased pressures have been partially offset by staff vacancy savings within the strategic management and directorate support budget and further underspending on Community Services, largely due to further registration income and lower than expected costs of long inquests, as well as a reduction within highways and transportation largely due to reduced streetlight energy costs, reduced estimates of tree inspection costs, and increased income from Safety Awareness Courses.

S&CS - a further improvement in the position mainly due to fewer than anticipated business cases requiring funding in Local Healthwatch & Complaints Advocacy.

FI - a saving on Minimum Revenue Provision, as a result of fewer assets becoming operational last year due to the re-phasing on the capital programme, will be transferred to reserves to cover the potential liability in future years, in line with usual practice.

3.3 HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+952,116	-959	-3,305	-4,264	-2,451	-1,813
Adjustments: - Legally committed roll fwd (see section 3.6 for detail)		+210	-	+210	+210	-
Underlying position (including legally committed roll fwd requirements only)	+952,116	-749	-3,305	-4,054	-2,241	-1,813
- Roll forward/ re-phasing required to continue/ complete existing initiatives (see section 3.7 for detail)		+4,835	-	+4,835	+3,507	+1,328
Underlying position (including ALL roll fwd requirements)	+952,116	+4,086	-3,305	+781	+1,266	-485

Table 1 Directorate position - net revenue position **before and after** management action together with comparison to the last report

Annex	Directorate	Budget £'000	Net Variance (before mgmt action) £'000	Management Action already in place £'000	Net Variance (after mgmt action) £'000	Last Report £'000	Movement £'000
1	Education & Young People's Services	84,036.5	-3,956	-	-3,956	-2,327	-1,629
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,517.0	+4,240	-1,200	+3,040	+3,095	-55
	Social Care, Health & Wellbeing - Asylum	280.0	+1,666	-	+1,666	+1,666	-
	Social Care, Health & Wellbeing - Special Operations	-	+809	-	+809	+699	+110
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,797.0</i>	<i>+6,715</i>	<i>-1,200</i>	<i>+5,515</i>	<i>+5,460</i>	<i>+55</i>
3	Social Care, Health & Wellbeing - Adults	345,049.2	-505	-2,105	-2,610	-2,330	-280
4	Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	-
5	Growth, Environment & Transport	180,058.6	-2,050	-	-2,050	-2,280	+230
6	Strategic & Corporate Services	82,638.2	-675	-	-675	-486	-189
7	Financing Items	132,536.7	-488	-	-488	-488	-
	TOTAL (excl Schools)	952,116.2	-959	-3,305	-4,264	-2,451	-1,813
1	<i>Schools (E&YP Directorate)</i>	-	+12,883	-	+12,883	+2,777	+10,106
	TOTAL	952,116.2	+11,924	-3,305	+8,619	+326	+8,293

3.5 The **Revenue** Budget Monitoring headlines are as follows:

- a) The net position for Specialist Children's Services (exc. Asylum and Special Operations) has improved slightly from the previous reported position by -£0.055m. However, the service continues to report a significant financial pressure for 2014-15 with a net overspend of £4.240m, which is partially offset by £1.200m of proposed management action, with the remaining pressure of £3.040m attributable to unachievable savings.
- b) The position included in this report for Asylum is a pressure of £1.666m, and this reflects the impact of the May offer from the Home Office now that we no longer receive a Gateway Grant. It should however be noted that referrals are increasing and are at their highest level since 2010 and the number of children we are supporting is at its highest level since August 2011.
- c) The costs associated with Special Operations within Specialist Children's Services have been shown separately to the normal costs of running the service. These operations currently account for a pressure of £0.809m and these costs will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
- d) The underspend of -£0.505m before management action within Social Care, Health & Wellbeing - Adults is made up of a pressure on the Social Care budgets of £2.787m, with the pressure areas being domiciliary care, direct payments and supported accommodation, offset by a combined underspend on the Commissioned Services budgets of Kent Support & Assistance Service (Social Fund), Supporting People and Drug & Alcohol Services of £3.292m. Further management action of £2.105m is expected to be delivered to offset the pressure on the social care budgets (see Appendix 3 & Annex 3 for further information). This position also reflects a planned drawdown from the NHS Support for Social Care reserve of £4.375m to fund investment in services to deliver the transformation savings. We are therefore currently forecasting to spend £7.162m (£2.787m + £4.375m) more than our base budget on adult social care, but this is expected to reduce to £5.057m after delivery of management action.
- e) Within Adult social care, current activity trends are not supporting the level of transformation savings required, as these are likely to be heavily weighted towards the second half of the year. However, after discussions with our partners on Adults Transformation, we are confident that these savings will be delivered and hence this reduction is reflected as management action in table 1 above. As and when delivery of the savings filters through to the activity data, then the management action figure will reduce and the savings will be reflected within the relevant A-Z budget lines. However, if there is any slippage in the timing of the delivery of these savings, then this will cause a problem late in the year, probably at a point when it is too late to implement alternative offsetting management action within Adult Services. To alleviate this risk, extensive work is ongoing to understand the impact of the transformational changes and contract re-let on the domiciliary care expenditure incurred to date, which is the main area of our concern. Intimal findings have resulted in a review of the timing of when savings will be delivered. It is now anticipated savings will be realised over a longer time period than previously forecast and this has been reflected as an increased pressure on domiciliary care. It is anticipated that further outcomes of this work will be available for the next report. Alongside this work, all other areas of older people and physical disability expenditure are being considered for efficiencies and re-phasing should they be required to mitigate the risk of an increase to the forecast in future months.
- f) As a result of the domiciliary care contract re-let, the shift of clients from domiciliary care to direct payments resulting from some clients choosing to remain with their existing service providers, has continued. These direct payments are being paid at the new lower domiciliary care re-let rate.

- g) The Government have now confirmed that the grant funding for the Kent Support & Assistance Service (Social Fund) will not continue beyond this financial year. The provisional local government finance settlement for 2015-16 identifies a separate sum of money within the Revenue Support Grant (RSG) for this responsibility, but this is not the re-instatement or transfer of this grant, and has been created through using existing RSG allocations. Therefore effectively this grant has been removed for this service although the corresponding responsibilities still resides with the Local Authority. As the funding is ceasing, an option would be to roll forward the underspending on this service, to provide this service for another year whilst alternative longer term solutions are considered.
- h) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of +£2.390m. This is partially offset by recoupment income received from other local authorities whose pupils attend our special schools (-£0.478m); underspending on Home to College transport and the Kent 16+ Travel Card mainly due to reduced usage during the summer term and reduction in demand for transport for SEN students (-£0.387m); and also a continuation from last year of the reduced demand for mainstream home to school transport as the secondary aged population is at its lowest for some years (-£1.167m). An underspend on Children's Centres of -£2.420m is linked to the service restructure. In addition the Directorate is showing a net pressure in relation to an unachievable savings target within the Early Help & Prevention Services division, as well as an additional unbudgeted pressure for the revenue implications of the new early help and prevention system. There are a number of unrelated savings in other areas of the directorate that partially offset these pressures, including underspending/re-phasing of both the Kent Youth Employment programme and the Troubled Families programme, with the directorate as a whole forecasting a net underspend after management action and excluding schools of -£3.956m.
- i) The Early Years Education for 2 year olds budget is forecasting a significant underspend of £6m. This is a result of lower parental demand for two year old places than affordable levels. As this budget is entirely funded from DSG, any surplus at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset overspending elsewhere within the directorate budget, therefore this underspend will be transferred to the schools unallocated DSG reserve at year end.
- j) The Growth, Environment and Transport Directorate is forecasting to underspend by £2.050m. The most significant services contributing to this position are Subsidised Bus Routes (-£0.673m); Highways budgets (-£0.722m) predominately from savings on streetlight energy and speed awareness courses; Community Services budgets (-£0.999m) mainly due to increased income within the Registration Service and staff vacancy savings which are offsetting a centrally held savings target within the Strategic Management & Directorate Support budget (+£0.112m); Regulatory Services budgets (-£0.253m) mainly due to lower than expected costs of long inquests; Concessionary Fares (-£0.234m) offset by a net pressure on the waste budgets (+£0.758m - see below for further details).
- k) Forecast waste tonnage has increased again since the last report and remains a cause for concern, with a forecast overspend of £2.838m currently reported. This is largely offset by savings predominately from contract changes, giving an overall net pressure on the waste budget of £0.758m. The tonnage for April to November was 33,600 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.838m assumes 41,500 tonnes above the budgeted level of 675,000 tonnes for the full year. This forecast appears low when comparing to the year to date tonnage, but it is believed that part of the increase over the last 11 months is attributable to the unusual weather conditions (storm damage, and mild and moist conditions advancing the growing season), together with the impact of a general economic improvement. The current forecast assumes that the increased tonnage as a result of the unusual weather conditions will not continue throughout the remainder of the year, but in view of a wet August, mild September & October together with a high water table then there is a significant risk that the current trend will continue and consequently the overspend as a result of higher waste tonnage would increase. A contingency to cover the potential impact of continued higher than budgeted levels of waste tonnage in 2015-16 has been included in the draft 2015-18 MTFP, published on 12 January.

- l) Following the start of the new school academic year, indications from the data supplied by our external provider MCL Transport Services show a potential budget pressure on this service. We are currently working with MCL to understand the cause of this pressure, but the number of passes issued appears in line with our budget build assumptions. We also assumed in our budget that some of the lower cost users would not renew. Therefore if there is a real pressure on this service, the most likely reason will be because the average cost per pass is higher than our assumptions at the time of setting the budget. An update will be provided in the quarter 3 report to Cabinet in March, which will include robust data on usage trends and numbers of applicants for the second half year pass.
- m) The forecast for Public Health is an underspend of £0.163m, due to staffing vacancies within the service. In line with government guidelines, this underspend will be transferred to the Public Health reserve, for use in future years.
- n) We continue to forecast a shortfall of £1.391m in the dividend from Commercial Services following the first half year results, and taking into account new costs of rent payments to KCC and higher than expected costs of closing County Print. This is currently being offset elsewhere within the Financing Items budget by underspending on Carbon Reduction, External Audit Fee and higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012 and 2013 Autumn Statements. However, the impact of these measures is likely to materialise as a deficit against the Business Rates collection fund, of which we will receive a share from the District Councils in 2015-16, potentially reducing the funding we have available next year.
- o) We have received £0.983m of funding through the Bellwin scheme in respect of the emergency costs incurred during the autumn and winter 2013-14 floods and storms, which has been transferred to the Emergency Conditions reserve.
- p) Appendix 1 provides some details of the outstanding management action reflected in the forecast £0.781m overspending position shown in the headline table on page 3. This proposed management action is by no means certain and a considerable amount needs to happen to ensure this is delivered in full.

3.6 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 3 shows that within the current forecast revenue position there is a requirement to roll forward £0.210m to 2015-16, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

- | | | | | |
|--|---|--------|--|--------|
| <ul style="list-style-type: none"> ▪ Kent Youth Employment programme - to fund existing placements that continue into 2015-16 (see annex 1) | <table border="0"> <tr> <td style="text-align: right;">+210 k</td> </tr> <tr> <td style="text-align: right;"><hr style="width: 100%; border: 0; border-top: 1px solid black;"/></td> </tr> <tr> <td style="text-align: right;">+210 k</td> </tr> </table> | +210 k | <hr style="width: 100%; border: 0; border-top: 1px solid black;"/> | +210 k |
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| <hr style="width: 100%; border: 0; border-top: 1px solid black;"/> | | | | |
| +210 k | | | | |

3.7 Details of Roll Forward/Re-phasing required to complete existing initiatives, if the outturn position allows:

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the Authority as a whole is in an underspending position at year end of at least -£5.045m (£4.835m as detailed below + £0.210m per section 3.6 above). We are currently reporting an underspend after management action of -£4.264m, so we have a shortfall of £0.781m, as highlighted in the headline position table on page 3, which will need to be addressed before roll forward for these initiatives can be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+824 k
▪ re-phasing of Vulnerable Learners Assisted Apprenticeship placements in to 2015-16 (see annex 1)	+53 k
▪ Kent Support & Assistance (Social Fund) (see annex 3)	+2,703 k
▪ re-phasing of Health Reform (see annex 6)	+14 k
▪ Tackling Troubled Families (see annex 1)	+1,241 k
	<hr/>
	+4,835 k

3.8 Revenue budget virements/changes to budgets

All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates.

SUMMARISED CAPITAL MONITORING POSITION

The working budget for the 2014-15 Capital Programme is £381.161m (£318.160m excluding PFI). The forecast outturn against this budget is £280.023m (£261.316m excluding PFI) giving a variance of -£101.138m (-£56.845m excluding PFI). The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 Table 2 Directorate capital position

Directorate	3 Year Cash Limit £'000	2014-15 Working Budget £'000	2014-15 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	227,510	143,987	-49,915	-86	-49,829	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-70	-	-70	2
Social Care, Health & Wellbeing - Adults	82,918	76,976	-51,494	-23,908	-27,586	3
Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	4
Growth, Environment & Transport	259,191	128,406	5,584	939	4,645	5
Strategic & Corporate Services	28,806	29,764	-5,243	-	-5,243	6
Financing Items	-	-	-	-	-	7
TOTAL	598,425	381,161	-101,138	-23,055	-78,083	

4.3 The **Capital** Budget Monitoring headlines are as follows:

- a) The majority of schemes are within budget and on time.
- b) -£23.055m of the -£101.138m variance is due to **real** variances. These are categorised as follows:

- i) **Real variances which have no identified funding source are as follows:**

- PFI - Excellent Homes for All (SC,H&WB - Adults) -£25.222m. The budget has been revised following a reduction in PFI credit with the forecast now reflecting the estimated construction cost at financial close.

- Information Technology Projects (SC,H&WB - Adults) +£1.015m. This relates to predicted expenditure on Telecare equipment to be legitimately capitalised at year end. This will be funded from available grant and developer contributions.

- Integrated Transport Schemes (GET) +£1.169m. This reflects additional grant awarded by the DfT to deliver local sustainable transport schemes (+£0.834m), additional external funding of +£0.045m, a revenue contribution of £0.320m to purchase new buses less a contribution to the Member Highway Fund towards an Integrated Transport Scheme (-£0.030m)

- Marsh Million (GET) +£0.100m. This reflects additional funding received from a project partner.

- The remaining -£0.117m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.

- ii) **Proposals for managing real variances within the capital programme which have a nil impact on the programme as a whole:**

- St John's/Kingsmead Primary School, Canterbury (EYP) +£0.857m due to additional window and roof works. This is to be funded from the Annual Planned Enhancement Programme, however this could result in a pressure on this programme later in the year, depending on the level of emergency enhancements required over the winter period.

- Astor of Hever (St Augustine's Academy) Maidstone (EYP) +£0.500m due to an asbestos claim. This is to be funded from a corresponding underspend on BSF Unit Costs.

- BSF Unit Costs (EYP) -£0.620m to fund the pressure on Astor of Hever and £0.120m of the pressure on Special Schools Review Phase

- Goat Lees Primary School (EYP) -£0.375m. The forecast underspend against this project will be used to part fund the pressure on the Basic Need programme in future years (please see section 4.3.d below).

- Annual Planned Enhancement Programme (EYP) +£0.250m due to additional works at Minster Primary. This is to be funded from a corresponding underspend on the Modernisation Programme - Future Years.

- HWRC West Kent (GET) -£0.600m. The existing site's lease has been extended therefore no new capital project is needed. The underspend is requested to fund the emergency works at Richborough and Sturry Road Closed Landfill sites.

- Rural Broadband Demonstration Project (GET) -£0.516m. The rural allocation was based on providing grants to local communities. Market review shows that response is likely to be insufficient to generate good value for money. The funding has been rolled into the Superfast Extension Programme which is due to start in 2016-17.

- TS/HWRC - Swale (GET) -£0.250m to reflect revised scheme cost. This underspend will be used to fund +£0.150m on the Street light Timing - Invest to Save project due to higher than expected costs including a greater number of columns needing to be rewired to enable conversion and higher staff costs and +£0.100m on Weather Damage - Major Patching where additional works have had to be carried out.

c) -£78.083m of the -£101.138m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:

Basic Need Programme 2013-15 (EYP) -£15.419m rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been forecast in 2015-16.

Special School Review Phase 2 (EYP) -£24.446m. Rephasing due to delays at the planning stage on a number of complicated projects. Redesign and reconfigurations have also been necessary due to budget pressures.

Sevenoaks Grammar School -£3.500m and Trinity Free School, Sevenoaks (EYP) -£2.500m. Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.

Dover Christ Church (EYP) -£1.500m. Rephasing due to construction delays which have pushed back the completion of two main phases of work.

Devolved Formula Capital Grants for Pupil Referral Units (PRUs) (EYP) -£1.209m. Following the completion of a recent PRU review works will now progress.

BSF Wave 3 Build Costs (EYP) -£0.723m. Rephasing as a result of outstanding ICT issues at schools which have yet to be resolved.

Community Learning & Skills Service - Sittingbourne Reprovision (EYP) -£0.482m due to a lack of suitable alternative venues and sites coming forward.

PFI - Excellent Homes for All (SCH&W Adults) -£19.071m. Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.

OP Strategy - Transformation/Modernisation (SCH&W Adults) -£5.589m. Rephasing to 2015-16 to allow for formal procurement options to be explored as part of the business case development for the Older Persons Strategy.

Information Technology Projects (SCH&W Adults) -£1.958m rephased whilst reviewing the IT strategy as part of the budget process.

Lowfield Street (SCH&W Adults) -£0.968m rephasing due to delay in the development of the site, undergoing negotiations with the developer on how to proceed.

Regional Growth Fund - Expansion East Kent (GET) +£13.293m. This fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

TIGER (GET) +£5.478m. The fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

Sittingbourne Northern Relief Road -£1.934m, East Kent Access Phase 2 -£1.374m and Rushenden Link Road -£0.559m - rephasing due to the retendering of the LCA Part 1 works.

LIVE Margate (GET) -£3.376m rephasing due to KCC endeavouring to acquire some key strategic sites, and it is taking longer than anticipated to finalise these acquisitions.

Broadband (GET) -£1.337m rephasing to reflect programme of scheduled works.

Lorry Park (GET) -£1.055m - further options are being explored hence anticipated start date has been delayed.

Kent Thameside Strategic Transport Programme (GET) -£0.749m. Rephasing on Rathmore Road as work was suspended while awaiting planning consent.

A28 Chart Road, Ashford (GET) +£0.660m. The scheme has now received planning consent. Spend has been brought forward to cover initial development works and engagement with utilities.

Thanet Parkway (GET) -£0.500m - rephasing due to delays in the procurement process.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) -£0.435m - detailed design and procurement have taken longer to complete than anticipated.

Dartford Library Plus (GET) -£0.434m. Suggested changes from a public consultation have impacted on delivery times.

North Farm Longfield Road, Tunbridge Wells (GET) -£0.381m. The predicted completion has slipped by a month to end of June 2015 as a result of unchartered utility services that require diversion or protection.

Escalate (GET) -£0.311m - the forecast has been adjusted according to current actual and pipeline cases in the year.

Southborough Hub (GET) -£0.125m. A new enhanced scheme is currently being considered and the project has been reprofiled accordingly.

Modernisation of Assets (S&CS) -£3.700m. Rephasing due to awaiting outcome of environmental recommendations on two large building works.

Customer Journey Programme (S&CS) -£0.709m. The Customer Relationship Management System has been rephased until there is greater clarity around the shape and requirements of the Council following Facing The Challenge.

Replacement and Enhancement of Core Website (S&CS) -£0.320m rephasing as the first phase of the redevelopment required more time than originally anticipated but this has not effected the overall completion date of the project.

Swanley Gateway (S&CS) -£0.308m. The contractor has identified additional works to the roof which will extend the project by two months.

The remaining -£0.730m rephasing comprises minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

d) **Future years unfunded variances:**

Basic Need Programme 2013-15 (EYP) There is an overall pressure against the Basic Need Programme of £12.351m which includes a £2.360m pressure relating to construction inflation which was previously reported as a separate line. £0.381m of this pressure can be funded from underspends elsewhere in the programme and the remainder has been reviewed as part of the budget setting process.

Special Schools Review Phase 2 (EYP) Across the three year programme the total forecast pressure is £7.060m of which £6.940m is unfunded. This includes a £1.000m pressure relating to construction inflation which was previously reported as a separate line.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- **Cabinet is asked to approve** further changes to the capital programme cash limits resulting from this round of monitoring, which are identified in the actions column in table 2 of the annex reports. For ease of reference these are all summarised in Appendix 2.

5. CONCLUSIONS

5.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has reduced by £0.426m from +£4.512m to +£4.086m since the quarter 2 monitoring position provided to Cabinet in December. However, management action of £3.305m (an increase of £59k from last month) is proposed, which is expected to reduce this position to +£0.781m, an improvement of £0.485m since the last report. Whilst this improved position is welcome, the delivery of the proposed management action is by no means certain and there remains three main risk areas, waste tonnage; Young Person's Travel Pass and delivery of the adult social care transformation savings, where it is possible that the overspend may increase. Therefore, despite a further encouraging movement in the right direction this month, we must not be complacent. In summary, the current forecast remains a cause for concern for the following reasons:

- 1) the potential for adverse movements in the Waste, YPTP and adult social care positions,
- 2) the risks around full delivery of the £3.305m of management action, and even if achieved:
- 3) a £0.781m forecast pressure still needs to be resolved, if we are to be in a position to roll forward all of the funds listed in paragraphs 3.6 & 3.7.

If we do not resolve this residual £0.781m underlying pressure before the year end, then all of the roll forwards will not be possible. Considering the further substantial budget savings required to balance the 2015-16 budget, it is essential that we do not enter 2015-16 with an underlying pressure.

5.2 In addition, there are a number of ongoing emerging issues that will need to be addressed in the 2015-18 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

6. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 2.

7. BACKGROUND DOCUMENTS

None

8. CONTACT DETAILS

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2014-15 NOVEMBER SUMMARY OF THE PROPOSED MANAGEMENT ACTION

Outstanding
management
action

£'000

SCH&W

Specialist Children's Services (SCS)

Net reduction in cost of fostering (including IFAs to in-house)	-100
Adoption	-550
Leaving Care	-75
Staffing - Agency and Non Social Work	-475
Sub Total - SCS	<u>-1,200</u>

Adults Social Care

OPPD - Recruit to staff vacancies in order to accelerate the transformation programme which in turn will deliver savings against the current forecast	-1,465
LDMH - Review of all current activities and jointly funded arrangements	-640
Sub Total - Adults Social Care	<u>-2,105</u>

Total SCH&W (Children's and Adults)

-3,305

2014-15 SEPTEMBER SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability/previous decisions:						
SCH&W (Adults)	PFI - Excellent Homes for All	-25,222			PFI	Adjustment to budget required to reflect estimated construction value.
GET	Marsh Million	100			Other External Funding	Additional funding received from a project partner.
Cash limit change to cover overspends elsewhere in the capital programme:						
GET	Integrated Transport Schemes	-30			Grant	To contribute to projects in Member Highway Fund.
GET	Member Highway Fund	30			Grant	To be funded from Integrated Transport Schemes
GET	HWRC - West Kent	-600			Prudential	To fund emergency works at Richborough Closed Landfill site and Sturry Road Closed Landfill Site
GET	Richborough Closed Landfill Site - Emergency Works	200	200		Prudential	To be funded from HWRC - West Kent
GET	Sturry Road Landfill Site - Emergency Works	49	151		Prudential	To be funded from HWRC - West Kent
GET	Member Highway Fund	25			Grant	To be funded from Highway Major Enhancement
GET	Highway Major Enhancement	-25			Grant	To contribute to projects in Member Highway Fund.
Other cash limit changes:						
GET	Management and Modernisation of Assets - Vehicles	25			Revenue	Purchase of equipment for Kent Scientific Services - reserve held
GET	Integrated Transport Schemes	320			Revenue	Revenue contribution to purchase buses.

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (excl Schools) (£k)	+84,037	-3,956	-	-3,956
	Schools (£k)	-	+12,883	-	+12,883
	Directorate Total (£k)	+84,037	+8,927	-	+8,927

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Education & Young People's Services						
Delegated Budget:						
Schools & Pupil Referral Units Delegated Budgets	693,524.3	-693,524.3	0.0	+12,883	+2,777 +10,106	Drawdown from school reserves for 38 expected academy converters Movement from quarter 2 - decrease in expected academy converters in 2014- 15 from 38 to 35 -£215k; expected drawdown of reserves for remaining Kent schools based on schools six month monitoring +£10,321k
TOTAL DELEGATED	693,524.3	-693,524.3	0.0	+12,883		
Non Delegated Budget:						
E&YP Strategic Management & directorate support budgets	6,124.1	-8,158.0	-2,033.9	+1,193	+1,922 -347	Savings target relating to Early Help & Preventative Services Division was held here pending agreement on how this would be delivered; offsetting savings are now reflected in the Early Intervention & Prevention and Children's Centres A-Z lines below. Underspend on legal fees
						The offsetting savings are expected to be ongoing and therefore budget realignment between A-Z lines required in 15- 16 MTFP This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-143 DSG variance - EYP directorate wide supplies & services +60 Other minor variances -299 Movement from quarter 2 - DSG movement of -£166k for feasibility studies; other minor changes -£133k	
Children's Services - Children in Need						
- Children's Centres	14,427.9	-1,576.5	12,851.4	-2,420	-2,434 Savings from vacancies linked to the service restructure -456 Underspend on non staffing budgets across the 17 children's centre hubs -30 Other minor variances +500 Movement from quarter 2: impact of the new structure which took effect from July with vacancies continuing to be appointed to throughout the autumn; additional non staffing savings	Part of this saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Preventative Services	5,442.9	-1,331.0	4,111.9	+324	+333 Commissioned services contracts which were due to cease part way through the year to achieve savings targets but have been extended for a further six months +43 Other minor variances -52 Movement from quarter 2	
	19,870.8	-2,907.5	16,963.3	-2,096		
Children's Services - Education & Personal						
- 14 - 19 year olds	3,937.1	-1,032.3	2,904.8	-1,093	-961 Kent Youth Employment programme placements: £210k of this underspend will need to roll forward to fund our legal obligation to continue with the current placements. If required, the remaining £751k of the underspend could be used to help towards achieving an overall balanced outturn position for the authority as a whole, but this would mean that no further placements can be made.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-60 Assisted Apprenticeships - a roll forward will be requested for this to cover placements in 2015-16 for the most vulnerable of young people +195 Kent Science Resource centre - due mainly to increased property costs as the centre moves buildings -96 Other minor variances -171 Movement from quarter 2 - includes an additional roll forward request of £73k for Kent Youth Employment programme	
- Attendance & Behaviour	3,398.2	-2,620.9	777.3	-101	-235 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£126k)</i> +261 Kent Integrated Adolescent Support Service (KIASS) Education Welfare staffing pressure <i>(includes a DSG variance of +£193k)</i> -130 <i>DSG variance - underspend on Individual Tuition</i> +89 Other minor variances -86 Movement from quarter 2 <i>(including a DSG movement of -£79k)</i>	This saving reflects the DfE changes to regulations, removing discretion from Headteachers to allow 10 days absence and will be reflected in the 2015-18 MTFP, pending any further changes in the regulations
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-269	-500 Planned underspend to contribute towards the savings target held in Strategic Management & Directorate support above +280 ICT costs of single view technology to provide a platform to capture integrated children and families information from existing EYP systems and the new Early Help Module	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-43 Other minor variances	
					-6 Movement from quarter 2	
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	+163	+65 Staff vacancies and associated non staff underspend for the Early Years restructured services offset by a one off staffing overspend for the pre restructured service <i>(includes a DSG variance of +£56k)</i>	
					+247 Under recovery of Early Years training income	
					+19 Other minor variances	
					-168 Movement from quarter 2 - underspend on Every Child a Talker project -£137k; other -£31k	
- Early Years Education	61,760.4	-61,760.4	0.0	-6,657	-6,000 <i>Schools Unallocated DSG variance - parental demand for two year old places less than affordable levels</i>	
					-657 <i>Schools Unallocated DSG variance - forecast parental demand for 3 & 4 year old places lower than affordable</i>	
- Education Psychology Service	2,920.3	-600.0	2,320.3	-337	-180 Traded income from schools for non statutory psychology services	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-12 Other minor variances	
					-145 Movement from quarter 2 - increased underspend due to staff vacancies and additional income	
- Individual Learner Support	8,202.9	-7,335.1	867.8	-300	-177 Former Head of Service and support staffing underspend due to vacancies held pending the restructure and general non staffing underspend <i>(includes a DSG variance of -£119k)</i>	
					-88 Portage service non staffing underspend <i>(includes a DSG variance of -£61k)</i>	
					-49 Other minor variances	
					+14 Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Statemeted Pupils	5,370.3	-5,370.3	0.0	-23	+256 -35 -244	<i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> Other minor variances <i>DSG Movement from quarter 2 - increase in SCAF agreements +£150k; reduced demand for support -£416k; other +£22k</i>
- Youth Service	7,988.4	-2,455.8	5,532.6	+181	+160 +21	Other minor variances Movement from quarter 2
- Youth Offending Service	5,463.3	-2,441.9	3,021.4	-314	-255 -33 -26	Underspend on KIASS district budgets due mainly to staff vacancies Other minor variances Movement from quarter 2
	108,237.9	-88,289.9	19,948.0	-8,750		
<u>Children's Services - Other Children's Services</u>						
- Safeguarding	507.5	-150.0	357.5	-29	-15 -14	Quarter 2 reported position Movement from quarter 2
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,190.6	-14,319.3	-1,128.7	+60	+150 -114 +24	Property related costs Other minor variances each less than £100k in value Movement from quarter 2
- Supporting Employment	1,056.2	-335.0	721.2	-52	-40 -12	Quarter 2 reported position Movement from quarter 2
- Troubled Families Programme	5,058.3	-4,700.4	357.9	-1,241	-1,241	Movement from quarter 2 - a roll forward request will be submitted to continue supporting families as part of the Tackling Troubled Families government initiative
	19,305.1	-19,354.7	-49.6	-1,233		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Young People	3,968.9	0.0	3,968.9	-291	-291	Contract variations & efficiencies	
<u>School & High Needs Education Budgets</u>							
- Exclusion Services	2,082.4	-2,082.4	0.0	-46	-46	<i>DSG movement from quarter 2</i>	
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	+438	+438	<i>Schools Unallocated DSG movement from quarter 2 - increased costs of high needs placements for post 16 students in colleges</i>	
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	+1,437	+1,437	<i>Schools Unallocated DSG variance - increase in costs of independent sector places for post 16 students</i>	<i>This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP</i>
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	+1,609	+1,609	<i>Schools Unallocated DSG variance - increase in costs of independent special school places</i>	<i>This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP</i>
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	48,684.4	-48,684.4	0.0	+3,438			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	+670	+595	<i>Schools Unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools</i>	
					-56	<i>Schools Unallocated DSG variance - Other minor variances</i>	
					+131	<i>Schools Unallocated DSG movement from quarter 2 - increase in costs of Kent children with high needs receiving education in other local authorities</i>	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Other Schools Services	6,794.5	-6,900.7	-106.2	+228	+322	Work in excess of capital maintenance funding including asbestos +265k (due to changes in the methods of dealing with asbestos), planned maintenance +£250k (due to the phasing of work within the 3 year programme) and legionella and condition surveys -£193k
					+212	<i>DSG variance - Pressure on mobile classrooms budget to fulfil basic need</i>
					+12	Other minor variances
					-318	Movement from quarter 2 - reduction in capital maintenance work -£275k; other -£43k
- Redundancy Costs	1,188.7	-1,188.7	0.0	0		
- School Improvement	10,566.7	-7,429.4	3,137.3	+68	+694	Shortfall against budgeted surplus for training & development
					+149	Shortfall against budgeted surplus for governor training services
					-158	Increased surplus for other traded services (Clerking and Improving Together Network)
					-220	<i>DSG variance - Underspend on DSG school improvement collaboration programme which will continue into the summer term</i>
					-155	Other minor variances each less than £100k in value
					-242	Movement from quarter 2 - reduction in training and development shortfall - £123k; other movements -£119k
- Schools Staff Services	2,644.0	-2,541.0	103.0	-79	-68	Quarter 2 reported position
					-11	Movement from quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-397	-481	Reduced annual capitalisation costs of pensions
					+84	Movement from quarter 2
	30,427.8	-21,649.7	8,778.1	+490		
Transport Services						
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-387	-192	Reduction in demand for home to college transport for SEN students
					-148	Reduced costs for the 16+ card due to reduced journey usage during the summer term
					+431	Forecast increased costs of journeys for the autumn and spring terms due to an increase in pass take up
					-492	Forecast increased income for the autumn and spring terms due to an increase in pass take up
					+14	Other minor variances
- Mainstream HTST	10,542.3	-20.0	10,522.3	-1,167	-1,164	Fewer than budgeted numbers of pupils travelling and cost per head reducing as more transport is arranged using public transport rather than hired vehicles
					-3	Movement from quarter 2
- SEN HTST	18,972.5	-425.0	18,547.5	+1,912	+2,055	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					£'000		
					+101	Costs of the new Independent Travel Trainers service to enable some pupils currently in receipt of SEN transport to travel to school using public transport	These pressures are ongoing and a realignment of SEN HTST budget between transport costs, personal transport & independent travel trainers service will need to be reflected in the 2015-18 MTFP
					+98	Increased pressure on Personal Transport budgets awarded to pupils where the cost of this scheme is lower than providing transport	
					-477	Recoupment income for transport provided for other local authority pupils with special needs attending Kent schools	
					+135	Movement from quarter 2	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
	33,428.5	-2,433.0	30,995.5	+358			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,834.0	-7,475.2	2,358.8	-123	-124	Staff vacancies <i>(includes a DSG variance of -£83k)</i>	
					-58	Other minor variances	
					+59	Movement from quarter 2	
- Children's Social Care Staffing	6,026.5	-3,276.6	2,749.9	-510	-287	Early Intervention team staff vacancies <i>(includes a DSG variance of -£165k)</i>	
					-53	Other minor variances	
					-170	Movement from quarter 2 <i>(includes an DSG variance of -£91k)</i>	
	15,860.5	-10,751.8	5,108.7	-633			
<u>Support to Frontline Services</u>							
- Human Resources	0.0	0.0	0.0	0			
TOTAL NON DELEGATED	286,415.5	-202,379.0	84,036.5	-7,553			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- <i>Transfer to(+)/from(-) DSG reserves</i>				+3,597	<p>Net transfer to the Schools Unallocated DSG reserve to offset: +6,657 DSG underspend of -£6,657k on Early Years Education -3,585 DSG variances of +£3,585k on High Needs Education & Recoupment -569 Movement from quarter 2 - DSG underspend on High Needs</p> <p>Net transfer to the Central DSG reserve to offset: +330 DSG variances of -£330k explained above -24 A number of other smaller DSG variances totalling +£24k +788 Movement from quarter 2 - DSG underspend on the central DSG budget</p>	
TOTAL NON DELEGATED after transfer to / from DSG reserve	286,415.5	-202,379.0	84,036.5	-3,956	Roll forward of £210k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £2,125k underspend against this programme, the Assisted Apprentices programme and the Troubled Families programme is required for the schemes to continue into 2015-16. However an underspending position for the Authority as a whole will need to be achieved before this can be considered alongside all other competing roll forward priorities. The adjusted position for EYP after allowing for this roll forward is an underspend of -£1,621k.	
Total E&YPS	979,939.8	-895,903.3	84,036.5	+8,927		

2. CAPITAL

2.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2014-15 of £143,987k. The forecast outturn against the 2014-15 budget is £94,072k giving a variance of -£49,915k.

2.2 Table 1 below details the Education and Young People's Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	24,000	12,073	-607	-857	Real underspend - grant	Underspend to be used to fund additional costs at St Johns/Kingsmead.	Green		
				250	Real overspend - grant	Overspend relates to additional works at Minster Primary.			
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,759	-1,209	-1,209	Rephasing	A recent review has been carried out of the PRUs. Works are to progress now the review is complete.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Basic Need Programme 2013-15	70,037	51,077	-15,419	-15,419	Rephasing	Rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been re-forecast in 2015/16. No delays to project completion dates.	Amber	There is an overall overspend of £12,351k which has been reviewed in detail during the budget setting process. £375k of this will be funded from the underspend on Goat Lees, £6k from the underspend on Unit Review. The overspend includes £2,360k pressure from construction inflation, which was previously reported separately.	
Basic Need Allocations 2015-16 and 2016-17	27,449	0	0				Amber	Significant pressures are being forecast against the future years Basic Need programme.	

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Goat Lees Primary School, Ashford	13	711	-375	-375	Real - prudential	Underspend to be used to fund pressure on the Basic Need programme.	Green		
Repton Park Primary School, Ashford	0	139	0				Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	4,000	1,969	-250	-250	Real - grant	Underspend to be used to fund additional costs on the Annual Planned Enhancement Programme.	Green		
St Johns / Kingsmead Primary School, Canterbury	1,112	1,349	857	857	Real - grant	Overspend due to additional window and roof works, to be funded from the Annual Planned Enhancement Programme.	Amber		
Special Schools Review - major projects supporting the special schools review:									
Special Schools Review phase 1	0	670	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Special Schools Review phase 2	56,220	33,706	-24,326	120	Real - £120k supported borrowing.	£120k to be funded from underspend on BSF Unit Costs.	Amber	Across the three year programme, there is a total £7,060k forecast overspend, £6,940k of which is unfunded and has been reviewed during the budget setting process. The overspend includes £1,000k relating to construction inflation which was previously reported as a separate line.	
				-24,446	Rephasing	Rephasing is due to delays at the planning stage on a number of complicated projects. Redesign and reconfiguration has also been necessary due to budget pressures.			
The Wyvern School, Ashford (Buxford Site)	0	6	0				Green		
Primary Improvement Programme			36	36	Real - prudential	Overspend to be funded from Unit Review.	Green		
Specialist Schools	185	325	0				Green		
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	1,286	1,691	500	500	Real - grant £336k & supported borrowing £164k	Asbestos claim to be funded from underspend on BSF Unit Costs.	Amber		
Dover Christ Church	9,619	7,425	-1,500	-1,500	Rephasing	Construction delays on the project have pushed back the completion of two main phases of work.	Green		
The Duke of York's Royal Military School	4,922	4,778	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Isle of Sheppey Academy	200	0	0				Green		
The John Wallis C of E Academy	2,146	2,869	0				Green		
Knowle Academy Sevenoaks	2,767	3,860	0				Green		
Wilmington Enterprise College	376	430	0				Green		
Skinnners Academy	0	0	265	265	Real - grant	Additional works in exchange for a piece of land from the school.	Amber		
Academy Unit Costs	0	511	0				Green		
BSF Wave 3 Build Costs	0	834	-723	-723	Rephasing	Outstanding ICT issues at schools yet to be resolved.	Green		
BSF Unit Costs	0	623	-620	-620	Real - grant -£336k & supported borrowing - £284k	£500k underspend to be used to fund asbestos claim at Astor of Hever. £120k underspend to be used to fund costs within SSR.	Green		
Other Projects:									
Canterbury Family Centre	0	37	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Community Learning and Skills Service - Sittingbourne Reprovision	482	482	-482	-482	Rephasing	Lack of suitable alternative venues and sites coming forward has led to delays in the reprovision despite best endeavours.	Green		
Community Learning and Skills Service - Sevenoaks Reprovision	1,000	50	-50	-50	Rephasing		Green		
Free School Meals Capital Money	2,777	2,777	0				Green		
Integrated Youth Service - Youth Hub Reprovision	948	1,081	0				Green		Increase cash limit by £100k revenue
Nursery Provision for Two Year Olds	2,368	2,375	0				Green		
One-off Schools Revenue to Capital	0	421	0				Green		
Platt CEPS	0	85	0				Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre	0	11	0				Green		
Sevenoaks Grammar Schools	13,769	5,540	-3,500	-3,500	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	Green		
Tenterden Infant School	0	25	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Trinity Free School, Sevenoaks	0	3,794	-2,500	-2,500	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	Amber	Full project cost expected to be £11.3m, to be funded from grant.	
Unit Review	1,505	322	-42	-42	Real - prudential	£36k funding to be transferred to Primary Improvement Programme and £6k to Basic Need.	Green		
Vocational Education Centre Programme	0	148	0				Green		
Youth - Modernisation of Assets	0	34	0				Green		
Website & Portal Development	0	0	30	30	Real - revenue	To be funded through an SLA with schools.	Green		
Total	227,510	143,987	-49,915	-49,915					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+127,517	+4,240	-1,200	+3,040
Asylum (£k)	+280	+1,666	-	+1,666
Special Ops (£k)	-	+809	-	+809
Total (£k)	+127,797	+6,715	-1,200	+5,515

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Specialist Children's Services						
Strategic Management & Directorate Support budgets	4,976.5	-175.0	4,801.5	-205	-339 Underspend on commissioning staffing budget +152 Staffing pressure +104 Other minor variances, each below £100k -122 Movement from Quarter 2 due to a reduction in staffing costs	
Children's Services - Children in Care (Looked After)						
- Fostering	33,373.5	-41.0	33,332.5	+1,168	-462 In House: Forecast -1,273 weeks below affordable level +168 In House: Forecast unit cost £3.05 above affordable level -227 In House: reduction in spend on 'other' costs such as personal expenses, specialist fees and client public transport following planned action to reduce costs +1,000 In House: unachievable savings	The overall pressure within Fostering will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +789 Independent Sector (IFA): Forecast 849 weeks above affordable level -135 Independent Sector (IFA): Forecast unit cost -£15.34 below affordable level -82 Independent Sector (IFA): Other minor variances +124 Financial allowances for permanency arrangements: unachievable saving -289 Reduction in Related Fostering payments and other financial allowances for permanency arrangements +100 Provision for proposed increase in Financial Allowances for Child Arrangement Orders -96 Other minor variances +278 Net Movement from Quarter 2 from an increase in IFA's and a reduction in house fostering	
- Legal Charges	7,411.9	0.0	7,411.9	-612	+300 Unachievable saving -732 Reduction in legal fees and court charges -180 Movement from Quarter 2 - further reductions in legal fees and court charges	This saving will need to be reflected in the 2015-18 MTFP
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-8	-332 Independent Sector residential care: Forecast -105 weeks below affordable level of 2,509 weeks, partially due to young people becoming care leavers (see care leavers below) -269 Independent Sector residential care: Forecast unit cost -£107.18 below affordable level of £3,266.04 +400 Independent Sector residential care: unachievable saving	The overall saving within Residential Children's Services will be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +135 Independent residential care: reduction in income as a result of activity being 105 weeks below affordable level -300 Reduction in secure accommodation placements +128 Additional activity within residential short breaks unit +116 Staffing pressure -96 Additional contributions from health in lieu of Preston Skreens health respite unit, which has now closed. These contributions are to enable KCC to provide the respite care ourselves. -1 Other minor variances +211 Movement from Quarter 2 due to an increase in activity in independent sector residential care	
- Virtual School Kent	4,348.7	-2,953.3	1,395.4	0		
	61,020.9	-5,857.0	55,163.9	+548		
Children's Services - Children in Need						
- Preventative Services	10,650.5	-1,327.6	9,322.9	-319	+240 Increase in direct payments +26 Direct payments: unachievable saving -235 Additional contributions from health for direct payments +199 Pressure on Independent Sector day care budget for disabled children due to an increase in care packages and price increases from a number of providers -138 Efficiencies on the recommissioning of a specialist service -87 Additional income from health previously received by external provider	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-113 Saving on section 17 payments due to reduced activity	
					-36 Other minor variances	
					-175 Movement from Quarter 2 due in the main to an underspend on daycare and short breaks.	
	10,650.5	-1,327.6	9,322.9	-319		
Children's Services - Other Social Services						
- Adoption	10,788.5	-1,319.1	9,469.4	+1,090	-330 Reduction in adoption payments due to fewer children. This is mainly due to a high proportion of adoption payments relating to older children, who are no longer eligible for payments once they become 18+.	The overall pressure within Adoption will need to be addressed in the 2015-18 MTFP
					+228 Increase in costs of commissioned management service	
					+679 Increase in the number of guardianship payments, partly due to a reduction in financial allowances for permanency arrangements reported within Fostering above, together with a general increase in the number of guardianship payments	
					+500 Provision for proposed increase in Financial Allowances for Adopters and Special Guardianship Orders	
					-40 Other minor variances	
					+53 Movement from Quarter 2	
- Asylum Seekers	11,883.3	-11,603.3	280.0	+1,666	-1,754 Underspend relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs less than grant receivable	
					+474 Pressure relating to under 18 UASC due to ineligibility	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+605 Pressure relating to over 18's due to ineligibility, of which £481k relates to All Rights Exhausted (ARE) clients	In relation to the pressures on the over 18's UASC, we are reviewing levels of support to those aged over 21 who are continuing to be supported on the basis of their remaining in further or higher education.
					+2,341 Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6 below), of which £397k relates to ARE clients.	
- Leaving Care (formerly 16+)	5,296.9	0.0	5,296.9	+111	+510 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education.	The overall pressure within leaving care will need to be addressed in the 2015-18 MTFP
					-265 Rebadging of existing eligible expenditure to 'Staying put' grant income from DfE	
					-17 Other minor variances	
					-117 Movement from Quarter 2 as a result of further young people requiring the leaving care service	
- Safeguarding	4,979.4	-460.4	4,519.0	-139	-101 Underspend on Kent Safeguarding Children Board (KSCB) base budget	
					-37 Other minor variances	
					-1 Movement from Quarter 2	
	32,948.1	-13,382.8	19,565.3	+2,728		
<u>Assessment Services</u>						
- Children's social care staffing	40,573.7	-1,630.3	38,943.4	+3,154	+1,297 Pressure on staffing budgets due to appointment of agency staff	This overall pressure will need to be addressed in the 2015-18 MTFP
					+1,500 Unachievable saving	
					+357 Recruitment & retention payments for children's social workers	The full year effect of this pressure will need to be addressed in the 2015-18 MTFP
					-2 Movement from Quarter 2	
Total SCH&W (SCS)	150,169.7	-22,372.7	127,797.0	+5,906		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Assumed Mgmt Action				-1,200		The forecast position above is compiled in such a way that it only includes savings that have actually been achieved, and does not assume any to still be achieved. The £1,400k of management action, which affects a number of different service lines, represents the amount of savings the division is committed to achieving before the current financial year end. Once this management action is realised, the saving will transfer above the line against the relevant A to Z service line.
Total SCH&W (SCS) Forecast after mgmt action	150,169.7	-22,372.7	127,797.0	+4,706		
Memorandum <i>These costs are in addition to the position reported above</i>						The costs of this special operation will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
Special Operations				+809	+138	In house fostering: 395 weeks @ £349.87 per week
					+128	Staffing
					+40	IFA fostering: 39 weeks @ £1,024.19 per week
					+230	Residential: 66 weeks @ £3,490.91 per week
					+142	Interpreter costs
					+131	Legal costs
					+110	Movement from Quarter 2

2. CAPITAL

2.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2014-15 of £2,028k. The forecast outturn against the 2014-15 budget is £1,958k giving a variance of -£70k.

2.2 Table 1 below details the Children's Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	0	431	-70	-70	Rephasing		Green		
ConTROCC	0	759	0				Green		
Early Help Module (EHM)	0	838	0				Green		
Total	0	2,028	-70	-70					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+345,049	-505	-2,105	-2,610

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Social Care, Health & Wellbeing - Adult Social Care							
Strategic Management & Directorate Support budgets	6,950.5	-373.5	6,577.0	-24	+192	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology	
					+122		Legal Charges for two exceptional cases and a greater frequency of Adult Safeguarding and Court of Protection cases
							Costs of support staff for Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held.
					-115		Operational Support vacancy management and ongoing reviews of staffing structure
					-90		Reduced demand for a number of support services (Occupational Health, No Recourse to Public Funds and Health & Safety)
					-21	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					-112	Movement from Quarter 2 is mainly due to various minor movements across Operational Support	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,050.1	-526.3	3,523.8	+20	+101	Pressure on the Strategic Commissioning staffing budget from current structure	
					+155	Additional costs of Dementia project and Market Development	
					-122	Vacancies in the Performance & Information Management Team being held plus associated other staffing related costs	
					+2,484	Newton Europe have been appointed to undertake Adults Social Care Transformation Phase 2 Design works in line with Cabinet Member decision 14/00120	
					-2,484	Drawdown from reserves to fund Transformation partner payments for Phase 2 design work above	
					-24	Other minor variances	
					-90	Movement from Quarter 2 of which £63k relates to a reduction in the pressure on Strategic Commissioning staffing budget	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	16,927.6	-30.0	16,897.6	-174	+552	Forecast +2,021 weeks above affordable level of 61,245 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-216	Forecast average unit cost -£3.53 below affordable level of £276.39	
					+442	One-off direct payments	
					-932	Recovery of unspent funds from clients	
					-49	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+29	Movement from Quarter 2 of which includes an additional -£241k recovery of unspent funds from clients offset by additional one-off payments (+£211k) and an increase in the number of clients receiving a direct payment
- Mental Health	1,208.3	0.0	1,208.3	-237	-422	Forecast -5,001 weeks below affordable level of 15,479 weeks
					+96	Forecast average unit cost +£6.22 above affordable level of £78.06
					+119	One-off direct payments
					-31	Other minor variances
					+1	Movement from Quarter 2
- Older People	6,767.3	0.0	6,767.3	+5,525	+4,980	Forecast +28,366 weeks above affordable level of 37,421 weeks. The majority of this variance is due to clients who previously received Domiciliary care transferring to Direct Payments during the Domiciliary contract re-let as they wished to remain with their existing service provider, as described in Section 2.1 below.
					-189	Forecast average unit cost -£5.05 below affordable level of £180.62
					+376	One-off direct payments
					-666	Recovery of unspent funds from clients
					+62	Other minor variances

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					+962	Movement from Quarter 2 mainly due to an increase in the number of clients receiving a direct payment along with a decrease in the recovery of unspent funds from clients. Part of this increase is due to the transfer of clients from domiciliary services following the re-let of the domiciliary contract. This pressure has more than offset any reduction in forecast spend resulting from the transfer of clients to direct payments following the re-let of the domiciliary contract.	
- Physical Disability	10,238.4	0.0	10,238.4	+2,132	+1,536	Forecast +7,963 weeks above affordable level of 53,511 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+104	Forecast average unit cost +£1.95 above affordable level of £190.96	
					+679	One-off direct payments	
					-682	Recovery of unspent funds from clients	
					+74	Other minor variances	
					+421	Movement from Quarter 2 due to an increase in the number of clients receiving a direct payment partially offset by an increase in the recovery of unspent funds by clients. Part of this increase is due to the transfer of clients from domiciliary services following the re-let of the domiciliary contract. This pressure has more than offset any reduction in forecast spend resulting from the transfer of clients to direct payments following the re-let of the domiciliary contract.	
Total Direct Payments	35,141.6	-30.0	35,111.6	+7,246			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-451	-212 Forecast -15,803 hours below affordable level of 72,190 hours -15 Forecast average unit cost -£0.21 below affordable level of £13.61 -224 Movement from Quarter 2 due to the release of unrealised creditors (-£156k) along with a reduction in domiciliary care activity.	These savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	30,483.2	-2,252.3	28,230.9	+2,071	+891 Forecast +62,196 hours above affordable level of 1,582,330 hours +538 Forecast average unit cost +£0.34 above affordable level of £13.99 -116 Lower usage of Kent Enablement at Home Service (KEAH) than anticipated for Older People clients, but this is more than offset by higher usage than anticipated for Physical Disability clients -142 Reduced commissioning of block contract domiciliary services (these were predominately retainers for night-sitting services) for Older People clients due to reduced demand +41 Other minor variances +859 Movement from Quarter 2 of which the majority of this movement results from the ongoing work highlighted in the September monitoring report to understand the impact of the transformation changes on the expenditure incurred to date. Savings are now expected to be realised over a longer time period than previous forecast therefore resulting in an increased pressure on this service.	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Physical Disability	4,158.1	0.0	4,158.1	+1,582	+961 Forecast +73,322 hours above affordable level of 263,527 hours -127 Forecast average unit cost -£0.48 below affordable level of £13.58 +244 Higher usage of KEAH than anticipated for Physical Disability clients, which is partly offset by lower usage than anticipated for Older People clients (see above) -80 Other minor variances +584 Movement from Quarter 2 due to savings now being expected to be realised over a longer time period than previous forecast resulting in an increased pressure on this service.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Domiciliary Care	35,728.3	-2,252.3	33,476.0	+3,202		
- Non Residential Charging						
- Learning Disability	0.0	-2,900.2	-2,900.2	-211	-210 The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report. -1 Movement from Quarter 2	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings
- Older People	0.0	-8,999.4	-8,999.4	-316	-300 The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other older people community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report. -16 Movement from Quarter 2	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
- Physical Disability / Mental Health	£'000	£'000	£'000	£'000	£'000	
	0.0	-1,314.9	-1,314.9	-341	-92	Quarter 2 reported position
					-249	Movement from Quarter 2 due to further forecast increases in client contributions
Total Non Residential Charging Income	0.0	-13,214.5	-13,214.5	-868		
- Nursing & Residential Care						
- Learning Disability	77,267.8	-6,294.2	70,973.6	-550	-2,030	Forecast -1,735 weeks below affordable level of 67,697 weeks
					+155	Leading to a shortfall in client contributions
					+1,805	Forecast average unit cost +£26.66 above affordable level of £1,143.16
					-81	Independent Sector: forecast average unit client contribution -£1.20 above affordable level of -£88.12
					+74	Other minor variances
					-473	Movement from Quarter 2 is mainly due to the reduction in the number of clients in residential placements
- Mental Health	7,726.7	-993.0	6,733.7	+850	+624	Forecast +1,048 weeks above affordable level of 12,860 weeks
					-42	Leading to an increase in client contributions
					-62	Forecast average unit cost -£4.82 below affordable level of £600.27
					+43	Independent Sector: forecast average unit client contribution +£3.36 below affordable level of -£43.52
					+33	Other minor variances
					+254	Movement from Quarter 2 mainly due to an increase in clients in residential placements

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People - Nursing	47,851.4	-24,784.6	23,066.8	-2,507	-2,113	Forecast -4,334 weeks below affordable level of 78,686 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+869	Leading to a shortfall in client contributions	
					-325	Forecast average unit cost -£4.13 below affordable level of £491.75	
					-494	Independent Sector: forecast average unit client contribution -£6.28 above affordable level of -£194.20	
					+50	Other minor variances	
					-494	Movement from Quarter 2 is due to the release of unrealised creditors (-£390k) and the reduction in the number of clients in a nursing placement (-£303k) partially offset by a corresponding reduction in client income (+£218k)	
- Older People - Residential	80,206.7	-33,009.1	47,197.6	-2,160	-2,377	Forecast -5,756 weeks below affordable level of 147,739 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+1,115	Leading to a shortfall in client contributions	
					+573	Forecast average unit cost +£3.88 above affordable level of £409.12	
					-1,696	Independent Sector: forecast average unit client contribution -£11.48 above affordable level of -£182.29	
					+128	Costs of running the dementia ward at Kiln Court in-house unit. However, this is offset by underspends in other in-house units (see below).	
					-149	Lower than anticipated utility, security and equipment costs for in-house units	
					-87	Other minor variances for in-house units	
					-52	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					+385	Movement from Quarter 2 is mainly due to an increase in the unitary charge for Gravesham Place along with an increase in costs associated with clients in residential placements	
- Physical Disability	11,344.4	-1,558.1	9,786.3	+1,812	+2,363	Forecast +2,835 weeks above affordable level of 13,003 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-303	Leading to an increase in client contributions	
					-505	Forecast average unit cost -£38.83 below affordable level of £872.44	
					+136	Independent Sector: forecast average unit client contribution +£10.44 below affordable level of -£117.23	
					+34	Other minor variances	
					+87	Movement from Quarter 2	
Total Nursing & Residential Care	224,397.0	-66,639.0	157,758.0	-2,555			
- Supported Accommodation							
- Learning Disability	36,397.3	-1,849.6	34,547.7	+1,108	+819	Forecast +97,807 hours above affordable level of 3,996,038 hours	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+1,479	Forecast average unit cost +£0.37 above affordable level of £8.00	
					-674	Net unrealised creditors and recovery of costs from other Local Authorities for Ordinary Residence clients relating to 2013-14	
					-239	In-house services and staffing levels have been reconfigured to reflect reductions in demand	
					-62	Other minor variances	
					-215	Movement from Quarter 2 due to a reduction in the number of clients in a supported living placement along with additional income for the pathway to independence project	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	4,575.4	-4,350.0	225.4	+167	+231	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP	
					-103		Forecast +30,195 hours above affordable level of 16,054 hours. The large increase in forecast hours compared to the affordable level is in part linked to an increase in Adult Placements recorded within the Older People client category rather than in the under 65 physical disability category, but also due to other changes to bring reporting into line with current guidance.
					-103		Forecast average unit cost -£6.40 below affordable level of £14.04
					+48		Other minor variances
					-9	Movement from Quarter 2	
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+640	+77	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP	
					+252		Mental Health Forecast +6,351 hours above affordable level of 170,188 hours
					+252		Mental Health Forecast average unit cost +£1.48 above affordable level of £10.62
					+731		Physical Disability Forecast +115,216 hours above affordable level of 232,101 hours
					-230		Physical Disability Forecast average unit cost -£0.99 below affordable level of £7.33
					-210		Anticipated reduction to forecast as a result of mental health activity data validation exercise currently being undertaken
					-101	Other minor variances each under £100k	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
					+121	Movement from Quarter 2 mainly due to an increase in the number clients in supported living placements	
Total Supported Accommodation	44,700.6	-6,469.0	38,231.6	+1,915			
- Other Services for Adults & Older People							
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-204	-155	Various contracts have been reviewed, with the services previously provided by these contracts now provided via Supporting Independence Service (SIS), (reported within Supported Accommodation above), or Direct Payments, with a corresponding overall reduction in cost. Plans continue to develop in this area.	
					-59	Other minor variances	
					+10	Movement from Quarter 2	
- Day Care							
- Learning Disability	13,214.5	-127.7	13,086.8	+833	+236	Greater demand for in-house services due to increasing complexity of clients needs. In addition, there are increased costs relating to travel time and expenses of covering staff absence, emergency situations and unplanned changes now that staff resources are allocated over wider geographical areas.	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+151	Current demand for services provided by the independent sector	
					+446	Movement from Quarter 2 due to an increase in both day care activity and transport related costs	
- Mental Health	1,566.8	-30.2	1,536.6	-64	-50	Quarter 2 reported position	
					-14	Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
- Older People	2,242.4	-45.0	2,197.4	-516	-430	Current demand for services provided by the independent sector	These savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-20	Other minor variances	
					-66	Movement from Quarter 2	
- Physical Disability	937.5	0.0	937.5	+10	-33	Quarter 2 reported position	
					+43	Movement from Quarter 2	
Total Day Care	17,961.2	-202.9	17,758.3	+263			
- Other Adult Services	11,607.1	-20,357.6	-8,750.5	-4,543	-2,108	The budget assumes large increases in usage of Telecare as part of the Transformation Programme, although to date demand for Telecare and the forecast average unit cost have been lower than anticipated.	
					-915	Capitalisation of Telecare programme of installations (where elements meet the criteria for capital spend). This is partly offset by the variance on drawdown from reserves below	
					-150	Capitalisation of Occupational Therapy equipment programme of installations (where elements meet the criteria for capital spend).	
					+453	Drawdown from reserves for 2014-15 lower than initially anticipated. This is offset by a higher than previously anticipated capitalisation of Telecare programme of installations.	
					+507	Greater demand for Integrated Community Equipment Store (ICES) than anticipated	
					-382	Forecast reduction in the level of bad debt provision required for social care debts	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +376 Costs of staff who install Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held. +130 Higher than budgeted unit cost for hot meals provided to older people -129 Other minor variances each under £100k -2,325 Movement from Quarter 2 is mainly due to the release of funds. This budget line holds some of the NHS support for social care monies, including funds required for additional winter pressures. Plans continue to be developed and implemented with the NHS to ensure that health outcomes are being met from the investments. Pressures are being shown against their respective budget lines and the compensating funding stream is reflected here.	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology
- Safeguarding	1,160.5	-282.1	878.4	+19	+205 Safeguarding spend on Deprivation of Liberty Safeguards (DOLS) is greater than anticipated due to higher costs from an interim structure, including agency costs for assessments and admin support -109 Other minor variances each under £100k -77 Movement from Quarter 2	This pressure is expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-544	-521 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +388 Leading to lower than anticipated client income -448 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme -76 Other minor variances each under £100k +113 Movement from Quarter 2 is due to increased support requirement for high needs service users in in-house residential homes.	The spend and income budgets require realignment and this will need to be addressed in the 2015-18 MTFP
- Information & Early Intervention	4,780.6	-726.8	4,053.8	+418	+330 Expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community +22 Other minor variances +66 Movement from Quarter 2	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Social Isolation	4,477.4	-2,076.3	2,401.1	+139	+133 Payments to voluntary organisations as a result of higher demand for this service +6 Other minor variances	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Social Support	22,431.9	-7,121.3	15,310.6	+13		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Support & Assistance Service (Social Fund)	5,140.2	-3,418.0	1,722.2	-2,703	-2,683	The budgeted level includes the roll-forward of funds from 2013-14 of £1,722k. The forecast underspend reflects the estimated full year impact of lower than anticipated demand and lower average unit cost than anticipated. The government funding for this service is expected to cease this year, with no funding identified for 2015-16; one option would be to roll forward this underspend in order to provide this service for another year, whilst alternative longer term solutions are considered. However, this is dependent on the Authority as a whole achieving an underspending position of at least this magnitude to be able to fund the roll forward and will be subject to consideration of all competing roll forward priorities. However, recent high court action prompted by Islington Council has won a possible reprieve for this funding with the government due to reconsider its decision, with the outcome expected in time for the provisional local government finance settlement in December.
					+1	Other minor variances
					-21	Movement from Quarter 2
Total Other Services for Adults & Older People	62,217.0	-32,232.9	29,984.1	-7,155		
<u>Housing Related Support for Vulnerable People (Supporting People)</u>						
- Administration	440.0	0.0	440.0	-53	-53	Movement from Quarter 2
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	-34		
- Adults - Physical Difficulties	138.5	0.0	138.5	0		
- Adults - Mental Health	2,904.3	0.0	2,904.3	+12		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Older People	4,199.3	0.0	4,199.3	-307	-307	Contract variations and efficiencies leading to lower overall cost without a reduction in service
- Other Adults	7,508.6	0.0	7,508.6	-87		
Total Housing Related Support for Vulnerable People	18,577.1	0.0	18,577.1	-469		
<u>Public Health</u>						
- Drug & Alcohol Services	544.2	0.0	544.2	-122		Variances primarily due to staffing vacancies and lower associated costs, with cover provided within the team: -2 - Public health funded element (see transfer to reserves below) 0 - KCC funded element, for which roll forward will be required to fund our obligation to the pooled budget arrangement +20 Other minor variances -140 Movement from Quarter 2 resulting from increased staffing underspend
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+2	+2	<i>Transfer to Public Health reserve of underspending against public health grant</i>
- Drug & Alcohol Services base funded variance				-120		
<u>Assessment Services</u>						
- Adult Social Care Staffing	38,724.0	-4,243.7	34,480.3	-1,697	-376	Costs of staff who install Assistive and Adaptive Technology (A&AT) are reflected in Other Adult Services (above). Only the costs of assessment staff should be reported here. -122 Costs of support staff for A&AT are reflected within Directorate Management and Support (above). Only the costs of assessment staff should be reported here.
						Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 -914 As part of the Transformation Programme, older people and physical disability assessment teams are being restructured. This restructuring has progressed more quickly than anticipated, providing greater savings. -212 Delays in the recruitment to vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners. -110 Underspend of the Care Implementation grant on this line as work is mainly being undertaken by existing staff within other budget lines, with some further plans still to be developed +60 Other minor variances -23 Movement from Quarter 2 is due to further savings resulting from the restructure of older people and physical disability assessment teams (-£123k) partially offset by increased retirement costs and training	
Total SCH&W (Adults)	471,030.4	-125,981.2	345,049.2	-505		

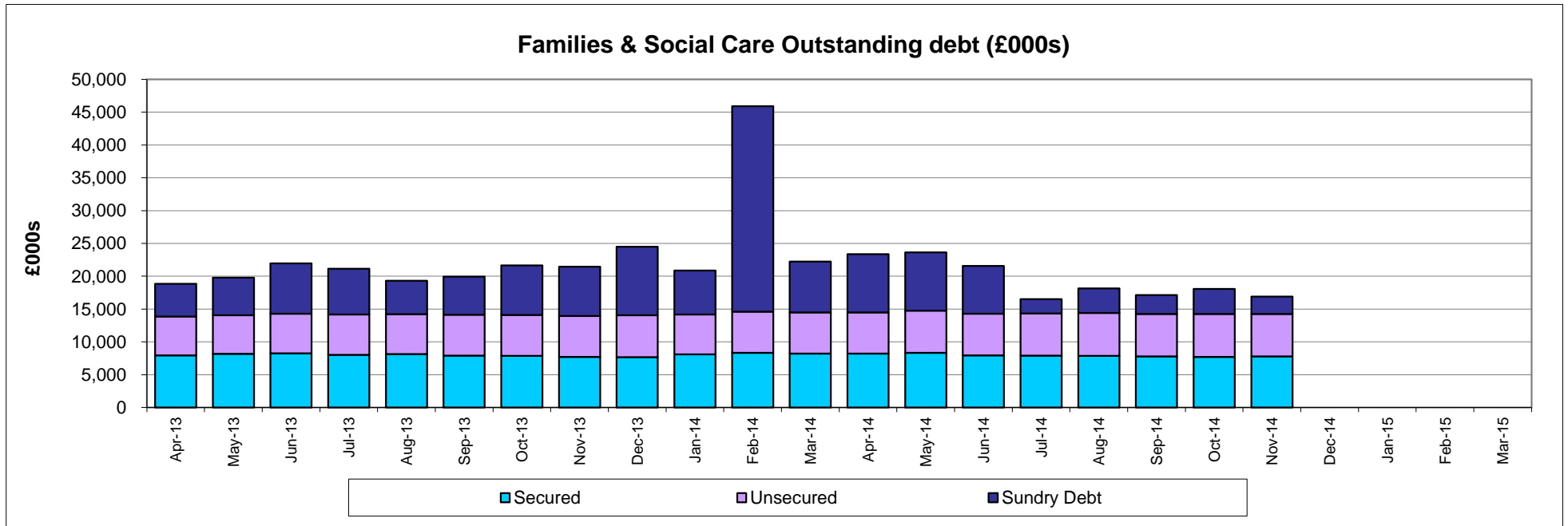
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
Assumed Mgmt Action				-2,105	-2,046	<p>Indications are that the performance against the transformation savings is showing an improved position compared to that reported in June when this Management Action was agreed. This coupled with recruitment to the new staffing establishment and more extensive application of the transformation agenda means that the OPPD forecast position is likely to improve during quarter 3, and the Directorate is confident that £1,338k of management action will be achieved.</p> <p>In relation to LDMH services, management action of up to £708k will continue to be targeted at overspending teams and services in order to reduce the revenue position. All services will be subject to some review and residential and community based activity will be amended as appropriate. Provision of Direct Payments, Supported Living and Shared Lives care packages will be reduced where possible. Negotiation and agreement with other local authorities for their funding of Ordinary Residence clients is expected to result in further revenue reductions within Kent. Additional emerging pressures will also be managed.</p>
					-59	Movement from Quarter 2
Total SCH&W (Adults) Forecast after mgmt action	471,030.4	-125,981.2	345,049.2	-2,610		

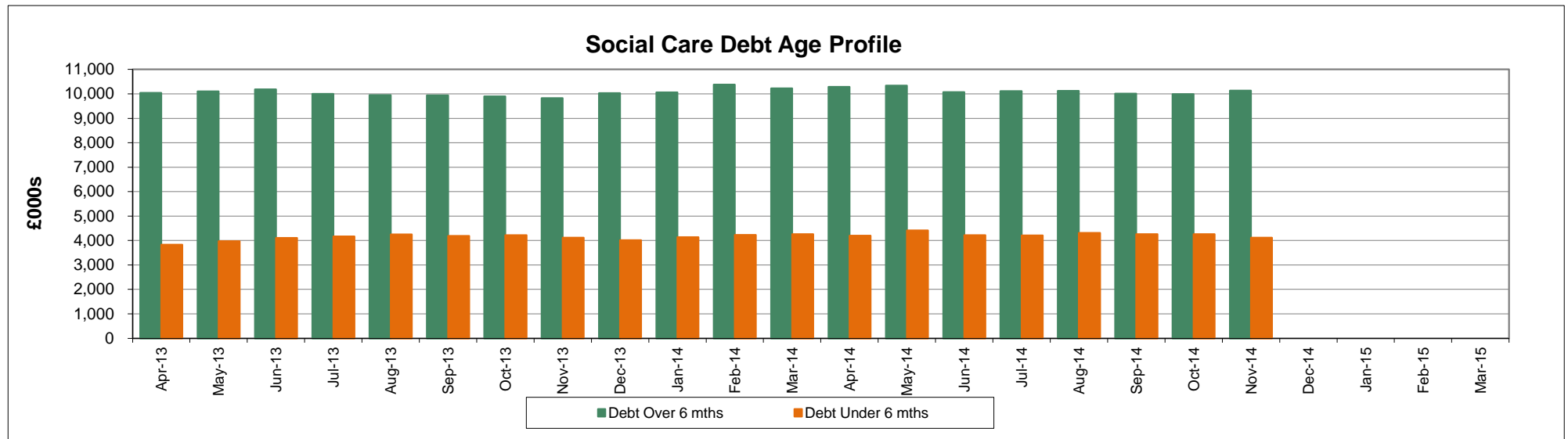
2. SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of November was £16.907m compared with September's figure of £17.119m (reported to Cabinet in December) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.658m of sundry debt compared to £2.849m in September. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.249m relating to Social Care (client) debt which is a small reduction of £0.021m from the last reported position to Cabinet in December. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Apr-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153
Aug-13	19,320	5,116	14,204	9,950	4,254	8,141	6,063
Sep-13	19,950	5,814	14,136	9,943	4,193	7,931	6,205
Oct-13	21,646	7,533	14,113	9,896	4,217	7,867	6,246
Nov-13	21,471	7,524	13,947	9,830	4,117	7,728	6,219
Dec-13	24,480	10,436	14,044	10,026	4,018	7,694	6,350
Jan-14	20,879	6,685	14,194	10,060	4,134	8,103	6,091
Feb-14	45,888	31,278	14,610	10,380	4,230	8,321	6,289
Mar-14	22,238	7,753	14,485	10,226	4,259	8,213	6,272
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
Dec-14							
Jan-15							
Feb-15							
Mar-15							





With regard to Social Care debt, the tables below show the current breakdown and movement since the last report to Cabinet in December of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

Social Care debt by Customer Credit Status	September £000s	November £000s	Movement £000s
Secured	7,805	7,777	-28
Unsecured - Deceased/Terminated Service	1,866	1,818	-48
Unsecured - Ongoing	4,586	4,606	20
Caution/Restriction (Unsecured)	12	45	33
Health (Unsecured)	1	3	2
TOTAL	14,270	14,249	-21

Unsecured debt by Client Group	September £000s	November £000s	Movement £000s
Older People/Physical Disability	6,062	6,048	-14
Learning Disability	302	315	13
Mental Health	100	109	9
Health	1	0	-1
TOTAL	6,465	6,472	7

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2014-15 of £76,976k (£13,976k excluding PFI). The forecast outturn against the 2014-15 budget is £25,482k (£6,775k excluding PFI) giving a variance of -£51,494k (-£7,201k excluding PFI).

3.2 Table 1 below details the Adults Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Home Support Fund	6,600	2,200	280	280	Real - grant	Predicted additional expenditure on equipment to be legitimately capitalised at year end.	Green		
			1,015	1,015	Real - £905k grant, £110k dev cons	Predicted expenditure on Telecare equipment to be legitimately capitalised at year end.	Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Community Care Centre - Ebbsfleet	0	0	0				Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0				Green		
Think Autism	0	0	19	19	Real - grant		Green		
OP Strategy - Transformation / Modernisation	6,978	6,089	-5,589	-5,589	Rephasing	Rephasing to 15/16 to allow for formal procurement options to be explored as part of the business case developments for the Older Persons Strategy.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	2,182	1,580	0				Green		
Learning Disability Good Day Programme-Community Initiatives	679	622	0				Green		
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	63,000	-44,293	-44,293	Real - Underspend £25,222 Rephasing £19,071	Reduction in PFI credit with the forecast figure reflecting estimated construction cost at financial close. Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.	Green		Reduce cash limit by £25,222 in 14/15
Developing Innovative and Modernising Services:									
Information Technology Projects	2,507	2,507	-1,958	-1,958	Rephasing	Rephased whilst reviewing the IT Strategy as part of the budget process.	Green		
Lowfield St (formerly Trinity Centre, Dartford)	972	978	-968	-968	Rephasing	Development of site delayed, in further negotiations with developer on how to proceed. Budget rephased to 15/16.	Green		
Total	82,918	76,976	-51,494	-51,494					

1. Status: Green – on time & within budget; Amber – either delayed completion date or over budget; Red – both delayed completion & over budget.

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
	Total (£k)	-	-693	+693	-

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Social Care, Health & Wellbeing - Public Health						
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	+13		
<u>Public Health:</u>						
- Children's Public Health Programmes	5,924.5	-5,924.5	0.0			
- Drug & Alcohol Services	18,555.7	-18,555.7	0.0			
- Obesity & Physical Activity	2,794.8	-2,794.8	0.0			
- Public Health - Mental Health Adults	912.1	-912.1	0.0			
- Public Health Staffing, Advice & Monitoring	4,897.4	-4,897.4	0.0	-706	-793	<i>Underspend due to vacancies</i>
					+87	Movement from Quarter 2
- Sexual Health Services	11,996.7	-11,996.7	0.0			
- Targeting Health Inequalities	6,116.1	-6,116.1	0.0			
- Tobacco Control & Stop Smoking Services	4,013.4	-4,013.4	0.0			
	55,380.8	-55,380.8	0.0	-693		
- <i>trf to(+)/from(-) Public Health reserve</i>				+693	+693	<i>Transfer of underspend to reserves</i>
Total SCH&W (Public Health)	55,380.8	-55,380.8	0.0	0		

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+180,059	-2,050	-	-2,050

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,794.9	-93.6	4,701.3	+112	+407	Savings held centrally but being more than achieved through underspends within other budget headings (primarily in Community Wardens, Sports Development, and Development Planning within Highways)
					-207	This results from a number of vacancies as well as some staffing costs being covered by the Facing the Challenge budget (see annex 6).
					-78	Other minor variances
					-10	Movement from quarter 2
Children's Services - Education & Personal						
- 14 - 19 year olds	111.9	-59.3	52.6	0		
Community Services:						
- Arts Development (incl. grant to Turner Contemporary)	2,435.8	-300.7	2,135.1	-28		
- Community Safety	443.3	-61.2	382.1	-31		
- Community Wardens	2,689.8	0.0	2,689.8	-208	-267	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).
					+84	Other minor variances
					-25	Movement from quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Gypsies & Travellers	666.1	-430.0	236.1	-67		
- Libraries, Registration & Archives (LRA)	18,526.2	-5,256.7	13,269.5	-538	-333 Increased Registration Service income primarily from ceremonies and nationality checking service -179 Staffing vacancies +150 Estimated additional costs (legal, consultations, etc) relating to possible establishment of a charitable trust for future provision of the LRA service -62 Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock +6 Other minor variances -120 Movement from quarter 2 primarily through -£137k of additional staff vacancies not being filled pending internal staffing review, -£100k rebate, -£76k of additional income, mainly from ceremonies, +£210k contribution to reserve in anticipation of future costs associated with the possible establishment of a charitable trust.	This additional income is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Sports Development	2,725.5	-1,925.3	800.2	-127	-98 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). -26 Other minor variances -3 Movement from quarter 2	This saving is on-going and realignment of budgets between these A to Z lines will need to be reflected in the 2015-18 MTFP
	27,486.7	-7,973.9	19,512.8	-999		
<u>Environment:</u>						
- Country Parks	1,532.9	-1,023.7	509.2	+1		
- Countryside Access (incl. Public Rights of Way)	2,646.9	-885.1	1,761.8	-12		
- Environment Management	4,752.7	-2,414.6	2,338.1	-64		
	8,932.5	-4,323.4	4,609.1	-75		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Highways:						
- Highways Maintenance						
- Adverse Weather	3,214.9	0.0	3,214.9	0		
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	-120		
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+484	+154	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required as a result of the favourable growing conditions (mild & moist) and high water table.
					+105	Other minor variances, each below £100k.
					+225	Movement from quarter 2 primarily following the identification of additional safety critical maintenance work.
- Highway drainage	2,962.4	0.0	2,962.4	+214	+144	Movement from quarter 2 is made up of a number of small changes.
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-50		
	24,648.1	-851.7	23,796.4	+528		
- Highways Management:						
- Development Planning	2,117.5	-2,135.2	-17.7	-64	-91	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).
					+39	Other minor variances
					-12	Movement from quarter 2
- Highways Improvements	1,596.7	-33.3	1,563.4	-191	-82	Reported position at quarter 2
					-109	Movement from quarter 2 due to a number of small changes in forecasts

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Road Safety	3,059.8	-2,146.4	913.4	-409	-384 Lower than budgeted average cost per attendee for Speed Awareness courses -58 Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees +171 Reduced income for Speed Awareness courses due to fewer attendees -8 Other minor variances -130 Movement from quarter 2 primarily resulting from an increase in the number of people attending speed awareness courses, which is now estimated to be 34,000 rather than the 32,000 reported at Quarter 2, with a consequent increase in income.	This net saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Streetlight energy	5,689.5	0.0	5,689.5	-336	-162 Greater than budgeted savings achieved from part night switch-off energy saving initiative, partially offset by costs of additional streetlights at new developments. -56 Lower than budgeted impact of electricity price increase -118 Movement from quarter 2 following reconciliation of electricity consumption for the April to September period.	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Traffic management	5,304.7	-3,363.2	1,941.5	-144	-145 Increased permit scheme income +18 Other minor variances -17 Movement from quarter 2	
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	-106	+150 Backlog of tree inspections +124 Additional weed treatment. The budget only provides for one treatment but two treatments have been undertaken this year due to the mild and moist conditions leading to favourable growing conditions.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-100 Procurement saving on grass cutting	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-10 Other minor variances	
					-270 Movement from quarter 2 due to revising the estimate for the costs of tree inspection down from £150k to £50k in this financial year; this cost will also now be met from Department for Transport funding.	
	21,129.7	-7,678.1	13,451.6	-1,250		
<u>Planning & Transport Strategy:</u>						
- Planning & Transport Policy	1,121.7	-60.0	1,061.7	-9		
- Planning Applications	1,094.4	-600.0	494.4	0		
	2,216.1	-660.0	1,556.1	-9		
<u>Regeneration & Economic</u>						
- Regeneration & Economic Development Services	5,739.3	-1,777.8	3,961.5	-22		
<u>Regulatory Services</u>						
- Coroners	3,664.4	-1,032.7	2,631.7	-169	-152 Long Inquest costs lower than expected	
					-18 Other minor variances	
					+1 Movement from quarter 2	
- Emergency Planning	761.8	-169.0	592.8	-85		
- Trading Standards (incl. Kent Scientific Services)	3,812.8	-945.6	2,867.2	+1		
	8,239.0	-2,147.3	6,091.7	-253		
<u>Schools Services</u>						
- Other Schools Services	445.4	0.0	445.4	0		
<u>Transport Services:</u>						
- Concessionary Fares	17,006.0	-27.0	16,979.0	-234	-545 Reduced bus operator costs due to reduced number of journeys being taken	Part of this saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
- Concessionary Fares (continued)	£'000	£'000	£'000	£'000	£'000	An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)	
					-376		The budget to fund the bulk renewal of the bus passes, which happens every five years, is £376k; this was last done in 2012-13 meaning that aside from passes for new applicants, this budget will remain underspent this year.
					+150		It has been agreed that it is now more appropriate to set up a smoothing reserve with a fixed annual contribution, which is then fully drawn down every five years to fund the bulk renewal of passes. The annual contribution to reserves required is £75k and the renewal takes place in four years time. For this year only a £150k transfer to reserves is required, representing a two year contribution for 2013-14 and 2014-15.
					-12		Other minor variances
					+549	Movement from quarter 2 due to higher than expected level of activity following the warm summer resulting in increased payments to operators. The previous forecast was based on interim payments to operators with actual usage now established to be at a higher level.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0		This budget was reduced considerably in 2014-15, due to the introduction of the new Young Person Travel Pass scheme from September, resulting in an increased fee payable to acquire the pass, as well as an assumed reduction in cost as there would be a number of people who no longer thought the pass to be cost effective for their needs, and therefore usage was expected to reduce accordingly. Half year passes can also now be purchased. These new criteria came into effect from September, and hence there are a number of variables that could impact on this budget.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
- Freedom Pass / Young Person's Travel Pass (continued)	£'000	£'000	£'000	£'000	£'000	The quarter 2 position is that approximately 24,200 passes have been issued; it appears therefore that the overall take-up will not reduce as much as originally modelled between September and February, due to the revised policy enabling the purchase of half year passes. At this stage it is difficult to quantify what impact these variables may have as the first half year passes have now been acquired but we can only speculate on how many of these applicants will also purchase the second half year pass (applications are due by early January). We also do not yet have any substantial data on number of journeys travelled under the new scheme, however our external advisors are currently undertaking a reconciliation of the information received from bus companies and we are expecting to receive the data at the end of November. An update on the analysis of this data will be reported to Cabinet in the Q3 monitoring report. The activity reported for the April to June period, under the old scheme, shows a reduction in the passes issued against budget but a higher number of journeys travelled (see section 2.3)
- Subsidised Bus Routes	10,093.8	-2,185.7	7,908.1	-673	-602	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies
					-54	Other minor variances
					-17	Movement from quarter 2
- Transport Operations	1,271.4	-214.5	1,056.9	+86		
- Transport Planning	562.8	-228.0	334.8	-19		
	42,235.5	-7,251.2	34,984.3	-840		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Waste Management</u>						
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	-61		
- Recycling & Diversion from Landfill:						
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-67	-280 Underspend due to contract changes at household waste recycling centres -205 The amounts to be paid in recycling bonuses to contractors are expected to be lower than budget primarily as a result of a change of contractor at two sites, where under the terms of the new contract no bonuses are payable. +327 Reduction in income primarily in relation to the sale of recycled textiles -30 Other minor variances +121 Movement from quarter 2 due to a number of small changes	
- Partnership & development	500.7	-168.0	332.7	-19		
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	+296	+231 The Church Marshes Waste Transfer Station is currently not able to take food waste, meaning that Swale Borough Council's contractor must dispose of this at a different site and is incurring additional costs in doing so. KCC has agreed to reimburse these costs until problems at the site are resolved, which should be by the end of the financial year. -51 Other minor variances +116 Movement from quarter 2 due to an increase in tipping away payments for Canterbury	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-540	+509	Forecast increase of +23,900 tonnes of hardcore, wood, garden and food waste, and other materials; the higher volume of waste has generated a small amount of additional income which is also included within this variance.	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.
					-1,038	Savings resulting from the new Materials Recycling Facilities contract	The full year effect of saving from new waste contracts will need to be reflected in the 2015-18 MTFP
					-102	Actual price of in-vessel composting is lower than budgeted	
					+19	Other minor variances	
					+72	Movement from quarter 2 due to a number of small movements as well as an overall forecast decrease of -1,800 tonnes, primarily reductions within the co-mingled/dry recycling, food and paper/card waste categories, although there were some partially offsetting increases in wood, metal and soil/hardcore.	
	22,749.9	-3,244.0	19,505.9	-330			
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	+36	+154	Insufficient creditor provision set up for Southern Water charges in 2013-14, plus an increase in the metered water charges at North Farm	Approx. £90k of this pressure is expected to be ongoing and will need to be addressed in the 2015-18 MTFP
					-36	Other minor variances	
					-82	Movement from quarter 2	
- Disposal Contracts	31,131.0	-156.0	30,975.0	+1,107	+884	Additional +6,600 tonnes of residual waste to be sent to the Allington Waste to Energy plant	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.
					+228	Forecast increased tonnage of residual waste to be sent to landfill (+9,000 tonnes) following re-direction of waste due to down time at the Allington Waste to Energy Plant	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-302 Income from Trade Waste at North Farm and Dunbrik +71 Other minor variances +226 Movement from quarter 2 primarily relating to increases in the amounts of residual waste: +2,200 tonnes sent to the Allington Waste to Energy plant (+£225k) and +1,500 tonnes sent to landfill (+£35k).	This is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	-867	-804 Underspend due to contract changes at transfer stations +32 Additional haulage fees due to higher volume of waste +33 Other minor variances -128 Movement from quarter 2 following a number of small changes in variances	
- Landfill Tax	4,651.0	0.0	4,651.0	+873	+735 Forecast increase in the volume of waste sent to landfill due to an overall increase in residual waste and unplanned maintenance at the Allington Waste to Energy plant (+9,000 tonnes) +138 Movement from quarter 2 as a result of the additional 1,500 tonnes of waste sent to landfill	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.
	46,297.0	-261.0	46,036.0	+1,149		
Total GE&T	216,379.9	-36,321.3	180,058.6	-2,050		
Assumed Mgmt Action						
Total Forecast <u>after</u> mgmt action	216,379.9	-36,321.3	180,058.6	-2,050		

2. CAPITAL

2.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £128,406k. The forecast outturn against the 2014-15 budget is £133,990k giving a variance of +£5,584k.

2.2 Table 1 below details the Growth, Environment and Transport directorate Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	180	77	-2	-2	Rephasing		Green		
Library Modernisation Programme	1,095	782	-782	-782	Rephasing	Rephased whilst reviewing the Programme through the budget process.	Green		
Management and Modernisation of Assets - Vehicles	430	141	25	25	Real - revenue		Green		Increase cash limit 14-15 by £25k revenue
Public Rights of Way	2,505	1,368	-80	-80	Rephasing		Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Public Sports Facilities Improvement - Capital Grant	300	100	0				Green		
Village Halls and Community Centres - Capital Grants	725	325	-60	-60	Rephasing		Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	39,744	-7	-7	Real - grant-£25k Real - ex-other +£18k	£25k contribution for the delivery of Stanhope Road crossing at Ashford	Green		Decrease 14-15 cash limit by £25k grant

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Integrated Transport Schemes under £1 million	11,346	4,749	1,122	1,122	Real - grant +£834k, Real - ex other +£45k, Real -grant -£30k, Real - revenue +£320k Rephasing dev con - £47k	Real variance due to: additional grant of +£834k awarded by the DfT to deliver local sustainable transport schemes and Electric Vehicle Charge Points. +£320k to purchase buses, funded from revenue. A contribution of -£30k grant to MHF to deliver a transport scheme. An additional +£45k external contribution towards Coxheath traffic calming scheme. Rephasing of -£47k is due to some of the developer funded schemes being rephased due design issues.	Green		Increase 14-15 cash limit by £320k revenue; Decrease cash limit by £30k grant
Member Highway Fund	0	1,077	55	55	Real-grant £55k	Overspend to be funded from underspend on Highway Major Enhancements (£25k) and underspend on Integrated transport schemes (£30k).	Green		Increase 14-15 cash limit by £55k grant

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Land compensation and Part 1 claims arising from completed projects	1,213	261	86	86	Real - dev cont		Green		
Major Schemes - Preliminary Design Fees	450	680	0				Green		
Individual Projects									
Dartford Library Plus	434	434	-434	-434	Rephasing	Following public consultation suggested changes have impacted on delivery times and hence rephasing to 15/16.	Amber	Following public consultation suggested changes have impacted on delivery times and hence rephasing to 15/16.	
Kent History & Library Centre	0	104	-94	-94	Rephasing		Green		
New Community Facilities at Edenbridge	0	43	0				Green		
Southborough Hub	250	125	-125	-125	Rephasing	Agreement has been reached for a tripartite approach to this project by the three councils. The spend is now expected to progress in 15/16.	Green		
Tunbridge Wells Library	0	10	0				Green		
Broadband	21,850	12,955	-1,337	-1,337	Rephasing - +£4,213k grant, -£5,550k prudential	Rephasing: due to works scheduled, this does not effect the completion date of this project.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Cyclopark	0	35	0				Green		
Empty Property Initiative	7,500	2,972	10	10	Real - revenue		Green		
Eurokent Road (East Kent)	69	71	-62	-62	Rephasing - Ex other		Green		
Folkestone Heritage Quarter	300	402	310	310	Real - external other	Successful HLF funding claim (total of £1.3m) for regeneration of heritage quarter and harbour area in Folkestone.	Green		
Incubator Development	0	401	-17	-17	Rephasing - prudential		Green		
LIVE Margate	2,656	5,076	-3,376	-3,376	Rephasing - prudential	KCC has endeavoured to acquire some key strategic sites and it is taking longer to finalise these acquisitions.	Green		
Marsh Million	200	333	100	100	Real - external other	Additional funding expected from a project partner.	Green		Increase 14-15 cash limit by £100k external other
No Use Empty - Rented Affordable Homes	250	563	0				Green		
Old Town Hall, Gravesend	58	15	33	33	Rephasing £33k: £5k prudential and £28k capital receipts		Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Payers Park	0	500	0				Green		
Regeneration Fund Projects	2,006	2,902	0				Green		
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	0				Green		
Rural Broadband Demonstration Project	1,315	675	-516	-516	Real -£516k: £100k prudential and £416k prudential/revenue	The rural allocation was based on providing grants to local communities. On review of the market, the response is likely to be insufficient to generate good value for money for KCC. The funding has been rolled into the Superfast Extension Programme to enable more rural areas to be covered. This scheme is due to start in 2016-17.	Green		
Swale Parklands	0	48	-25	-25	Real - prudential	Underspend to fund Tram Road/Tontine Street.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Tram Road/Tontine Street Road Works	0	13	25	25	Real - prudential	To be funded from Swale Parklands.	Green		
TIGER	16,000	4,796	5,478	5,478	Rephasing	The fund is heavily committed, and hence currently quite a lot of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Escalate	5,400	5,500	-311	-311	Rephasing	The forecast has been adjusted according to current actual and pipeline cases in current year.	Green		
Energy and Water Efficiency Investment Fund - External	431	235	0				Green		
Energy Reduction and Water Efficiency Investment - KCC	292	172	0				Green		
Sandwich Sea Defences	1,875	1,515	-75	-75	Rephasing		Green		
Coldharbour Gypsy site	0	41	34	34	Real - capital receipt		Green		
Archaeological Heritage Findings	0	0	19	19	Real -grant		Green		
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Mid Kent Joint Waste Project	0	0	0						

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
HWRC - Tonbridge and Malling	300	0	0				Green		
HWRC-West Kent	600	600	-600	-600	Real - prudential	Existing site's lease is now extended therefore no new project is needed. Underspend is requested to fund the emergency works at Richborough and Sturry Road Closed Landfill sites.	Green		Decrease cash limit in 14-15 by £600k prudential
Richborough Closed Landfill site-Emergency Works	0	0	200	200	Real - prudential	Overspend due to replacement of the bridge which is currently unsafe for vehicular access and some initial site remedial work to overcome the leachate problems. To be funded from the underspend on HWRC - West Kent.	Amber	The overall cost of this scheme is expected to be £400k, £200k of which is forecast for 2015-16.	Increase cash limit by £200k in 14-15 and £200k in 15-16 prudential
Sturry Road Closed Landfill site-Emergency Works	0	0	49	49	Real - prudential	Overspend due to works for the replacement of water treatment plant. To be funded from the underspend on HWRC - West Kent.	Amber	The overall costs of this scheme is expected to be £200k, £151k of which is forecast for 2015-16.	Increase cash limit by £49k in 14-15 and £151k in 15-16 prudential
TS/HWRC - Ashford	50	50	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
TS/HWRC - Swale	3,380	1,880	-1,280	-1,280	-£1,030k rephasing - £250k real - prudential	Rephasing is due to bridge works only to be carried out in this financial year. The revised scheme is showing an overall underspend of £250k, £150k of which is requested to be used to fund the overspend on the Street Lighting Timing project and £100k towards the weather damage programme.	Green		
Kent Highway Services									
Weather Damage - Major Patching	0	1,516	105	105	Prudential +£100k: Ex other +£5k	Additional works had been carried out. The overspend is to be funded by the under spend shown against the Swale transfer station and some external funding of £5k received towards the works.	Amber		
Carriageway Collapse-Emergency works	0	1,119	0				Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0						
East Kent Access Phase 2 - Major Road Scheme	3,447	2,011	-1,374	-1,374	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Growth without Gridlock initiatives	350	0	0						
Kent Thameside Strategic Transport Programme	11,526	1,479	-749	-749	Rephasing	The programme is under review. Rephasing due to Rathmore Road Link (a scheme within the programme) where work had been suspended temporarily until the planning consent by the Planning Committee.	Green		
Lorry Park	14,620	1,080	-1,055	-1,055	Rephasing	Further options are being explored hence the start date has been delayed.	Green		
North Farm Longfield Road, Tunbridge Wells	4,275	6,054	-381	-381	Rephasing	Predicted completion slipped by a month to end of June 2015 as a result of unchartered utility services that require diversion or protection.	Amber		
Rushenden Link (Sheppey) - major road scheme	749	694	-559	-559	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Sandwich Highways Depot	3,000	0	0				Green		
Sittingbourne Northern Relief Road - major road scheme	2,722	2,395	-1,934	-1,934	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Street Lighting Column Replacement Scheme	2,500	1,804	0				Green		
Street Lighting Timing - Invest to Save	1,817	1,512	150	150	Real - Prudential	Increased cost is mainly due to a higher than expected number of columns needing to be rewired to enable conversion and higher staff cost than originally estimated. The overspend is to be funded from the underspend on Swale Transfer Station.	Amber		
South East Maidstone Strategic Link - Major Road Scheme	0	0	0						
Thanet Park Way	2,600	1,642	-500	-500	Rephasing	The rephasing is due to delays in the procurement process.	Green	Revised completion date was reported in the June Monitoring.	
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	4,386	-435	-435	Rephasing	Scheme is expected to be completed in May 2015. Two months worth of works are now being rephased.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Ashford Schemes									
A28 Chart Road, Ashford	16,600	0	660	660	Rephasing	The scheme has received the planning consent now needs to be progressed. The anticipated spend has now being brought forward cover initial development works and engagement with utilities.	Green	The overall scheme cost has increased and this will be funded from the anticipated LEP grant and developer contributions.	
Drovers Roundabout junction	192	242	0				Green		
Orchard Way Railway bridge, Ashford	0	0	0						
Victoria Way	468	505	0				Green		
Total	259,191	128,406	5,584	5,584					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+82,638	-675	-	-675

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Strategic & Corporate Services						
Strategic Management & Directorate Support Budgets	3,535.1	-5,089.3	-1,554.2	-159	-157 Staff vacancies, mainly due to secondments to the Facing the Challenge team -3 Other minor variances +1 Movement from Quarter 2	
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+545	+165 In the current year there has been an increase in the number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to maintain performance. +320 The service transferred to S&CS with a previous year saving of -£573k and a further -£213k saving for 2014-15 in the base budget. Delivery was focussed on reducing staffing levels but has not been entirely possible because of the unanticipated effect on performance/ outputs, as described above. -3 Other minor variances +63 Movement from Quarter 2	Management action has been taken to improve performance and efficiencies and thus keep additional staff to a minimum. Management action underway to address the savings targets by reviewing the way these can be delivered. Future strategy is focussed on moving customer contact to a web based solution which will yield further efficiencies.
- Gateways & Customer Relationship	2,940.6	-113.3	2,827.3	-122	-67 Quarter 2 reported variance -55 Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	-146	-146	Movement from Quarter 2: Reduction in estimated number of business cases which will require funding in 2014-15
	7,791.5	-2,343.4	5,448.1	+277		
<u>Local Democracy</u>						
- Community Engagement	415.3	0.0	415.3	+187	+271	The service transferred to S&CS with an existing saving of £327k based on an anticipated service review which should have happened in the previous financial year. A review is currently being undertaken which will be subject to a Member decision on scoping the future nature of the service.
					-126	Other minor variances, each below £100k, including savings from a moratorium on non critical spend to offset the pressure on this service.
					+42	Movement from Quarter 2
- County Council Elections	570.0	0.0	570.0	0		
- Local Member Grants	2,120.5	0.0	2,120.5	0		
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	-40	-40	Movement from Quarter 2
	5,569.0	0.0	5,569.0	+147		
<u>Support to Frontline Services</u>						
- Business Strategy	3,365.5	-82.0	3,283.5	-221	-231	Staff vacancies & maternity leave. A committed roll forward of £14k will be requested for Health Reform monies which is due to be spent in April & May 2015.
					+16	Other minor variances
					-6	Movement from Quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Business Strategy (Facing the Challenge & Corporate Portfolio Office)	504.2	0.0	504.2	0	+3,011	Facing the Challenge costs in excess of the gross budget of £484.1k which was rolled forward from 2013-14	It is anticipated that these transformation costs, together with the matching drawdown from reserves, will be transferred to the relevant services before the end of the financial year.
					+413	Movement from Quarter 2: increase in FTC costs	
					-3,011	Drawdown from reserves to meet Facing the Challenge costs in excess of cash limit	
					-413	Movement from Quarter 2: increase in drawdown to meet increased FTC costs	
					+595	Corporate Portfolio Office costs in excess of the gross budget of £20.1k which was rolled forward from 2013-14	
					+10	Movement from Quarter 2: increase in Portfolio Office costs	
					-595	Drawdown from reserves to meet Corporate Portfolio Office costs in excess of cash limit	
					-10	Movement from Quarter 2: increase in drawdown to meet increased Portfolio Office costs	
					+252	Corporate/Customer Services Transformation Assessment works	
					+341	Adult Social Care Transformation Phase 2 Assessment works	
					+113	0-25 Children's Services Transformation Assessment works	
					+1,000	0-25 Children's Services Transformation Design works - in accordance with Cabinet Member decision 14/00086	
					-1,706	Drawdown from reserves to fund Transformation works detailed above	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Communications & Consultation	2,805.4	-131.0	2,674.4	-366	-198	Staff vacancies	
					-42	Income from Public Health to fund costs of Press Campaign Officer	
					-173	Other minor variances, each below £100k	
					+47	Movement from Quarter 2	
- Democratic & Members	3,835.1	-128.7	3,706.4	-76	-63	Quarter 2 reported variance	
					-13	Movement from Quarter 2	
- Finance & Procurement	19,644.4	-7,761.9	11,882.5	-233	+277	Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-208	Staffing vacancies	
					-141	Reduction in specialist fees within Financial Management	
					-67	Movement from Quarter 2: reduction in specialist fees	
					-63	Other minor variances	
					-31	Movement from Quarter 2	
- Human Resources	15,635.2	-6,464.8	9,170.4	-495	-129	Staffing vacancies	The training budget will be subject to review as part of the MTFP process
					-294	Revision to the training budget following finalisation of workforce development plans	
					-147	Additional income for recruitment services provided to schools & academies	
					-3	Other minor variances	
					+78	Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Information, Communications & Technology	34,954.1	-17,351.3	17,602.8	-4	-19	Minor variances
					+15	Movement from Quarter 2
- Legal Services & Information Governance	9,574.3	-11,725.9	-2,151.6	+233	+182	Reduction in income resulting from market conditions
					+50	Other minor variances
					+1	Movement from Quarter 2
- Property & Infrastructure Support	32,913.9	-6,411.2	26,502.7	+222	+300	Property Group budget for 2014-15 has a £300k savings target which depends on service changes and reviews taking place in other parts of the Authority in order to enable the overall property portfolio to reduce. The service reviews are outside the control of Property Group.
					-78	Movement from Quarter 2
	123,232.1	-50,056.8	73,175.3	-940		
Total S&CS	140,127.7	-57,489.5	82,638.2	-675		
Assumed Management Action						
Total S&CS Forecast <u>after</u> mgmt action	140,127.7	-57,489.5	82,638.2	-675		

2. CAPITAL

2.1 The Strategic and Corporate Services Directorate has a working budget for 2014-15 is £29,764k. The forecast outturn against the 2014-15 budget is £24,521k giving a variance of -£5,243k.

2.2 Table 1 below details the Strategic and Corporate Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,793	-3,700	-3,700	Rephasing - prudential	Mainly due to hiring an environmental consultant to decide most economical way forward on two large building works.	Amber	Rephased due to awaiting outcome of environmental recommendations.	
Individual Projects									
Connecting with Kent	282	651	0				Green		
Customer Journey Programme (Facing the Challenge)	990	709	-709	-709	Rephasing - prudential	Project presently on hold until further clarity on requirements following Facing the Challenge.	Green	Amber until new completion date agreed.	
Enterprise Resource Programme	0	209	0				Green		
Gateways (Programme Rollout)	296	296	-146	-146	Rephasing - prudential	Enhanced design work and additional value engineering.	Green		
HR System Development	160	160	-60	-60	Rephasing - prudential		Green		
Innovative Schemes Fund	2,000	926	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status ¹	Explanation of Project Status	Actions
New Ways of Working	12,400	14,238	0				Green		
Property Asset Management System	0	90	0				Green		
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	-320	-320	Rephasing -£320k: £266k prudential revenue and £54k capital receipts	The first phase of the redevelopment took slightly longer than originally anticipated. This has not effected the completion date of the project.	Green		
Swanley Gateway (Programme Rollout)	490	1,078	-308	-308	Rephasing -£308k: £278k dev conts and £30k external other	Contractor has identified additional works and is seeking extension of time.	Amber	Completion date extended by two months to 31/05/2015.	
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green		
Winter Gardens Rendezvous site	100	100	0				Green		
S&CS Directorate Total	28,806	29,764	-5,243	-5,243					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS
NOVEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+132,537	-488	-	-488

1.2 **Table 1** below details the revenue position by A-Z budget:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Financing Items						
Audit Fees	314.0	0.0	314.0	-141	-141	Forecast based on anticipated fees as notified by our external auditors which includes rebates relating to prior years
Carbon Reduction Commitment Levy	1,000.0	0.0	1,000.0	-200	-200	Anticipated underspend based on current purchase of allowances for estimated carbon emissions
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	+1,391	+1,391	Shortfall in dividend from Commercial Services based on first half year results, new costs of rent payments to KCC and higher than expected costs of closing County Print
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0		
Contribution to/from Reserves	10,020.2	0.0	10,020.2	+1,962	+445 +1,517	Transfer to Insurance reserve of surplus on Insurance Fund (see below) Transfer to the Minimum Revenue Provision (MRP) smoothing reserve of in year saving on MRP to cover potential impact in future years, in line with usual practice (see net debt charges below).

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Insurance Fund	4,679.0	0.0	4,679.0	-445	-445	Forecast surplus on Insurance Fund following negotiations concerning long term exposure/Period of Time claims during RSA insurance policy years 1996-2001, which has achieved a significant reduction in liabilities.
Modernisation of the Council	3,448.5	0.0	3,448.5	0		
Net Debt Charges (incl Investment Income)	128,012.5	-8,514.0	119,498.5	-1,117	+400 -1,517	Impact of continued low interest rates on our cash balances and investments In year saving on MRP as a result of re-phasing of the 2013-14 capital programme, resulting in fewer assets becoming operational last year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year.
Other	939.0	-36.0	903.0	0		
Unallocated	2,012.5	0.0	2,012.5	-1,938	-1,905 -983 +983 -33	Additional Business Rate compensation grant, above the budgeted level, for reimbursement of impact of measures introduced in the 2012 and 2013 Autumn Statements Bellwin funds received in respect of emergency costs incurred as a result of the 2013-14 autumn and winter storms & flooding Transfer of Bellwin funds to the Emergency Conditions reserve Business Rates flood relief grant
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0		
Total Financing Items	148,777.7	-16,241.0	132,536.7	-488		

From: Paul Carter, Leader
 John Simmonds, Cabinet Member for Finance & Procurement
 and Deputy Leader
 Andy Wood, Corporate Director of Finance & Procurement

To: Cabinet 28th January 2015

Decision No:

Subject: **Budget 2015/16 and Medium Term Financial Plan 2015/18**

Classification: **Unrestricted**

Summary: This report relates to the proposed draft budget for 2015/16 and Medium Term Financial Plan (MTFP) 2015/18 to be presented to County Council on 12th February 2015. The proposed draft budget includes a 1.99% council tax increase i.e. up to the referendum limit. The draft budget represents the Council's response to the local budget consultation and the provisional Local Government Finance Settlement. This report includes details of some revisions to the version published on 12th January and a revised draft will be produced for County Council incorporating these changes.

The local budget consultation ran from 9th October 2014 until 28th November 2014 and identifies separately the feedback from the following activities:

- a) Responses directly to the Council either through the website or via other channels
- b) Responses via Lake Research from deliberative workshop sessions and on-line survey of a statistical sample of residents
- c) Responses from staff workshops conducted by Lake Research and KCC
- d) Responses from workshop sessions with representatives from business and voluntary sectors

The provisional Local Government Finance Settlement was announced on 18th December 2014. Responses to the settlement had to be submitted by 15th January.

Recommendation(s):

Cabinet is asked to endorse the draft budget and the Council Tax precept taking into account proposed amendments from Cabinet Committees and late changes to the draft Budget and MTFP published on 12th January 2015.

Cabinet members are asked to bring the black combed draft Budget Book 2015/16 and Medium Term Financial Plan 2015/18 to this meeting

Members are reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to a matter relating to, or which might affect, the calculation of Council Tax.

Any Member of a Local Authority who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

1. Introduction

- 1.1 Setting the Council's revenue and capital budgets continues to be exceptionally challenging. Funding from central government for 2015/16 is reducing in response to the national budget deficit as expected following the Spending Round 2013. We do not have any government spending plans beyond 2015/16 although it seems likely that funding for local authorities will continue to reduce no matter what the outcome of the General Election.
- 1.2 For 2015/16 we will see a reduction of £55.7m in un-ring-fenced grants (over 15%). These grants together with Council Tax and the local share of business rates represent the total funding towards the net budget requirement. The Council's revenue strategy has been developed to plan for the significant reductions we face over the coming years.
- 1.3 There are also significant changes to some ring-fenced and specific grants (new grants to reflect new responsibilities as well as reductions in other established grants). These grants are treated as income to offset expenditure and thus have no impact on the net budget requirement. The Council's policy is to limit spending to the amount available from these ring-fenced grants and not to provide top-up from un-ring-fenced grants or Council Tax.
- 1.4 The capital budget is also facing reduced funding. The capital programme increasingly relies on government grant allocations, developer contributions, external funding and capital receipts. We have imposed our own fiscal rule to limit the cost of servicing borrowing to fund the capital programme to 15% of net revenue budget. We have also introduced a new capital strategy to evaluate capital projects in light of constraints on funding.
- 1.5 The draft Budget Book 2015/16 and Medium Term Financial Plan 2015/18 were published on 12th January 2015. This is earlier than previous years to allow longer than the mandatory week for Cabinet papers. Producing the budget publications for this deadline posed a significant challenge as we did not receive the provisional settlement from Central Government until 18th December or the provisional Council Tax base notification from districts around the same time. Nonetheless, these are comprehensive documents setting out the national context, key financial strategies (revenue, capital, treasury management, risk) as well as the detailed financial analysis.
- 1.6 Publishing documents earlier carried the risk that there may need to be some changes leading up to County Council for issues which have emerged during January. The number and interaction of potential changes between the

MTFP and Budget Book means we will have to republish these documents for final approval at County Council.

2. Financial Implications

2.1 Table 1 shows a high level summary of the main revenue equation for 2015/16 and the estimated equation over the three years to 2015/18 as it will be set out in the revised draft Budget Book and MTFP after taking account of the revisions set out in paragraph 6.4 and 6.5. The main changes from the equation presented in consultation is that funding is £7.5m more than we had estimated (mainly due to better than anticipated Council Tax base), resulting in an increase in planned spending of £1.8m and reduction in planned savings of £5.7m. These changes are explored in more depth later in the report.

Table 1	2015/16		3 Year Total £m
	£m	%	
Grant Reductions	55.7	15.3%	120.1
Council Tax/Business Rates	-18.9	3.3%	-47.9
Spending Demands	50.7	5.4%	134.3
Savings/Income	-87.5	9.3%	-206.5

2.2 The picture on grant reductions is rather complex and is explained in depth in the MTFP publication. The provisional settlement is based on the settlement funding assessment (SFA). This comprises of the Revenue Support Grant (RSG) and the business rate baseline (which is split between business rate top-up grant and the local share of business rates). The grant reductions include the impact on RSG and business rate top-up grant within SFA, plus changes in other un-ring-fenced grants e.g. Social Fund, Education Services Grant (ESG), New Homes Bonus (NHB), etc. We show these grants as part of our overall funding rather than income so that the net budget is comparable with previous years. Table 2 shows a comparison of the change in RSG, SFA and the overall £55.7m reduction in grants.

Table 2	2014-15	2015-16	Change	
	£000s	£000s	£000s	
Revenue Support Grant	213,092	159,524	-53,568	-25.1%
Settlement Funding Assessment	380,434	330,064	-50,371	-13.2%
All un-ring-fenced Grants	364,900	309,207	-55,693	-15.3%

2.3 The 2015/16 provisional settlement was largely as we expected although there are some technical changes particularly resulting from Government decisions on New Homes Bonus and capping business rate increases for the second year running. The Government also announced decision on the replacement for the Social Fund which is covered later in this report. The changes as a result of the provisional settlement are covered in more depth in sections 2 and 3 of the MTFP document.

- 2.4 Our assumptions about the reductions in funding for 2016/17 and 2017/18 have not been recalculated from those in the consultation (although we have reflected the impact of the minor changes to RSG and business rates in the 2015/16 settlement). The Office for Budget Responsibility (OBR) has forecast that funding reductions could be larger than we have estimated if deficit reduction plans are to be met. These forecasts are covered in section 2 of the MTFP publication. We will need to monitor the likely scenario for 2016/17 and 2017/18 in the run up to, and immediately after, the General Election.
- 2.5 The provisional Council Tax base notified by districts has increased by 1.7% on 2014/15 due to a combination of factors. We will be providing an analysis of the underlying reasons identifying separately the effect of new households, changes in discounts and exemptions, and collection rates. Detail of the provisional tax base notification is included in section 2 of the draft Budget Book 2015/16. The additional tax base has been built into the budget to cover both additional spending demands which have been identified in the latest budget monitoring for this year, and changes to some savings proposals.
- 2.6 When we published the initial draft budget we had only received details of the provisional balance on this year's Council Tax collection from a couple of districts. Since publishing the draft documents and this Cabinet paper we have had provisional notification from a number of other districts. This is sufficient to give us confidence that we can use some of this anticipated Collection Fund balance to provide appropriate budget for a continuation of the Kent Support and Assistance Service (KSAS) as outlined paragraphs 4.4 to 4.5 below.
- 2.7 The County's share of the business rate baseline has declined marginally due to the Government's decision to increase the multiplier by 1.91% rather than 2.3% using September RPI. This will be compensated by a separate un-ring-fenced grant. The final share of the business rates will be determined once districts have notified the tax base for 2015/16.
- 2.8 The combination of un-ring-fenced grants in the provisional settlement, Council Tax and business rates sets the overall resource framework for forthcoming years.
- 2.9 The spending assumptions in the revised draft budget and MTFP have been updated to include the latest forecasts. In particular we have made the following changes:
- Provision for inflation in 2015/16 has reduced from £13.8m to £11.4m due to recent reductions in Consumer Price and Retail Price Indices and revised forecasts for next year. We will continue to keep provision for inflation
 - Demographic pressures have increased by £1.1m due to changes in current demand including waste tonnage volumes
 - The "right sizing" of budgets has increased by £3.8m as a result of additional spending identified in the current year's budget monitoring on SEN transport, social care and Young Person's Travel Pass.
- 2.10 The additional spending demands also include £23.2m under the government and legislative heading for the spending associated with the increase in ring-fenced grant for Public Health for the transfer of services for 0-5 year olds,

and additional grants in relation to the Care Act. These are significant amounts which increase the Council's gross expenditure and income (but have nil effect on the net budget).

2.11 The net savings (i.e. excluding the additional specific grant income referred to in paragraph 2.9) have reduced from £93.2m in the consultation to £87.5m in the revised draft budget. This includes identifying additional savings to resolve the £7.4m unidentified gap in the consultation and reductions or re-timing of some of the savings proposals, particularly in relation to specialist children's, waste recycling, KSAS and community wardens.

3. Budget Consultation

3.1 The budget consultation opened on 9th October with a press launch and closed on 28th November. The communication and engagement strategy was aimed at increasing the understanding of the financial challenge and to get more engagement with Kent residents. This strategy was based on producing a simplified version of the budget including:

- Single page analysis of the funding and spending changes, and savings/income required to balance the budget;
- 3 multiple choice questions about budget strategy;
- A budget modelling tool which sought views on the Council's spending priorities across the breadth of the Council's services.

3.2 This strategy was backed up by market research commissioned from Lake Research and focus group sessions with staff, business representatives and voluntary sector. This strategy was only partially successful, the number of responses to the 3 questions were lower than last year, although engagement with the modelling tool was higher. These results have been reported to Cabinet Committees in January and have not been repeated in this report. The market research and focus groups provided valuable qualitative evidence and full reports from these will be available as background documents for County Council.

3.3 The main conclusions that can be drawn from the consultation are:

- Support for 2% Council Tax increase was consistent with last year with a minority (less than 25% supporting a freeze);
- Support for a mixed strategy towards savings to include transformation, efficiency and reducing services least valued by residents (rationing services did not receive significant support);
- Increasing income in order balance the unidentified gap – we have partially seen this through the higher tax base and business rate pooling arrangements working in partnership with district councils
- Recognition by residents and staff that savings have to be found in response to the financial climate
- We need to find more effective ways of communicating information about the financial challenge and how KCC spends public money;
- There are no significant differences between the views of residents and staff/businesses/voluntary sector

4. Autumn Budget Statement and Provisional Local Government Finance Settlement

- 4.1 The Chancellor of the Exchequer made his Autumn Budget Statement to Parliament on 3rd December. The statement allows him to present the latest economic forecasts from the OBR. This year (as in recent years) he also took the opportunity to use the statement to make policy changes in relation to taxation and spending. A fuller analysis of the Autumn Statement is included in the draft MTFP.
- 4.2 The OBR forecasts show that the economy has grown by more in 2014 than previously forecast. The second half of the year also saw reductions in the rate of inflation which is forecast to be lower than previously estimated through 2015/16, and falling unemployment. However, progress on the deficit reduction as a proportion of the overall economy has been slightly less than previously forecast. The OBR concluded that this was because the economic growth and reductions in unemployment have not been reflected in wage and productivity growth, thus affecting tax yields.
- 4.3 The provisional local government settlement was published on 18th December. As already outlined this was largely as we had anticipated from the indicative settlement last year and consultation over the summer. There were some minor technical changes which are included in the MTFP publication but these were largely insignificant.
- 4.4 The only significant issue in the provisional settlement is in relation to the Social Fund. The separate grant we have previously received from Department for Work and Pensions (DWP) has been removed as we had concluded from the indicative settlement last year. A separate element for welfare provision has been identified within the RSG, but this has been created by reducing other elements within RSG rather than transferring in money from DWP. This separate element, as with the rest of RSG, is un-ring-fenced. This decision followed a consultation in November, the analysis of which has not yet been published. Effectively it means we have no additional money to maintain Kent Support and Assistance Service (KSAS). The draft budget published in 12th January showed the £3.4m loss of grant and the consequential £3.4m reduction in KSAS spending.
- 4.5 Our original plan was that any further spending on welfare support through KSAS would have to be drawn from reserve created over the last 2 years out of the DWP grant, although this could not be confirmed until the 2014/15 outturn was finalised. However, following further consideration and in light of the RSG decision we have concluded it would make more sense to show a continuation of an appropriate base budget for line KSAS line in the budget book. This will be funded in 2015/16 from the estimated surplus on Council Tax collection funds in 2014/15. This change will be reflected in the republished draft budget.
- 4.6 The provisional finance settlement also included the "Spending Power" calculations that have been included in previous settlements. This showed a 0.4% increase for KCC. We have previously explained how this calculation only partially shows the overall impact on local authority budgets. In particular for 2015/16 the change in spending power includes all the

additional revenue funding associated with the Better Care Fund as well as other specific grants. We have consistently challenged this presentation of the Spending Power calculation as it is not a true reflection of the reality of the financial challenge. We have once again made representation on this in our response to the settlement which was submitted by the deadline of 15th January.

- 4.7 The settlement also confirmed that the Council Tax referendum threshold for 2015/16 is 2%, and that a grant (equivalent to approx. 1% Council Tax) is available for those authorities that freeze or reduce Council Tax. Our budget strategy is based on the assumption of the maximum increase permitted without holding a referendum (1.99%). Taking-up the grant would leave a £4.7m gap in the budget which cannot be addressed at this late stage without significant changes and added risk to the planned budget. The proposed increase for each band are included in section 2 of the budget book and repeated in table 3.

Table 3	2014-15	2015-16
Band A	£712.44	£726.66
Band B	£831.18	£847.77
Band C	£949.92	£968.88
Band D	£1,068.66	£1,089.99
Band E	£1,306.14	£1,332.21
Band F	£1,543.62	£1,574.43
Band G	£1,781.10	£1,816.65
Band H	£2,137.32	£2,179.98

5. Other Changes to Draft Publications

- 5.1 There may need to be some minor changes between the publications approved by County Council and the final Budget Book and MTFP. Where these do not materially affect the budget we will seek delegated authority to make the necessary changes in the final publications in March. Any material changes will be reflected in revised publications for County Council approval.
- 5.2 There are two amounts which have been held unallocated in the draft publications on 12th January as it was not possible to finalise the allocation of these amounts in time for the printing deadlines:
- £4.0m towards the single pay and reward payments. The value of reward payments for those staff assessed as “achieving”, “achieving above” and “outstanding” need to be set within the overall amount available in the budget¹. The amounts can only be assessed and allocated to directorates once the Total Contribution Pay assessments have been analysed. This analysis will be reported to Personnel Committee and included in the report to County Council. A separate increase in the Kent Scheme pay grades will also need to be confirmed to ensure the scales remain competitive in the same way as 2014/15. These new scales

¹ this not only includes the additional £4m but also the headroom within staffing budgets as result of new appointments starting at the bottom of the grade and one-off reward payments for staff at the top of the grade

would only apply to new appointments during 2015/16 as payments for existing appointments are subject to the single arrangements;

- £2.0m of procurement savings held temporarily within Finance and Procurement budget. This was agreed as part of the strategy to resolve the £7.4m gap but further work is needed before these savings can be allocated.

5.3 Any other material changes which emerge before the County Council papers are finalised will be identified and reflected in re-published documents.

6. Conclusions

6.1 Overall we have concluded that publishing the draft Budget Book and MTFP earlier was the right approach. This allows all members of the County Council more time to consider the budget proposals. The draft as presented will allow the Corporate Director of Finance and Procurement to make the statutory declaration on the adequacy of reserves and robustness of the estimates.

6.2 The published draft budget takes account of views expressed in consultation. Further work is needed to improve communication of the financial challenge and how the Council spends public money. This should ensure better engagement in future consultation.

6.3 The provisional settlement for 2015/16 is as we anticipated, reinforcing the robustness of the authority's medium term financial planning and revenue budget strategy. The capital strategy ensures that capital investment decisions reflect the Council's strategic priorities and are affordable within the anticipated financial climate. The treasury management strategy ensures that the Council manages its money in a secure manner whilst also maintaining reasonable yield on investments.

6.4 A material change in relation to the presentation of the budget for KSAS is proposed. This will change the published savings and revenue budget for this service, and will be compensated by estimated surplus on Council Tax collection funds.

6.5 Since the draft Budget Book and MTFP was published we have also allocated the £3.8m shown as contingency for emerging pressures as follows:

- £0.8m to Domiciliary Care to reflect the latest budget monitoring
- £1.0m to waste disposal to reflect the increased waste tonnage in 2014/15
- £1.0m to Young Persons' Travel Pass to reflect latest information on usage of the pass during the permitted mid-week hours
- £1.0m to replace the proposed additional income from Business Rates as we have still not received guidance on the accounting arrangements for this income

6.6 The other unallocated budgets identified in this report will either be resolved for County Council, or treated as in-year adjustments in accordance with the Council's Financial Regulations and procedures.

7. Recommendation(s)

Recommendation(s):

Cabinet is asked to endorse the draft budget and the Council Tax precept taking into account proposed amendments from Cabinet Committees and late changes to the draft Budget and MTFP published on 12th January 2015.

8. Background Documents

- 8.1 Consultation materials published on KCC website can be found at www.kent.gov.uk/budget
- 8.2 The Chancellor of the Exchequer's Autumn Statement on 3rd December 2014 and OBR report on the financial and economic climate
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382327/44695_Accessible.pdf
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/382525/December_2014_EFO.pdf
- 8.3 The provisional Local Government Finance Settlement 2015/16 announced on 18th December 2014
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2015-to-2016>
- 8.4 Final reports from Lake Market Research and workshop sessions with staff, businesses and voluntary sector

9. Contact details

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From: Roger Gough, Cabinet Member for Education and Health Reform
Patrick Leeson, Corporate Director for Education and Young People's Services (EYPS)

To: Cabinet– 28 January 2015

Subject: Elective Home Education Policy

Classification: Unrestricted

Electoral Division: All

Summary: This report presents the revised draft Elective Home Education (EHE) Policy. Cabinet agreed on 7 July 2014 to defer approval of the revised EHE Policy, pending further consideration and a process of engagement on the revised EHE policy.

Further consideration of the revised EHE Policy has now been undertaken and amendments made.

Recommendation: The Cabinet is asked to agree the revised EHE Policy and the process of engagement to be undertaken.

1. Introduction

- 1.1 Elective Home Education (EHE) is the term used to describe parents' decisions to provide education for their children at home instead of sending them to school. Parents are legally responsible for ensuring that their children receive a 'suitable' education. The role of the Local Authority is to provide support for home educating families (at a level decided by local authorities themselves) and if families wish it; and to intervene with families if the local authority is given reason to believe that a child is not receiving a suitable education.
- 1.2 There has been a significant increase in EHE registrations - from 793 in 2008 to 1326 in 2013-14. New referrals are being received at an average of 65 per month. In response to this increased demand there has been a renewed focus on engaging with families earlier. Current practice has shown that some families have been using EHE as a last resort and were not choosing this option pro-actively.
- 1.3 Kent County Council recognises that many parents who elect to educate their child(ren) at home do so to an extremely high standard and this is to be commended.
- 1.4 However, in undertaking our evaluation of current policy, safeguarding and educational risks were found. These concerns were recognised by KCC's Integrated Children's Services Board, which recommended that the Elective

Home Education Policy be reviewed to ensure more robust approaches are put in place.

2. Education Risks

2.1 KCC's current interpretation of legislation and guidance results in EHE Officers making contact with registered home educating parents and offering a meeting to advise and provide support. However, parents may refuse this offer and provide alternative evidence of education. They may choose to meet EHE Officers at an alternative venue, or choose not to engage. There is some risk therefore that children who do not attend a meeting may not be receiving a suitable or any planned education. This means the LA is not able to ascertain whether a suitable education is being provided in these cases.

2.2 KCC officers may only intervene where there is evidence or a strong belief that a child or young person is not receiving a suitable education, or where there may be child welfare concerns.

2.3 In addition to the significant increase in EHE registration, there are also disproportionate numbers of adolescents leaving schools to be home educated. The profile of young people taken off roll for Home Education suggests this is being used as an alternative to addressing vulnerabilities and learning needs that could have been supported through earlier interventions:

- 2% of EHE pupils received a permanent exclusion prior to being taken off roll, which is a higher proportion of the cohort than for all Kent pupils, 0.6% of whom received a permanent exclusion. 14% of EHE pupils receive one or more fixed term exclusions in comparison with 5% of all Kent pupils who received one or more fixed term exclusions. 6% of EHE pupils received multiple fixed term exclusions during the academic year in which they were taken off roll from school.
- A high percentage of EHE pupils have poor attendance at school which gets worse during the year in which they are taken off roll. Average attendance for this cohort reduces from 79% to 69% in the academic year prior to the year in which they were taken off roll to become home educated. Persistent Absence of EHE pupils (that is absence of 15% or higher) shows the same trend: 45% of EHE pupils were persistently absent from school in the academic year prior to the year in which they were taken off roll and the persistent absence rate increases to 62% in the academic year during which they were taken off roll. In these cases their educational progress and attainment has already been damaged.

3. Safeguarding risks

3.1 Families who choose to home educate at the time a child reaches statutory school age do not have to register as EHE with the local authority. Families with children who are reported and registered as a Child Missing Education can inform KCC that they are home educating and may refuse a meeting.

3.2 Although there is no evidence that children who are EHE are at any more of a safeguarding risk, it is the case that universal systems in place to safeguard

children and young people that are embedded in schools are not necessarily available to children who are educated at home. There is a risk that these young people have less access to agencies that would carry out safeguarding functions and duties. The current policy is such that the voice of the child is not routinely heard.

4. Key Policy Changes

4.1 The key policy changes proposed to mitigate the risks detailed above are set out below.

4.2 In order for KCC to satisfy itself that suitable education is being received, an EHE Officer will request to meet with the family and the child to discuss the education provision. Where one or more of the conditions set out below are met, KCC will expect every child whose parent(s) elect to home educate to participate in a meeting with an EHE Officer and the child at a mutually convenient time and place in order to satisfy KCC of the suitability of the education provision proposed. To ensure that the critical voice of the child is heard and to establish education suitability, KCC will request that both the child and evidence of learning are seen. Where one or more of the conditions set out below are met, education will not be recorded as suitable if this meeting is not facilitated.

The conditions where this meeting would be expected are:

- (a) The child has a history of persistent unauthorised absence from school (by persistent absence, KCC mean absence of 15% or higher);
- (b) The child has a record of poor attainment at school as measured by progression in performance using prior attainment and National Curriculum test results as the basis for assessment;
- (c) The child has previously been permanently excluded from school(s) or has been subject to more than one fixed term exclusion whilst at school;
- (d) The child has been referred to early help and / or to children's social care.

From past experience the presence of one or more of these factors is a strong indication that the child in question may well not be receiving a suitable education and may be seriously under-achieving.

Where none of the four conditions set out above are present, KCC would strongly encourage parents to participate in a meeting in order that they receive the full support available. However, in these circumstances, unless there is any other matter which suggests that the child is not receiving a suitable education otherwise than at a school, there is no requirement for such a meeting and KCC will record such a child as receiving suitable education.

Evidence at this meeting could include a report about the education provided, an assessment by a qualified third party or by showing samples of their child's learning supported with input from the child. Parents would be expected to provide evidence of a suitable education that would, on the balance of probabilities, convince a reasonable person that a suitable education is being

provided for the age and ability of the child.

- 4.3 Should the offer of a meeting be declined where one of the above four conditions are present, the LA will not be able to state that a suitable education is being offered. The LA will also record that there has been no opportunity to speak to the child regarding their education. In this case the child's name will be added to the Children Missing Education register until such time as it becomes possible to ascertain that they are receiving suitable education. This information will also be made available for the KCC Children's Social Services Teams.
- 4.4 When the EHE officer is satisfied that a parent is complying with their Section 7 of the Education Act 1996 duty, the EHE officer and family will agree a date for the next annual review of educational provision. Parents may contact the EHE team at any time during this period for advice and support.
- 4.5 Following contact with the parent and child the EHE officer will write to parents within four weeks summarising the matters discussed/presented and will provide any additional information or advice requested by parents.
- 4.6 If it appears that a child is not receiving a suitable education, the EHE officer will offer advice and support to help enhance the education being provided and agree a follow up visit to monitor progress.
- 4.7 If it appears to the EHE officer that a child is still not receiving an 'efficient' and 'suitable' full-time education, the officer will write to the parent stating that this appears to be the case, the reasons for their opinion and inviting them to respond. Parents will be given 15 working days to reply. Their reply should address the question of whether they are providing a 'suitable education' with reference to their own philosophy, and/ or educational provision.
- 4.8 The EHE Team will only take legal action against the parent as a last resort, after all reasonable avenues have been explored to bring about a resolution of the situation.
- 4.9 "If it appears to a local education authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance or otherwise, they shall serve a notice in writing on the parent requiring him to satisfy them within the period specified in the notice that the child is receiving such education". [Section 473(1) of the Education Act 1996]
- 4.10 If it appears to KCC that an appropriate education is not taking place then a magistrate may be requested to issue a School Attendance Order. At any stage following the issue of the Order, parents may present evidence to KCC that they are now providing a suitable education and apply to have the Order revoked. If this is refused, parents can choose to refer the matter to the Secretary of State. If KCC prosecutes parents for not complying with the Order, then it will be for a court to decide whether the education being provided is suitable and efficient. The court can revoke the Order if it is satisfied that the parent is fulfilling their duty. It can also revoke the Order where it imposes an Education Supervision Order.

5. Conclusions

- 5.1 The current policy has been revised to state that the evidence for the provision of a suitable education will be based on a meeting with the child present, where one of the four conditions set out above are met. This will ensure that informed decisions have been made and that a judgement on suitability of provision can be made. Where there has been no engagement with KCC officers and one of the conditions above have been met, the education provision will not be deemed suitable. It will be registered that the family and child have not been seen, and the child's name will be added to the Children Missing Education register.
- 5.2 Children 'Missing Education' who are registered EHE should remain on the Children Missing Education register until KCC is satisfied that suitable education is being provided, including through a meeting which involves engagement with the child.

6. Recommendation: The Cabinet is asked to agree the revised EHE Policy and the process of engagement to be undertaken

Appendix: Revised Elective Home Education Policy

7. Contact details

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1. Introduction

Elective Home Education (“EHE”) is the term used by the Department for Education (“DfE”) to describe parents' decisions to provide education for their children at home instead of sending them to school. This is different to home tuition provided by a Local Authority or education provided by a Local Authority other than at a school. It is recognised that parents may choose home education for a variety of reasons.

Parents are responsible for ensuring that their children receive a suitable education. Kent County Council (“KCC”) recognises that parents have the right to choose to educate their child at home rather than at school. Where parents choose to home educate, it is desirable that the parents and the LA work together, recognising each other's rights and responsibilities and establish and maintain a positive dialogue in the interests of the child to ensure that a high quality education is received and children are safeguarded. The LA supports positive engagement through identifying a range of opportunities for families to access via their website.

Many families make a pro-active decision to home educate. Such families usually provide an extremely high standard of education for their children. However, some families may feel that electing for home education is the only available option when it appears that school issues cannot be resolved or where personal circumstances mean that attending school regularly is problematic. The Local Authority EHE team works closely with families, schools and a range of services at an early stage to support families in these situations to ensure that they are making informed choices.

Where young people are entering EHE during Key Stage 4, particular attention will be given to ensuring appropriate learning pathways are discussed with relevant parties. There is an expectation that clear plans will be in place for achieving recognised qualifications at age 16 and securing progression to post 16 learning or employment with training, and, recognising the vulnerability of becoming NEET (“not in education, employment or training”) for young people who exit school at this late stage. This might include opportunities to continue to take examinations in school.

It is vital that parents and children choose a type of education that is right for them, and it is important that EHE officers understand and are supportive of many differing approaches or "ways of educating" which are all feasible and legally valid. The role of the EHE Team is to respond to concerns that a child is not receiving a full time education suitable to his or her age, ability and aptitude and, where appropriate, provide support and information for parents. It is not the role of the EHE Team to tell parents how to educate their children or to ensure registration at school.

2. Purpose

This document aims to clarify for schools, parents, carers, guardians and related agencies, the policy and procedures to be observed when a parent elects to home educate their child who is of compulsory school age. The policy sets out parents'

rights to educate their children at home, together with the legal duties and responsibilities of Headteachers and KCC. It also sets out the arrangements KCC will make in order to carry out its legal duties.

3. Context

This policy has been drafted within the context of the following:

- The Children Act 1989
- The Education Act 1996
- The Education Act 2002
- The Children Act 2004
- The Localism Act 2011
- Elective Home Education Guidelines for Local Authorities (DCSF 2007)
- Working Together to Safeguard Children (DfE, March 2010)
- Information and Policies of other Local Authorities
- 'Support for Home Education', House of Commons Education Select Committee Report (Dec. 2012), Volumes I and II
- Kent and Medway Inter-Agency Threshold Criteria for Children in Need (March 2011)

4. The Law Relating to Elective Home Education

Parents

The responsibility for a child's education rests with the parents. In England, education is compulsory, but school is not. Parents may decide to exercise their right to home educate their child from a very early age and so the child is never enrolled at school. Parents may also elect to home educate at any other stage up to the end of compulsory school age at 16 years.

Section 7 of the Education Act 1996 provides that:

"The parent of every child of compulsory school age shall cause him to receive efficient full-time education suitable -

(a) to his age, ability and aptitude, and

(b) to any special educational needs he may have,

either by regular attendance at school or otherwise."

An "efficient" and "suitable" education is not defined in the Education Act 1996 but "efficient" has been broadly described in case law as an education that "achieves that which it sets out to achieve", and a "suitable" education is one that "primarily equips a child for life within the community of which he is a member, rather than the way of life in the country as a whole, as long as it does not foreclose the child's options in later years to adopt some other form of life if he wishes to do so".

Article 2 of Protocol 1 of the European Convention on Human Rights states that:

"No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching is in conformity with their own religious and philosophical convictions."

Parents must comply with notices and orders served by KCC under Section 437 of The Education Act 1996, if it appears that parents are not providing a suitable education.

Schools

It is important that schools are satisfied that parents are fully informed of the expectations and implications of home educating before committing to making this important decision. KCC recommends that parents are given contact details and advised to seek advice from the KCC's EHE Team before formally asking the school to remove the child from the school roll. Schools must not seek to persuade parents to educate their child at home, nor would it be recommended for parents to elect to educate their children at home as a way of avoiding an exclusion from school or because the child has a poor attendance record.

In these situations both the school and parents should seek advice and support from KCC's EHE Team. Support for the family may be offered through the KCC's Early Help and Preventative Service where families are considering home education as means of addressing wider unmet needs or unresolved issues. There should be a presumption that problems with school, or about the school, can be resolved if the parents are acting to home educate for these reasons.

There is an expectation that schools will have had a thorough discussion with parents and will have signposted them to support and guidance before making any formal decision. When a school receives written notification from a parent of their intention to home educate their child, it is the responsibility of the school to:

- Invite the parents to discuss any issues or concerns that could be resolved to enable the child to continue to be educated at school in a way which meets the parents' expectations
- If the parents' decision is firmly to home educate, to acknowledge this in writing and delete the child's name from the school register. KCC requires the school to do this within 3 working days of receiving the parents' letter. However in the interests of the family, recommended good practice would be to allow a period of 10 school days after deletion of the name from the school registrar, for the parents to reflect on their

decision having sought further advice and support and to change their mind if they so wish.

- Inform KCC immediately of removal of the child's name from the register following the above. (Regulation 12 (3) of the "The Education (Pupil Registration) Regulations 2006)
- Ensure that the pupil file is retained in accordance with usual procedures until requested by a receiving school. The parent may request a copy of the file.

KCC's role and duties

In December 2012 the House of Commons Education Select Committee produced a report, 'Support for Home Education'. It stated that:

"The role of the local authority is clear with regard to home education. They have two duties: to provide support for home educating families (at a level decided by local authorities themselves), and if families wish it; and to intervene with families if the local authority is given reason to believe that a child is not receiving a suitable education."

Local Authorities have a duty to try and identify children not receiving a suitable education. Section 436A of the Education Act 1996, *"requires all local authorities to make arrangements to enable them to establish (so far as it is possible to do so) the identities of children residing in their area who are not receiving a suitable education."*

Section 437 (1) Education Act 1996 provides that *"if it appears to a local authority that a child of compulsory school age in their area is not receiving suitable education, either by regular attendance at school or otherwise, they shall serve a notice in writing on the parent requiring him to satisfy them within the period specified in the notice (which must be no less than 15 days) that the child is receiving such education."*

Case law (*Phillips v Brown*, 1980) established that an LA may make enquiries of parents who are educating their children at home to establish that a suitable education is being provided. DfE guidelines, to which the Council has had regard, state that parents are under no duty to respond to such enquiries, *"but it would sensible for them to do so"*.

Section 437(3) Education Act 1996 provides that if a parent fails to satisfy the local authority within the specified period that their child is receiving a suitable education, it has the power to issue a "school attendance order" requiring that their child become a registered pupil at the school named in the order.

- KCC has general duties to make arrangements to safeguard and promote the welfare of children (see section 175 of the Education Act 2002 and sections 10 and 11 of the Children Act 2004). EHE officers, along with all employees of KCC, have a responsibility to ensure all children are safeguarded and their welfare promoted throughout their work. Section 175 (1) provides:

“A local authority shall make arrangements for ensuring that their education functions are exercised with a view to safeguarding and promoting the welfare of children”.

Sections 17 and 47 of the Children Act 1989 provide KCC with a power to insist on seeing children in order to inquire about their welfare although such powers cannot be used in order to establish whether the child in question is receiving suitable education at home.

Officers must act upon any concerns that a child may be at risk of significant harm, in accordance with KCC’s child protection procedures, which can be accessed through the Kent Safeguarding Children Board website –www.kscb.org.uk.

5. KCC’s Policy

In order to determine the suitability of education and to adequately plan for support for families, KCC policy is to:

- Maintain a record of children known to KCC being educated at home. This is a list of the children known to KCC only and therefore not an exhaustive list of all children educated at home in Kent. Families who have children who have never been on roll may also register to access advice and support.
- Where one or more of the conditions set out below are met, expect every child whose parent(s) elect to home educate to participate in a meeting with an EHE officer and the child at a mutually convenient time and place in order to satisfy KCC of the suitability of the education provision proposed. To ensure that the critical voice of the child is heard and to establish education suitability KCC will request that both the child and evidence of learning are seen. Where one or more of the conditions set out below are met education will not be recorded as suitable if this meeting is not facilitated.

The conditions where this meeting would be required are:

- a) The child has a history of persistent unauthorised absence from school (by persistent absence, KCC mean absence of 15% or higher);
- b) The child has a record of poor attainment at school as measured by progression in performance using prior attainment and National Curriculum Test Results as the basis for assessment;
- c) The child has previously been permanently excluded from school(s) or has been subject to more than one fixed term exclusion whilst at school;
- d) The child has been referred to early help and/or to children's social care.

From past experience the presence of one or more of these factors is a strong indication that the child in question may well not be receiving a suitable education and may be seriously under-achieving.

- Where none of the four conditions set out above are present, KCC would strongly encourage parents to participate in a meeting in order that they receive the full support available. However in these circumstances, unless there is any other matter

which suggests that the child is not receiving a suitable education otherwise than at a school, there is no requirement for such a meeting and KCC will record such a child as receiving suitable education.

- Publish information about EHE arrangements for parents who wish to educate their child at home. The information will be posted on the County Council website and can be sent out on request to those enquiring about educating children at home.
- Employ EHE Officers who are available to liaise with parents. Officers can offer support and guidance relating to the parents' plans for their child's education.
- For the KCC EHE Team to explore the options for access/signposting to other Council services and facilities for parents, within available resources, and to also seek to ensure EHE children have appropriate access to services and facilities from other agencies that would generally be delivered via school.
- To ensure that if a child has a statement of Special Educational Needs, the legal duty to ensure that the child's needs are met is fulfilled and annual reviews are undertaken for those children who have a statement of Special Educational Needs. (See SEN section below).
- KCC has had careful regard, when drafting this policy, to the Elective Home Education Guidelines for Local Authorities.

6. Procedural Guidance

Parents and schools may contact the KCC EHE Team for advice at any stage in a child's education. If a child is registered at a Maintained or Independent school, and the parents elect to home educate, they must inform the school in writing. Schools are advised to refer families to the KCC EHE Team to ensure they are fully informed of the process prior to receiving formal notification of intention to withdraw the child from school.

Schools are strongly advised to offer to meet with the parents to discuss and resolve any issues about school and the child's needs that might influence the parents' decision to continue with their child's attendance at school or to home educate.

It must be made clear to parents who choose to educate their children at home that they must be prepared to assume full financial responsibility for that education. This includes examination fees. Schools must then inform the KCC EHE Team immediately using the EHE 1 Form.

If KCC is made aware of a child being home educated within Kent, the child's details will be added to the central EHE database. An officer will make contact with the parent and share information and guidance on a range of issues including the local offer of available services.

Initial contact will be made with a family within two weeks of deregistration from school. Further contact may be arranged once education provision is established. Families may also be contacted by a LA Officer if a referral has been made to the Children Missing Education Team to establish that education is being provided at home in order to close that referral.

In order for KCC to establish the identities of children in their area who are of compulsory school age but who are neither registered pupils at a school nor receiving suitable education otherwise than at school an EHE Officer will request to meet with the family and the child to discuss the education provision. Evidence at this meeting could include a report about the education provided, an assessment by a qualified third party or by showing samples of their child's learning supported with input from the child. Parents would be expected to provide evidence of a suitable education that would, on the balance of probabilities, convince a reasonable person that a suitable education is being provided for the age and ability of the child.

Where one or more of the conditions listed above under 'Role and duties of the Local Authority' are met, should the offer of a meeting be declined KCC will not be able to state that a suitable education is being offered. KCC will also record that there has been no opportunity to speak to the child regarding their education. In this case the child's name will be added to the Children Missing Education register until such time as it becomes possible to ascertain that they are receiving suitable education. This information will also be made available for the KCC Children's Social Services Teams.

When the EHE officer has no reason to have concerns that a parent is not complying with their Section 7 of the Education Act 1996 duty, the EHE officer and family will agree a date for the next annual review of educational provision. Parents may contact the EHE team during this period for advice and support.

Following contact with the parent and child the EHE officer will write to parents within four weeks summarising the matters discussed/presented and will provide any additional information or advice requested by parents.

If it appears that a child is not receiving a suitable education, the EHE officer will offer advice and support to help enhance the education being provided and seek to agree a follow up meeting to monitor progress.

If it appears to the EHE officer that a child is still not receiving a 'suitable' education, the officer will write to the parent requiring them to satisfy KCC that their child is receiving a suitable education (see section 437 (1) Education Act 1996). This letter will state the reasons for KCC's opinion that the child is not receiving suitable education. Parents will be given 15 working days to reply. Their reply should address the question of whether they are providing a 'suitable education' with reference to their own philosophy, and/ or educational provision.

KCC will only take legal action against the parent as a last resort, after all reasonable avenues have been explored to bring about a resolution of the situation.

If it appears to KCC, after considering the parents response to its written notice, is of the view that the child is not receiving a suitable education and that it is expedient that the child should attend school, it shall issue a school attendance order in the form prescribed by the Education (School Attendance Order) Regulations 1995/2090. Before making such an order, KCC will comply with the procedural requirements detailed in section 438 Education Act 1996. At any stage following the issuance of the Order, parents may present evidence to KCC that they are now providing a suitable education and apply to have the Order revoked. If KCC

prosecutes parents for not complying with the Order, then it will be for a court to decide whether the education being provided is suitable. The court can revoke the Order if it is satisfied that the parent is fulfilling their duty. It can also revoke the Order where it imposes an Education Supervision Order.

7. Children with an Education, Health and Care Plan/ Statement of Special Educational Needs

Parents' right to educate their child at home applies equally where a child has special educational needs (SEN). SEN law was revised significantly with effect from 1 September 2014 by the Children and Families Act 2014 which introduced integrated Education, Health and Care assessments dealing with SEN and other issues. As there is a three year period for transition from Statements of SEN to Education, Health and Care ('EHC') Plans this policy refers to both.

Parents can request that they make their own arrangements to home educate their child under section 7 of the Education Act 1996. They should make their request to the SEN Assessment and Placement team at KCC, who will review the case and decide whether the home education programme is appropriate to meet their child's special educational needs. If agreed, KCC will amend the Statement of SEN/ EHC Plan to reflect that parents have made their own arrangements to home educate and arrange for the child to be removed from the roll of the school.

Where a child has a Statement of SEN/ EHC Plan and parents have made their own arrangements to home educate, certain duties will remain the responsibility of the local authority. This will require consultation with parents to ensure that the needs identified in the Statement of SEN/ EHC Plan are being met.

If the parents' arrangements are suitable KCC is relieved of its duty to arrange the provision specified in the Statement of SEN/ EHC Plan. KCC would expect the parents to be able to demonstrate the provision that is being made to meet the child's needs, as outlined in the Statement of SEN/ EHC Plan. If home education results in provision which falls short of meeting the child's learning needs, then the parents are not making 'suitable arrangements' and KCC could not conclude that it is absolved of the responsibility to arrange the provision in the Statement of SEN/ EHC Plan.

Even if the local authority is satisfied, KCC retains a duty to ensure the child's needs are met, to maintain the Statement of SEN/ EHC Plan and to review it annually, following the procedures set out in the Code of Practice for SEN. Parents and the child should always be involved in the annual review process.

Parents can ask KCC to arrange home education (or part of it) for a child with a statement. The request will be considered against the relevant legislation (section 319 Education Act 1996):

(1) Where a local education authority are satisfied that it would be inappropriate for—

(a) the special educational provision which a learning difficulty of a child in their area calls for, or

(b) any part of any such provision, to be made in a school, they may arrange for the provision (or, as the case may be, for that part of it) to be made otherwise than in a school.

(2) Before making an arrangement under this section, a local education authority shall consult the child's parent.

If the local authority agrees to arrange home education the child's statement will be amended to include the home education programme.

If a child is registered at a school under arrangements made by the local authority the parent cannot de-register them to be home educated without KCC agreement. Parents should first contact the SEN Assessment and Placement Team at KCC.

8. Reviewing procedures and practices

KCC will review this policy and practice in relation to EHE on a regular basis. The initial review will be within 12 months of the first date of publication, and thereafter at least every two years.

9. Contact details

For enquiries relating to this policy, please contact the Elective Home Education Team at educationathome@kent.gov.uk

Further information can be found on the Elective Home Education page of Kent County Council's website www.kent.gov.uk

December 2014

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From: Mike Hill, Cabinet Member for Community Services
Barbara Cooper, Corporate Director Growth, Environment & Transport

To: Cabinet - 28 January 2015

Subject: 14/00127 KCC Community Warden Service – Public Consultation Response

Electoral Division: Countywide

Summary: This report provides a redesign proposal for the KCC Community Warden Service following thorough analysis and careful reflection on the feedback of a six week public consultation exercise. A preferred option is presented which will achieve a budget reduction in the region of £700k savings to the service.

Recommendation: Cabinet is asked to agree the preferred option for the future delivery of the KCC Community Warden Service as outlined in paragraph 8.2 of this report.

1. Introduction

1.1 In light of the significant financial challenges facing Kent County Council and the need to reduce the budget allocation to the KCC Community Warden Service as detailed in the Medium Term Financial Plan (MTFP) from 2015/16, a full service review has been completed. The management of the service have explored opportunities to redesign the KCC Community Warden Service with the aim of providing maximum value to the residents of Kent within budgetary constraints. A proposed option was subject to a public consultation exercise that was undertaken between 29 September and 9 November 2014.

1.2 The KCC Community Warden Service has, since 2002, been a recognised and valued service to the community, with the overall aim of the service being able to assist the people of Kent to live safely and independently in their neighbourhoods and communities.

1.3 The Service's core objectives are to:

- Promote community confidence and cohesion.
- Identify and assist in problem resolution.
- Act as “eyes and ears” for other agencies.
- Improve access to local authority services.
- Be a trusted friend for the community.

1.4 Management action, in the form of vacancy management, had to be taken in 2012 to absorb a 10% budget reduction to the KCC Community Warden Service. At the same time arrangements were put in place to make the service more flexible in deployment, to become more engaged with major strategic priorities such as Troubled Families; Predictive Policing; Anti-Social Behaviour (ASB) case management support; to increase its focused work with vulnerable individuals and to take on front line emergency response and recovery responsibilities.

1.5 Also during this period opportunities were taken to reduce management and support overhead costs and following a request to the Chief Constable, KCC Community Wardens have been accredited with formal powers associated with limited highways control and ASB.

1.6 Since 2012 the service has been operating with an average of 80 uniformed staff. There were 74 wardens, including uniformed warden supervisors, in post as of 1st December 2014. The 2012 service redesign has proved successful in terms of more efficient business support, matrix management, performance monitoring and budgetary control arrangements. The KCC Community Warden Service is now part of the recently formed Public Protection Unit in the Growth, Environment and Transport Directorate.

1.7 The KCC Community Warden Service activity system indicates that in the last 12 month period (September 2013 to August 2014) addressing crime prevention and ASB is the most prominent category of reported warden activity, making up 41% of the total activities. The next three categories are environment (i.e. fly tipping, highways issues etc.) 25%, vulnerable people (i.e. concern for welfare, person(s) at risk, bogus callers/rogue traders) 22% and youth (i.e. youth engagement, nuisance youths, concern for welfare) 7.3%.

1.8 The majority of these activities are usually carried out as part of and in support of strategic, county wide operations such as the successful KCC Trading Standards “Scam Busters” programme, the Kent Police Operation Nonagon (addressing rural crime) and Operation Themis (addressing ASB), the Predictive Policing Programme activity as well as the Troubled Families Programme, the County Council’s safeguarding vulnerable people responsibilities and the County Council’s category 1 responsibilities in the event of emergencies and civil contingencies.

2. Financial Implications

2.1 The background to the proposals contained in this report is that the MTFP included financial reductions for the KCC Community Warden Service from April 2015 of £1.28m which is approximately a 50% reduction in budget.

2.2 The Community Warden transformation project implemented during 2012 to deliver a 10% budget reduction laid the foundation for a major redesign of the service in order to deliver the MTFP budget implications from April 2015.

2.3 The preferred option detailed in this report will deliver a reduction in the region of £700k savings in the cost of delivering the KCC KCC Community Warden Service from April 2015.

3. Consultation

3.1 Following a deep-dive service review and the examination of a range of possible management actions, a draft proposal was produced and subjected to an extensive six week public consultation process, which has recently concluded with a large volume of feedback in terms of online and hardcopy consultation feedback, many letters, emails and other types of correspondence. An external agency, Lake

Market Research (Lake), was commissioned to analyse the responses and their feedback and a summary of all responses is attached at Appendix 1.

3.2 The final comprehensive executive report has been received from Lake and can be made available upon request. The key message from the public consultation was that 86% of respondents did not support the proposal to reduce the warden budget by £1.28m. Respondents also did not support the concept of community wardens covering wider geographic areas and wanted their local community focus to be maintained.

3.3 As well as the formal responses to the consultation, 10 e-mails and 19 letters were received from a wide range of responders, these can be found at Appendix 2.

3.4 Eight written petitions and 1 e-petition were received. Details of these can be found at Appendix 3.

3.5 The public consultation included feedback that a number of Parishes wanted to explore options for fully or partly funding a Community Warden in their area. As part of the redesign process, it is proposed that further discussions are held with Parishes individually and with the Kent Association of Local Councils (KALC) in order to develop commissioning arrangements, where appropriate, to increase the resources available to the service.

3.6 Also of note was a measure of support to recruit and train volunteers to support the KCC Community Warden Service and to work closely in individual Parishes. Discussions have taken place with Kent Police and other KCC services that utilise volunteers regarding this proposal and they have all confirmed their support for this measure and that they would assist KCC officers to develop the proposal.

3.7 As part of the consultation feedback, Kent District Chief Executives submitted a formal offer to take over the management and supervision of their local KCC Community Wardens and incorporate them within their district based community safety units. This option has been carefully considered within KCC and also discussed with county partners. It is felt that such an arrangement would only offer minimal cost savings in terms of the reduction in supervisory overheads and there would still be a requirement for KCC to retain some management commissioning ability and provide some business support arrangement which would incur cost. There would be complexities around maintaining service accreditation and identity aligned to the risk of the service being fragmented over 12 districts, with core local activity being lost. A more significant risk to the County Council is the potential operational loss of the ability to task wardens to engage in pan Kent operations and in times of emergency response such as severe weather, flooding and civil contingencies. Therefore, because of the above, it has been decided that this offer will not be pursued

3.8 However, it is intended, within the preferred service redesign, to explore with district authority colleagues where further support could be provided to district community safety units by the KCC Community Warden Service via the local tasking and coordination systems.

4. Redesign Proposal

4.1 Following careful and thorough reflection of the public consultation feedback and responses to the consultation, letters received and the e-petitions, the original service redesign in the consultation has been adjusted and puts forward for consideration the option that the community warden uniformed service should be maintained close to its current level of 72 uniformed posts.

4.2 Also, given the many expressions of interest from parish councils within the consultation responses, the proposal includes, via the Kent Association of Local Councils and Parish Councils, to establish a cadre of volunteer community wardens during 2015/16 and to explore with Parish and District Councils the potential for assistance in resourcing community wardens.

4.3 This amended service redesign proposal will preserve as much community based front line delivery resource as possible and will maintain the essential “local knowledge element” in the KCC Community Warden Service (which 77% of responders indicated as the services greatest strength).

4.4 All other areas of expenditure will be reviewed in order to streamline business support arrangements, update procedures and reduce management overheads.

5. Service Redesign – Deployment

5.1 KCC Community Wardens have for many years been associated with and or been based in specific areas often associated with parish boundaries. Since 2012 more flexible deployment has been adopted as wardens vacancies have arisen with the aim of maintaining individual parish boundary cover but also responding to local district or pan Kent priorities. However, the importance of the close working relationship between community wardens and individual parishes and communities is recognised and was highlighted in the consultation feedback, therefore it is proposed to maintain these working relationships and there will be no suggestion of a centralisation of resources.

5.2 Parishes and communities that currently have a nominated community warden contact will continue to have a designated officer contact point. The resource allocation will mirror the current uniformed presence across the county which has been reduced since 2012 from 101 posts to 72 posts using vacancy management. It is therefore not proposed to reduce the uniformed presence to the level proposed in the public consultation proposal. KCC community wardens will be required to continue and build upon the flexible working arrangements that are currently in place and will only expand their boundaries to include other priority areas where resources allow and on demand. It is important to stress that wardens will continued to be based and work in Parish/community locations.

5.3 There are several resignations and retirement requests from warden staff pending so it is probable that the uniformed establishment of the service will be reduced to 70 posts.

5.4 The service will continue to work with KCC services, in conjunction with external partners, to identify those most vulnerable residents and individuals to ensure they receive priority attention from the KCC Community Wardens.

5.5 The service, in collaboration with KALC and Kent Police, will work closely with the voluntary sector, in particular volunteers who are currently associated with current KCC and police services, to recruit during 2015 /16, volunteers to support the KCC Community Warden Service to work closely with Parishes and local communities. Informal discussions to explore the possibility of establishing this and other types of parish level service provision have already commenced with Kent Police colleagues who manage the Kent Special Constabulary. If this option is approved a definitive model and an action plan will be developed and a further report will be prepared for consideration.

6. Service Redesign – Management, Supervisory and Business Support Arrangements

6.1 It is proposed to still implement the change to the supervisory role with the introduction of a uniformed Team Leader role, which will be very different to the current uniformed District Supervisor role as it would be much more operational in focus, with the role undertaking operational activity, having area responsibilities as well as a supervisory role. Each Team Leader will have 10 to 12 Wardens (depending upon the area), to deploy across their two districts, to work largely on KCC work-streams, mirroring the current situation but also enabling more flexible deployment to respond to KCC priority work-streams. A proportion of the Community Warden staff are currently available to accept tasking's from District based Community Safety Units and it is proposed to review and refresh this working arrangement.

6.2 Due to the reduction in uniformed establishment, there would no longer be a requirement to have 3 administrative officers based across Kent. It is recommended that all 3 posts are deleted and that a single business support officer, supported by an apprentice, is based centrally to cover all administration for the service. Where necessary in times of sickness or annual leave the Community Safety Unit support staff can assist. Storage for all unit equipment (emergency response etc.) would also be required and should be located and managed centrally by the business support officer. The business support officer would be responsible for completing a wide range of tasks, including financial returns, ordering supplies/uniforms, dealing with Trading Standards reports and collating diary sheets, for all teams as well as routine administrative support work.

7. Other Resources

7.1 The service would retain the 12 vehicles currently held, although these will be replaced with vans with a larger seating capacity to allow for teams to attend incidents, and respond to local tasks, without the need for casual user mileage being claimed, which will present a considerable saving for the organisation.

7.2 Two of the vehicles are larger 4x4 vehicles that are fully equipped to respond to emergencies across the county and are able to reach areas impassable with a regular vehicle in times of flooding or snow.

8. Options

8.1 There is an option to do nothing. However, this option will not deliver the MTFP savings required from the service to contribute towards the significant savings that KCC has to accommodate over the next few years.

8.2 The preferred option is to maintain the current reduced establishment. Using vacancy management the uniformed establishment would be reduced to 70, which is a reduction of 31 posts from the original establishment. This could deliver savings in the region of £700k savings in a full year. As vacancies are currently unevenly spread across the county some service redesign would still be necessary to balance service delivery. Integral to this option, work would commence over the next 12 months to explore the potential of developing local service provision arrangements with Kent Police and also to recruit volunteer wardens to support the service at a Parish level. Formal exploratory discussions would also commence with interested Parish Councils (supported by KALC) and District Councils to determine the feasibility of funding income to supplement resources. Discussions would also take place with districts to determine if community wardens could increase their support to the work of local community safety units by accepting appropriate additional operational duties from this source.

8.3 The service could use vacancy management to reduce numbers to the level determined by budget availability over a longer period. This would deliver savings over a longer time but as vacancies are likely to arise unevenly across the county some service redesign would still be necessary to balance service delivery and maintain operational cover.

9. Recommendations:

Cabinet is asked to agree the preferred option for the future delivery of the KCC Community Warden Service as outlined in paragraph 8.2 of this report.

10. Background Documents

Public Consultation Executive Report – produced by Lake

11. Contact details

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Kent County Council Redesign of Community Warden Service

Interim findings of Public Consultation

Prepared by Lake Market Research

21st November 2014

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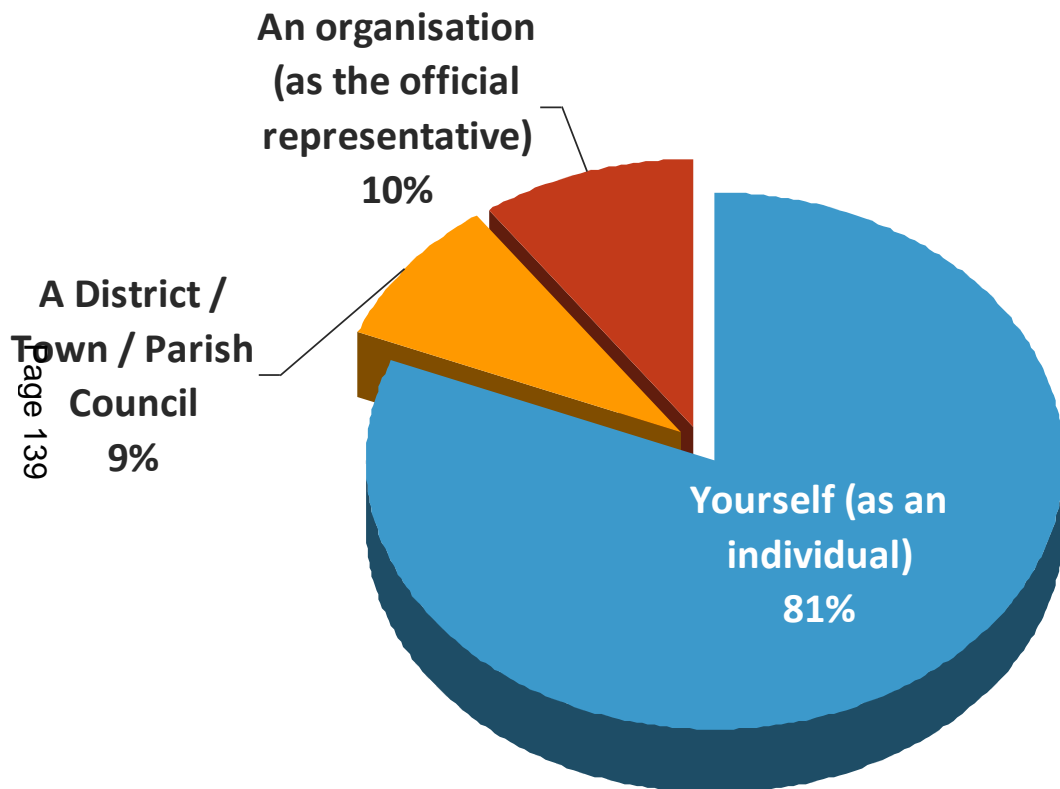
*This report complies with ISO:20252 standards
and other relevant forms of conduct*

Research Background & Methodology

- Kent County Council's Community Safety Service launched a public consultation on the re-design of the Community Warden Service on the 29th September.
- Consultees were invited to submit their views on the proposals via each of the following channels:
 - An online questionnaire featured on the kent.gov website
 - In paper form via the community wardens themselves.
- The consultation period ran for a period of 6 weeks from 29th September to 9th November 2014.
- The consultation questionnaire was designed by Kent County Council and featured a number of open ended questions. These questions have been reviewed and coded into themes to provide quantitative analysis alongside qualitative comments.

1,184 responses have been recorded across individuals, Councils and organisations.

Are you completing this questionnaire on behalf of...?



Number of completions per sample group:

Yourself (as an individual)	960
A District / Town / Parish Council	101
An organisation (as the official representative)	123

Base: All answering (1,184)

Profile of the Individuals responding...

Gender	
Male	36%
Female	54%
Prefer not to say / not answered	10%

Age	
14 and under	5%
35 – 44	11%
45 – 54	13%
55 – 64	14%
65 – 74	21%
75 and over	16%
Prefer not to say / not answered	20%

Disabled as set out in Equality Act 2010	
Yes	13%
No	70%
Prefer not to say / not answered	17%

Type of impairment applies for those answering yes	
Physical impairment	51%
Sensory impairment	24%
Long standing illness or health condition	34%
Mental health condition	8%
Learning disability	5%
Other	17%
Prefer not to say / not answered	6%

Details of District/Town/Parish Councils responding...

- Appledore Parish Council
- Ash Parish Council
- Ashford Borough Council x 2
- Aylesford Parish Council
- Bekesbourne with Patricbourne PC
- Birchington Parish Council x 2
- Bobbing Parish Council
- Borden Parish Council
- Brabourne & Smeeth Parish Council
- Burham Parish Council
- Capel le Ferne Parish Council
- Chart Sutton Parish Council
- Chartham Parish Council
- Children's Centre
- Cliffsend Parish Council
- Collier Street Parish Council
- Crookenhill Parish Council
- Dartford Borough Council
- District councillor for Otford and Shoreham
- Ditton Parish Council
- Dover District Council, Eythorne & Shepherdswell
- Dover Town Council
- Dymchurch Parish Council
- East Malling and Larkfield Parish Council x 2
- East Peckham Parish Council
- East Sutton Parish Council
- Eastchurch Parish Council
- Eastry Parish Council
- Egerton Parish Council
- Elham Parish Council
- Eynsford Parish Council
- Eythorne Parish Council
- Farningham Parish Council
- Fawkham Parish Council
- Frittenden Parish Council
- Gravesham Borough Council csu
- Hadlow Parish Council
- Hartley Parish Council
- Hawkinge Town Council
- Headcorn Parish Council
- Herne and Broomfield Parish Council
- High Halden Parish Council
- Higham Parish Council
- Hollingbourne Parish Council
- Independent councillor of East Malling and Larkfield Parish Council
- Maidstone Borough Council – Loose Ward
- Ashford Borough Council – Oxney Ward
- Iwade Parish Council
- Kingsnorth Parish Council
- Kingswood Broomfield Parish council
- Langdon Parish Council
- Lenham Parish Council
- Littlebourne Parish Council
- Longfield and New Barn Parish Council
- Loose Parish Council
- Lower Halstow
- Lydd Town Council
- Lympne Parish Council
- Maidstone Borough Council
- Marden Parish Council
- Meopham Parish Council
- Mereworth Parish Council
- Minster on Sea Parish Council
- Molash Parish Council
- New Romney Town Council
- Nonington PC
- Otford Parish Council
- Pembury Parish Council
- Plaxtol Parish Council
- Shepherdswell with Coldred Parish Council
- Shepway and Folkestone Town Councils
- Shoreham Parish Council
- Shorne Parish Council
- Snodland Town Council
- St Margaret's at Cliffe Parish Council
- St Nicholas at Wade and Sarre Parish Council
- St. Mary in the Marsh Parish Council
- Sturry parish council
- Sutton Valence Parish Council
- Swanscombe and Greenhithe town council
- Swingfield Parish Council
- Tenterden Town Council
- Teynham Parish Council
- Tunstall Parish Council
- Vigo Parish Council
- Vigo Village
- Walmer Parish Council
- Weald South Ward of Ashford Borough Council
- West Kent Neighbourhood watch Association
- West Kingsdown Parish Council
- Westerham Town Council
- Wilmington Parish Council
- Wingham Parish Council
- Wouldham Parish Council
- Wrotham Parish Council
- Wye with Hinxhill Parish Council
- Yalding Parish Council
- UKIP Borough Councillor

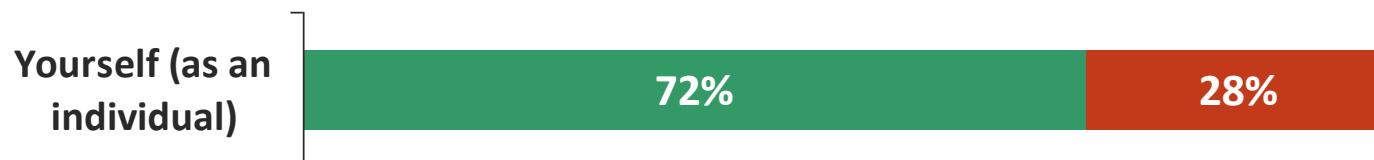
Details of Organisations responding...

- Age UK Maidstone & North West Kent
- Amicus Horizon Limited
- Ashford Borough Council, ward member
- Ashford District Partnership Group
- Bean Residents Association
- Bramley Court residents
- Brampton Field Residents' Association
- BRFM Bridge Radio
- Canterbury & District Neighbourhood Watch Association
- Canterbury 4 The Environment C4E
- Capel-le-Ferne village hall
- CARM meeting point at Tenterden
- Central Care and Support
- Chartham over 60's club, Primary School, Youth Club
- Chindery Court Sheltered Housing
- Churches of Eynesford, Farningham and Lullingston
- Church Hill C of E Primary School, Westerham
- Citizens Rights for Older People
- Cognatum Limited
- Community hub afternoon tea club (CHAT)
- Creteway Estate Residents Association
- Crockenhill Baptist Church
- Culverstone Neighbourhood Watch
- Ditton Church pre school
- Dover & District Neighbourhood Watch Association
- Dover Community Safety Partnership
- Dover District Council Labour Group
- Dr R F Cullen and partners
- East Kent Housing (Independent Living Team)
- Eastry Neighbourhood Watch Chairman
- Farmers Market Chartham
- Folkestone Harbour Wards Residents Association
- Greenhill Community Cafe
- Greenhill Pact Group
- Greenhill Residents association
- Harrietsham Fish Scheme
- Hartley afternoon W I
- Hartley Bay & Toddler Group
- Headcorn Eldercare
- Herne Speedwatch
- Hersden Community Centre
- Higham Age Concern Luncheon Club
- Higham Neighbourhood Forum
- Home Instead Senior care Tunbridge Wells, Sevenoaks and Edenbridge
- Homewood School & sixth form Tenterden
- Hothfield Educational Foundation
- Ireland's Bakery
- Bubblestone Road neighbourhood watch
- KCC Adult Social Care Strategic Commissioning
- KCC home support network, ILS service, support SU's with LD & physical disability
- KCC Romney Marsh County Councillor
- Kent Association of locals- Gravesham branch
- Kent County Council Trading Standards Service
- Kent Office of Police and Crime Commissioner (OPCC) on behalf of the Police and Crime Commissioner (PCC)
- Kent Peoples Trust
- Kent Police
- KFRS (Herne Bay)
- Larkfield Neighbourhood Watch / North Larkfield Group for the protection of the Environment
- Lifesaver Emergency Response
- Longfield country market
- Lydd Meeting Point
- Lympne CEP School, School PTFA
- Maidstone Youth Project
- Minster gathouse museum
- Minster Surgery
- Monkton (Thanet) social group for retired or semi retired
- Neighbourhood Watch x 6
- New Romney meeting point
- Over Sixties Club
- Pastoral Team, Birchington CE Primary school
- Pilgrims Hospice shop, New Romney
- Royal British Legion Eastry, Birchington branches
- Rusthall Medical Centre
- Sandyhurst Lane Residents' Association (Ashford)
- Sevenoaks District Councillor
- Shepherdswell Pre-school
- Shepway & East Folkestone neighbourhood watch co-ordinator
- Shorncliffe Nursery
- South Street Baptist Church, Meopham
- St John's Church, Higham
- St Michaels Village Community Group
- St Saviours Community Centre and Horn Street Speed Watch
- St. Bartholomew's Church, Otford
- St. Michaels Preschool
- Staplehurst Interest Group
- Stephen P Gay Funeral Service Ltd
- Stone (Dartford) Scout Group
- Strange Cargo
- Temple Hill Trust
- Tenterden & District Day Centre
- Tenterden Community Emergency Plan Steering Group
- Thanet Community Networks
- The Ark Christian Centre and Happy Feet Preschool Dover Kent
- The Ark Dover
- The Bayle Residents' Association
- The Bradstone Association (residents' group)
- The Farningham Tea & Chat Group
- The Illegal Money Lending Team
- The Shoreham Society
- Thursday Fellowship which meets St Peter's church Hextable weekly 2-4 pm for older people
- Tonbridge & Malling Community Safety Partnership
- Tonbridge and Malling safer towns
- Vigo pop in club for the over sixties
- Ward Councillor - Maidstone Borough Council
- Weald Club for the disabled
- Well-Being at Home Befriending service
- West Kingsdown Baptist Church
- White Cliffs Primary College
- Wood Avenue Park View & Kitchener Square community Association
- Young at Heart, 60 plus club, age UK Hub



The majority responding have received a service from the Wardens or are actively involved with the service.

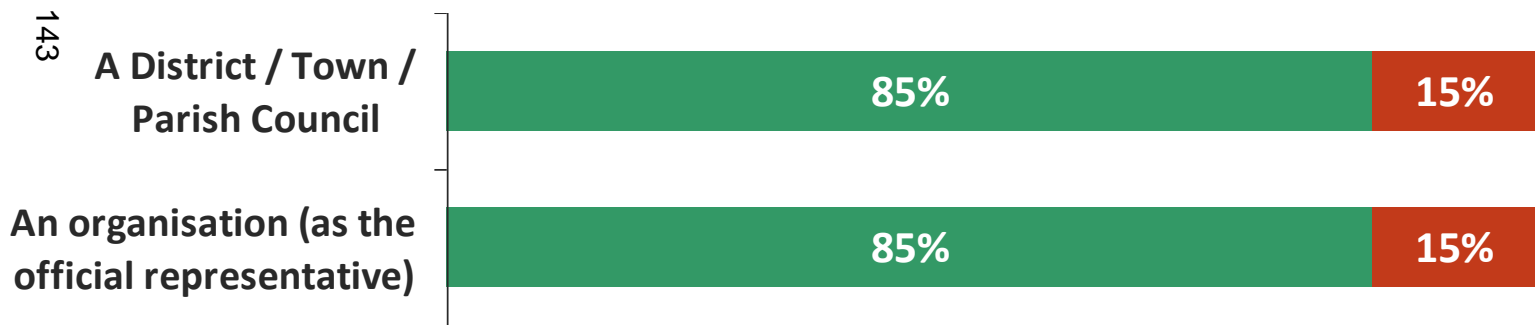
Do you / have you received a service from Kent County Council Community Wardens?



% **Yes** - Aged 34 and under: 57%, Aged 35-44: 79%, Aged 45-54: 73%, Aged 55-64: 70%, Aged 65-74: 71%, Aged 75 and over: 82%

Is your organisation actively involved with the Community Warden Service?

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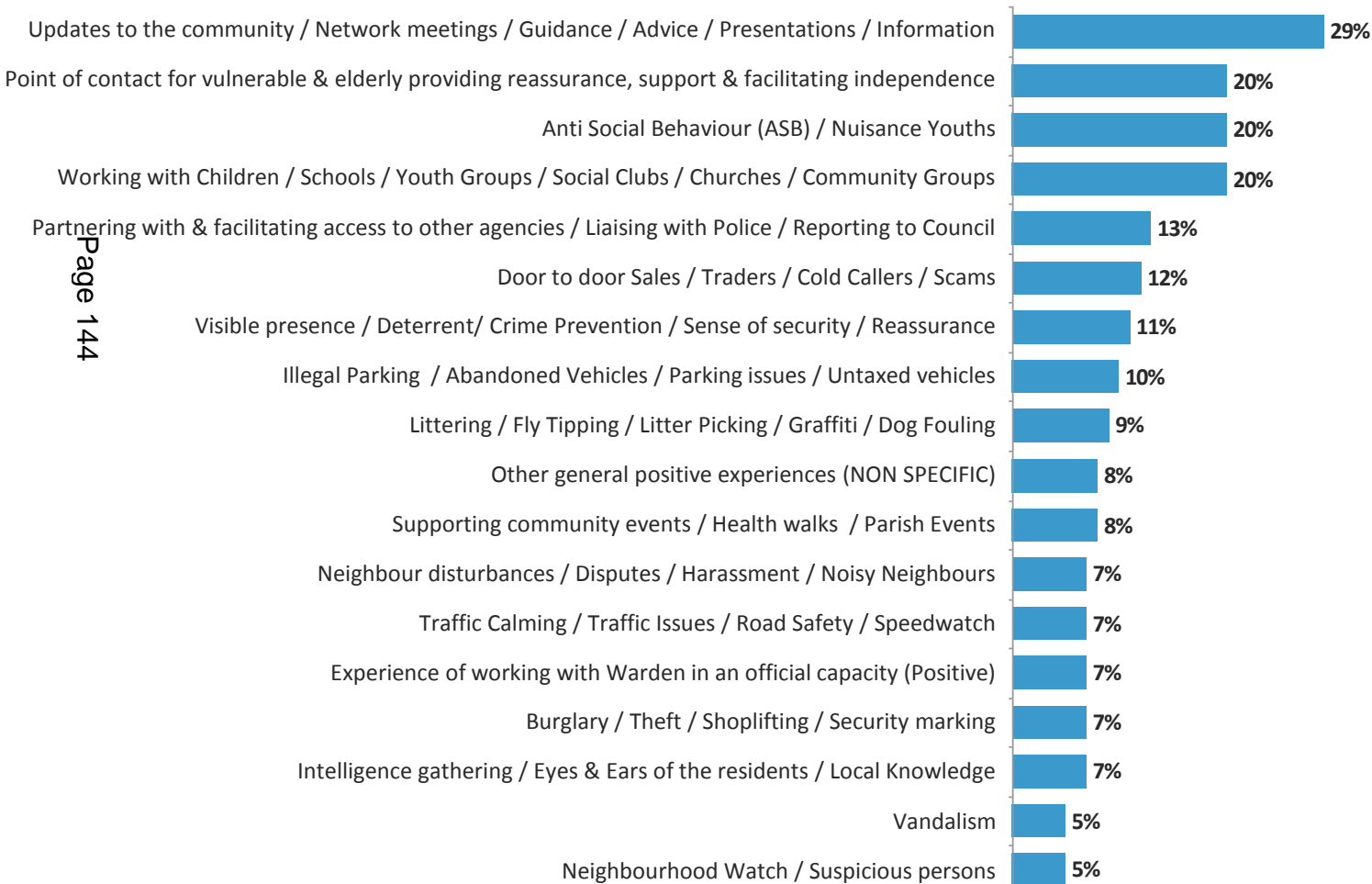


Base: All answering (1,151), Individuals (933), District/Town/ Parish Councils (100), Organisations (118)



The service received covers a wide range of areas, but notably concerning the elderly and the young.

Details of the service received from Kent County Council Community Wardens



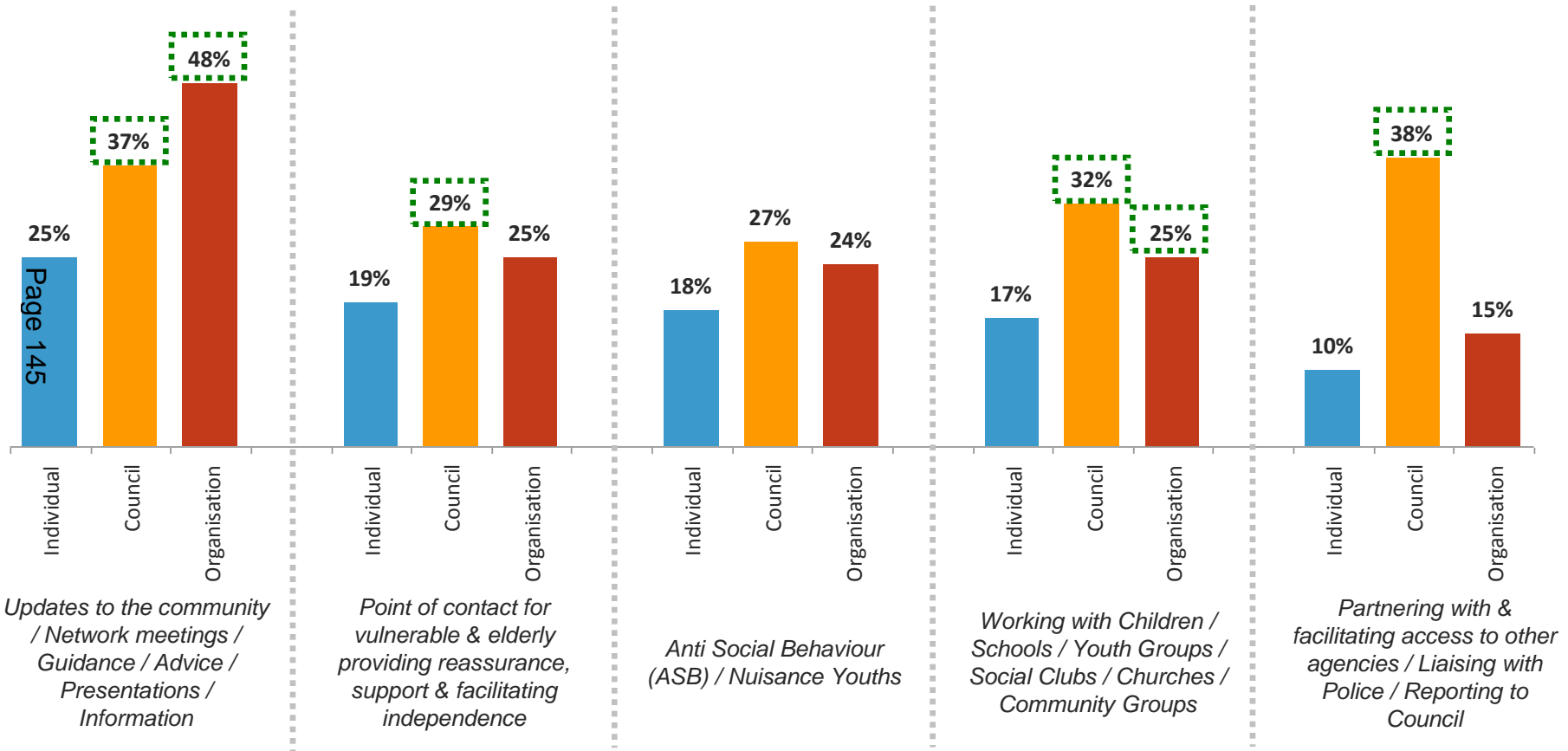
Page 144

Base: All answering (845)

Community updates / liaison and partnerships are particularly referenced by Councils / Organisations.

Details of the service received from Kent County Council Community Wardens

Top 5 details by group



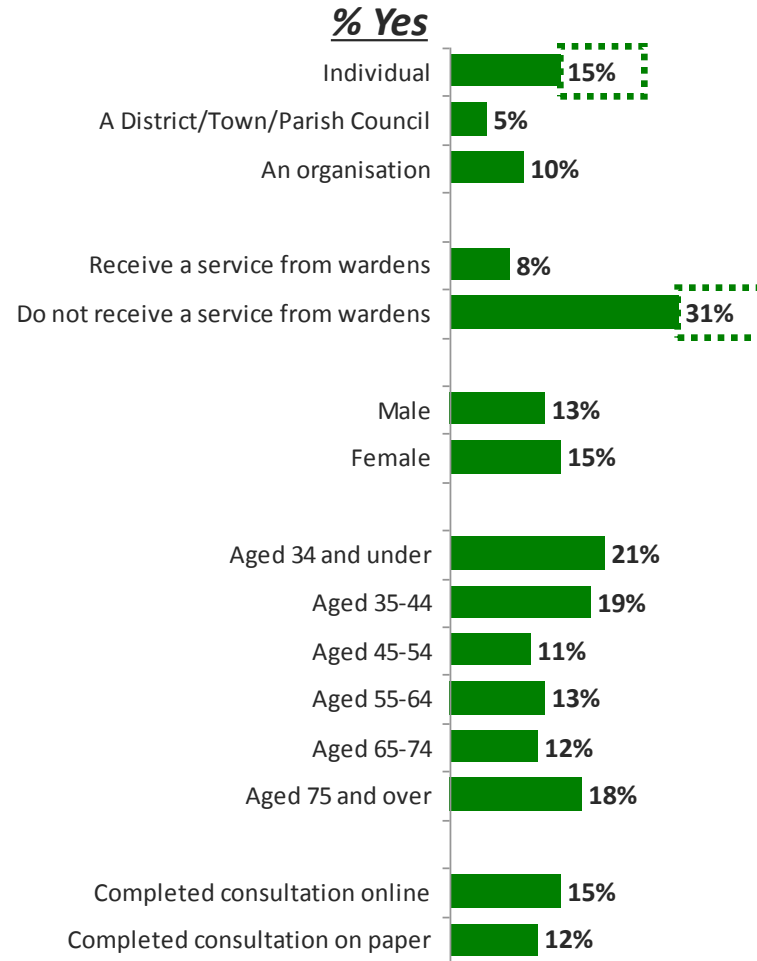
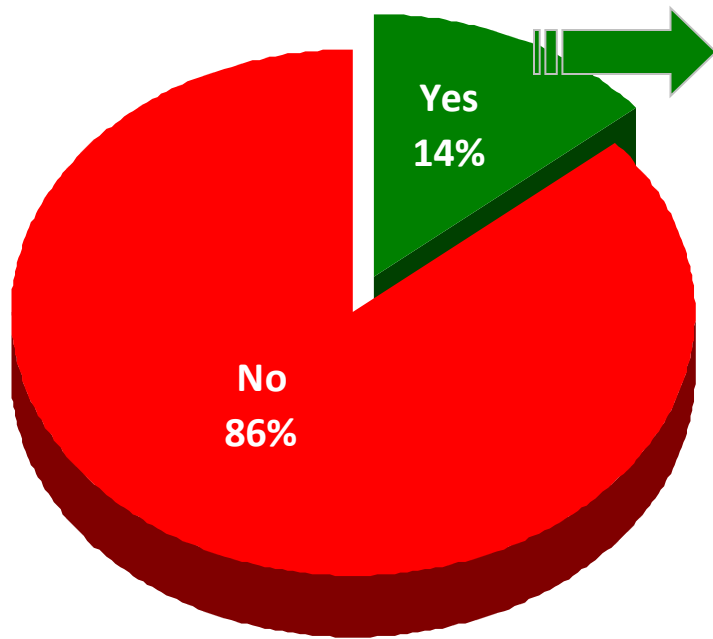
Base: All answering (958)

Significantly higher at 95% confidence level to other groups

14% support the Consultation proposal. As expected this proportion falls to 8% amongst those who receive a service.

Do you support the proposal as set out in the Consultation Document?

Page 146

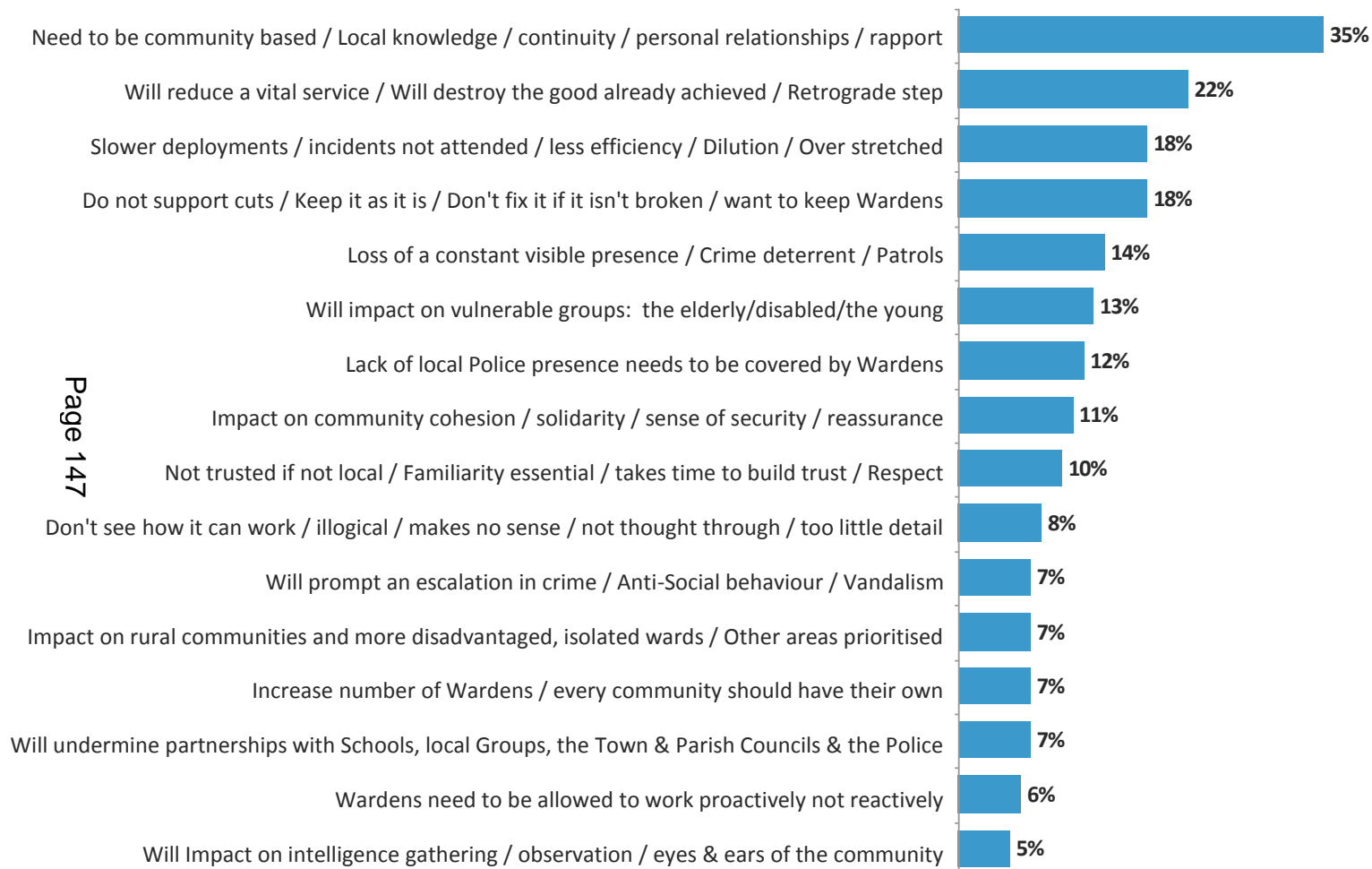


Base: All answering (1,149)

Significantly higher at 95% confidence level to other groups

Consultees believe wardens should be community based and continuity is important.

Reasons for not supporting proposal as set out in Consultation document (coded)



Page 147

Base: All answering (958)

Some examples of Consultees specific comments...

Reasons for not supporting proposal as set out in Consultation document (comments)

"Our community warden is an expert on local matters, he knows all the residents and where all the troubled families live, in a way a non community warden would not, the clue is in the term community warden, he puts himself out to help us"

"I think that the wardens should be geographically based so that they can continue to be very familiar with a locality and therefore provide a much better service because of their local knowledge and relationship with the local community. If this is lost then their performance will be considerably impaired"

"It is very clear that we as Maidstone Borough Council and our residents and stakeholders value the community wardens as a key community resource. They have been successful in addressing residents' fear of crime and provide a core service within the communities in Maidstone as detailed in Question 2. Reducing the number of 'ground workers by nearly 50% will impact on the residents who currently receive a service but also impact the support given to the statutory agencies such as district councils, Kent Police and Kent Fire and Rescue Service."

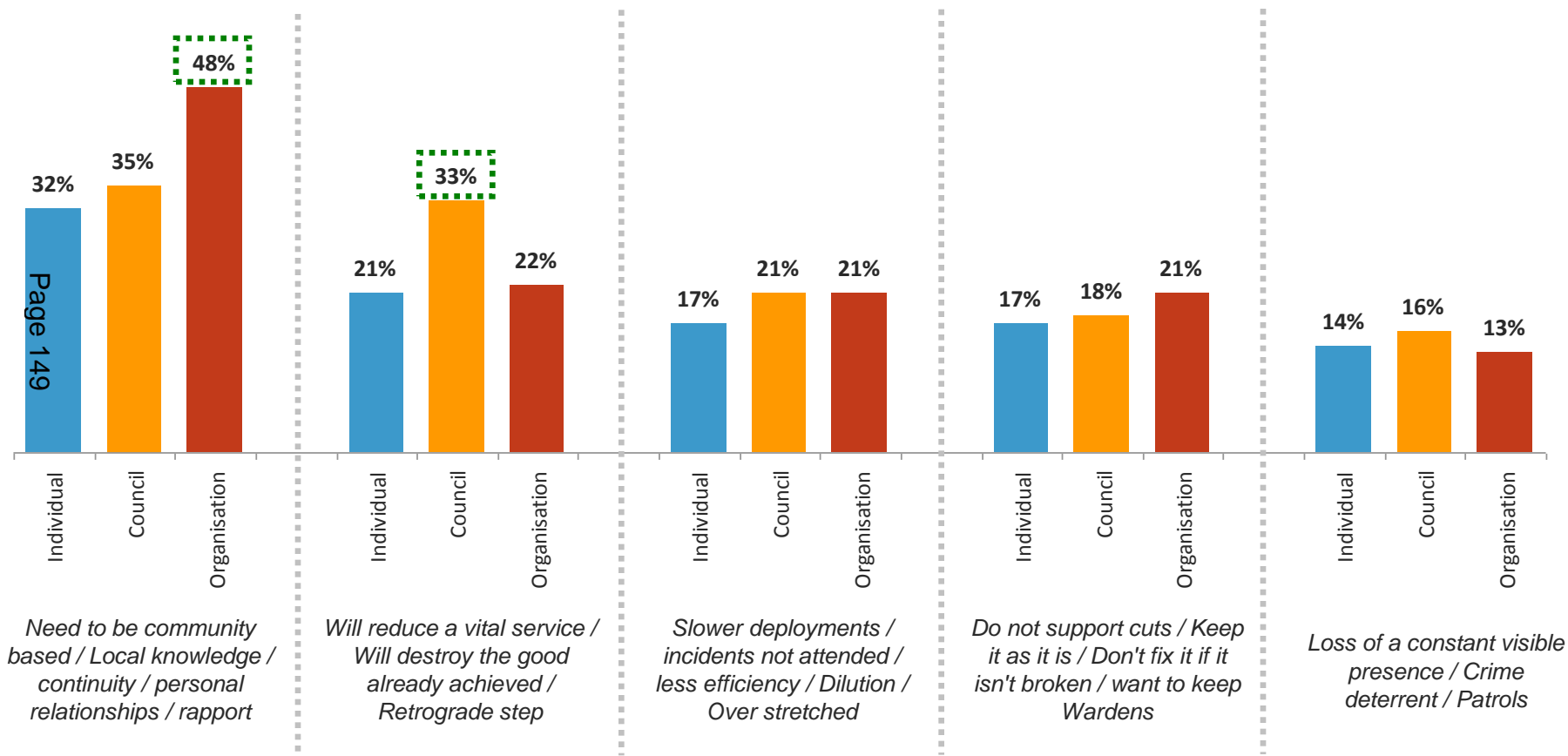
"From page 10 of the Consultation Document: What this means for your local community If this proposal is agreed then in the future you may not see as many community wardens on the streets of Kent. Response: But this is what the community wants! However, the proposed new structure means we will be able to serve more communities than we do currently. Response: Inefficiently because spread too thinly. On top of this we will be better placed to respond quickly and easily to issues as they arise. Response: A lot of time wasted driving around with an overall success rate reduced by at least 50%"

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Community based wardens are particularly important to the organisations responding.

Reasons for not supporting proposal as set out in Consultation document

Top 5 reasons by group



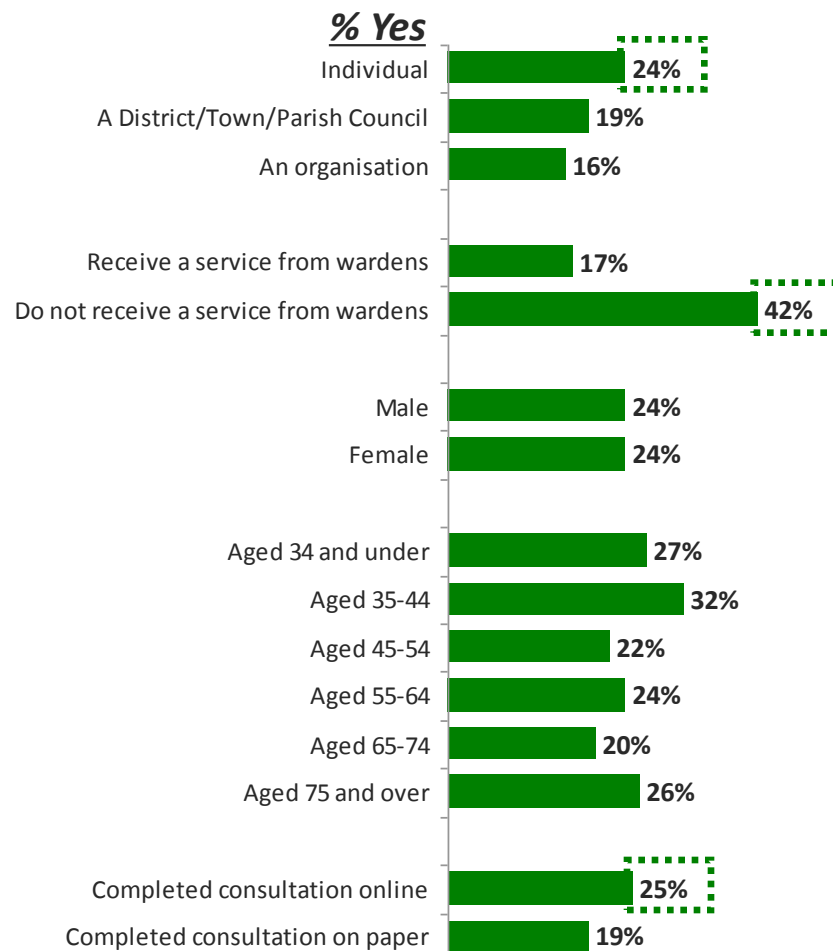
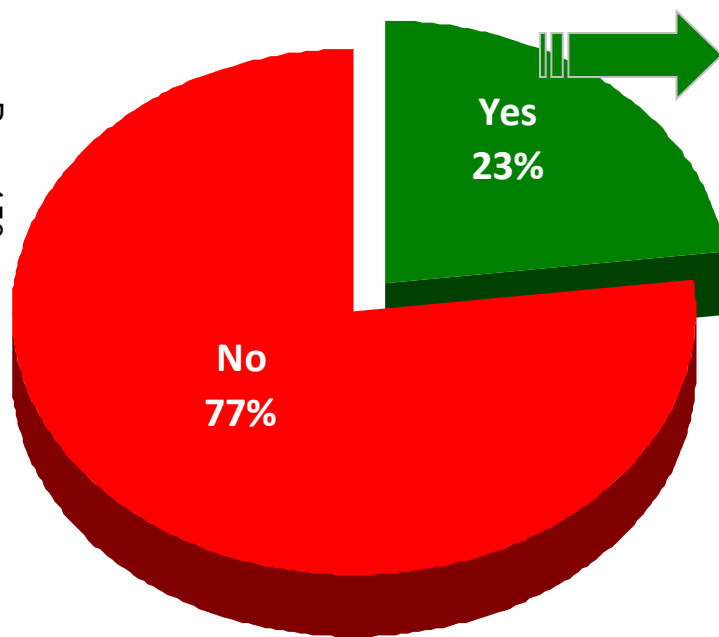
Base: All answering (958)

Significantly higher at 95% confidence level to other groups

23% support the proposal for less focus on geographic boundaries. This proportion falls to 17% amongst those who receive a service.

Do you support the proposal for less focus on geographic boundaries, so that Wardens can be quickly and easily deployed to where they're needed most?

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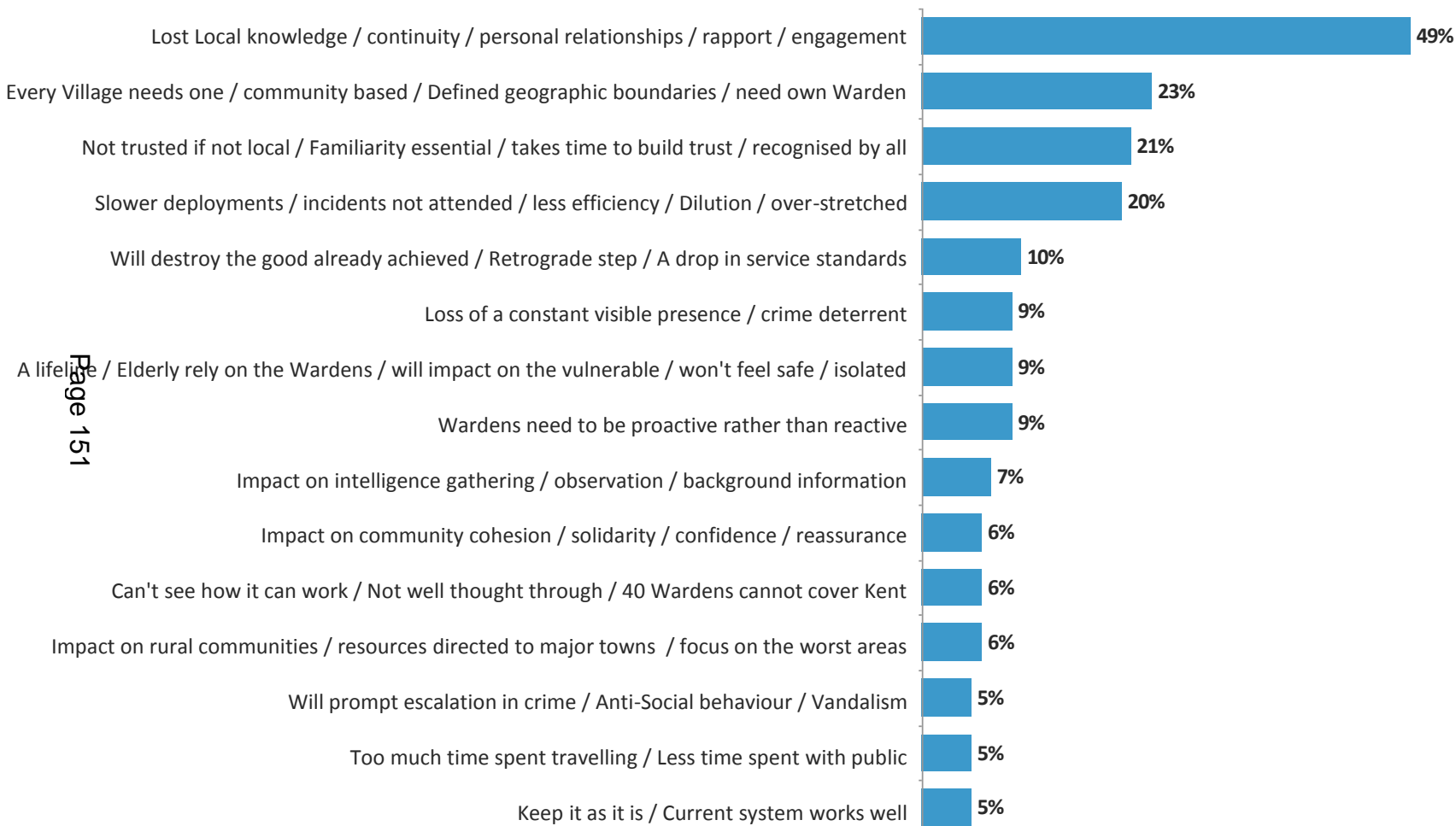


Base: All answering (1,153)

Significantly higher at 95% confidence level to other groups

The loss of relevant local knowledge and relationships worry a significant majority.

Reasons for not supporting proposal for less focus on geographic boundaries (coded)



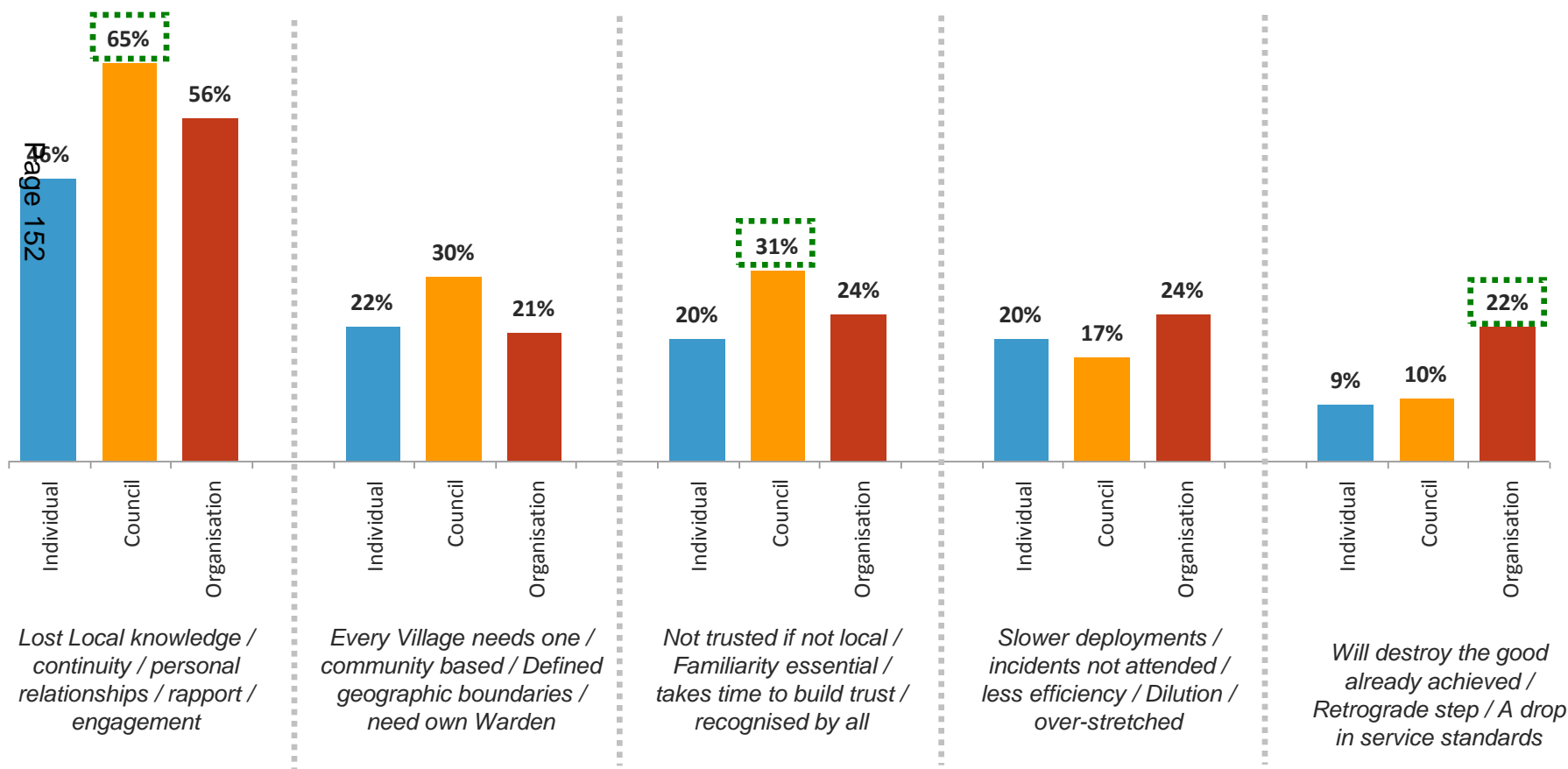
Page 151

Base: All answering (869)

The loss of local knowledge and the subsequent impact on trust are a particular concern to Councils responding.

Reasons for not supporting proposal for less focus on geographic boundaries

Top 5 reasons by group

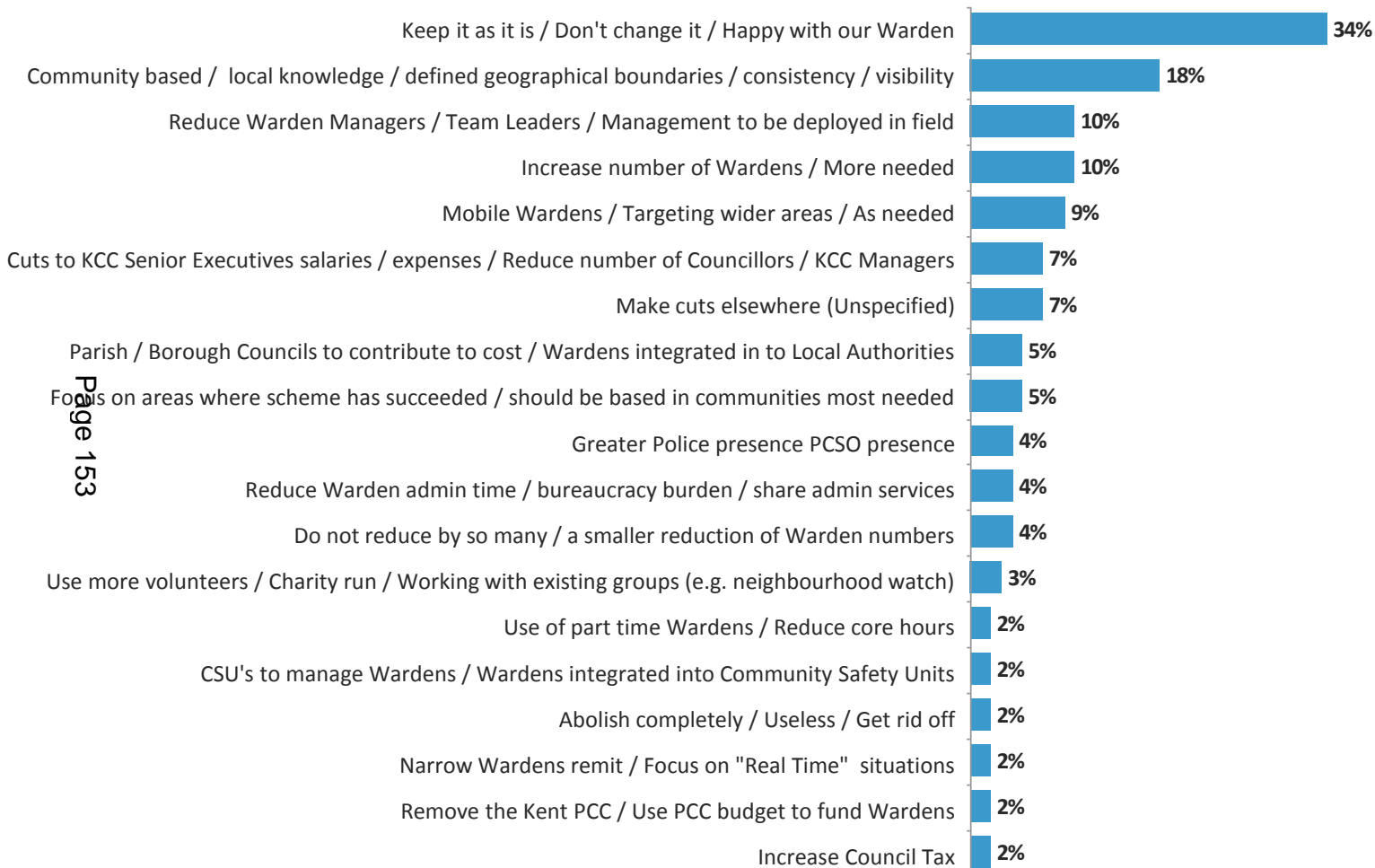


Base: All answering (958)

Significantly higher at 95% confidence level to other groups

Few suggested additional options for consideration. Some agreement with regard to leader / manager reductions.

Any other options that they would like to be considered (coded)



Page 153

Base: All answering (597)

Some examples of Consultees specific comments...

Any other options that they would like to be considered (comments)

"Yes a cut in management before cuts to the wardens. They have been running with two area managers for over a year so if the wardens are reduced why do they still need two area managers. one are manager and three team leaders is all that is needed."

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"Instead of the proposals to increase the mobility of the wardens, they should be given distinct locations even if their time in each is to be reduced i.e. 2 or 3 days in each. The value of the wardens is that they know in depth their areas of work. PCSOs come & go and never learn much about the areas that they cover. We need men & women that can be trusted to serve their communities."

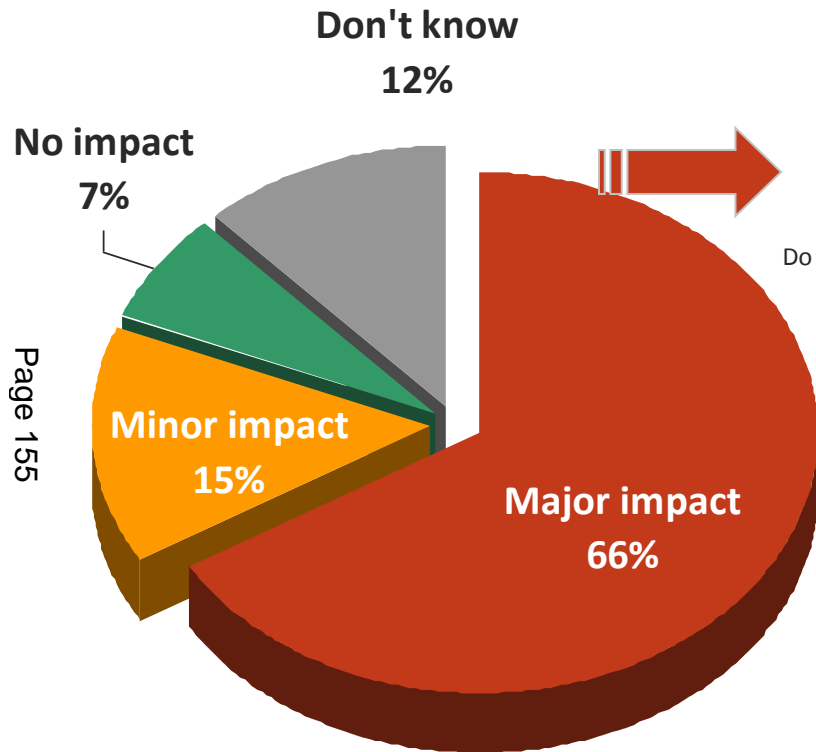
"Admin posts to 2 at least (one East Kent, one West Kent) supervisors to 8 at least, wardens to 60 or 65 at least, increase warden area coverage, but keep as much geographical link as possible to maintain local contacts/ knowledge"

"The cuts to the Community Safety and Community Wardens budget are in the region of 30% which will have a massive impact on the service being delivered. However, this is a miniscule part of KCC's budget (0.14%) and the proposed savings are insignificant in the big picture. It is unrealistic of you to ask us to propose other options. Given unrestricted access to your finances the Council is sure it could find other areas to make savings. For example KCC spent £4.5m on consultants in 2012. If this spending is being maintained at this level now then that is a prime area to address."

"Has a reduction of the core-hours been considered. The current and proposed range of 7:30 to 22:00, must require overlapping shifts and almost matches the current core-hours of even Kent Police PCSOs. By reducing the core hours and the shift overlap, a significant number of hours could be saved. Along with a positive part-time recruitment campaign this could save money but retain the number of Wardens, retaining that all important local knowledge and trust. Along with the planned proactive deployment and the reactive deployment, has consideration been given to a dedicated, guaranteed amount of time, by a named Warden, in each of the areas that is currently served by a Warden. Again, this would serve to underpin that local bond."

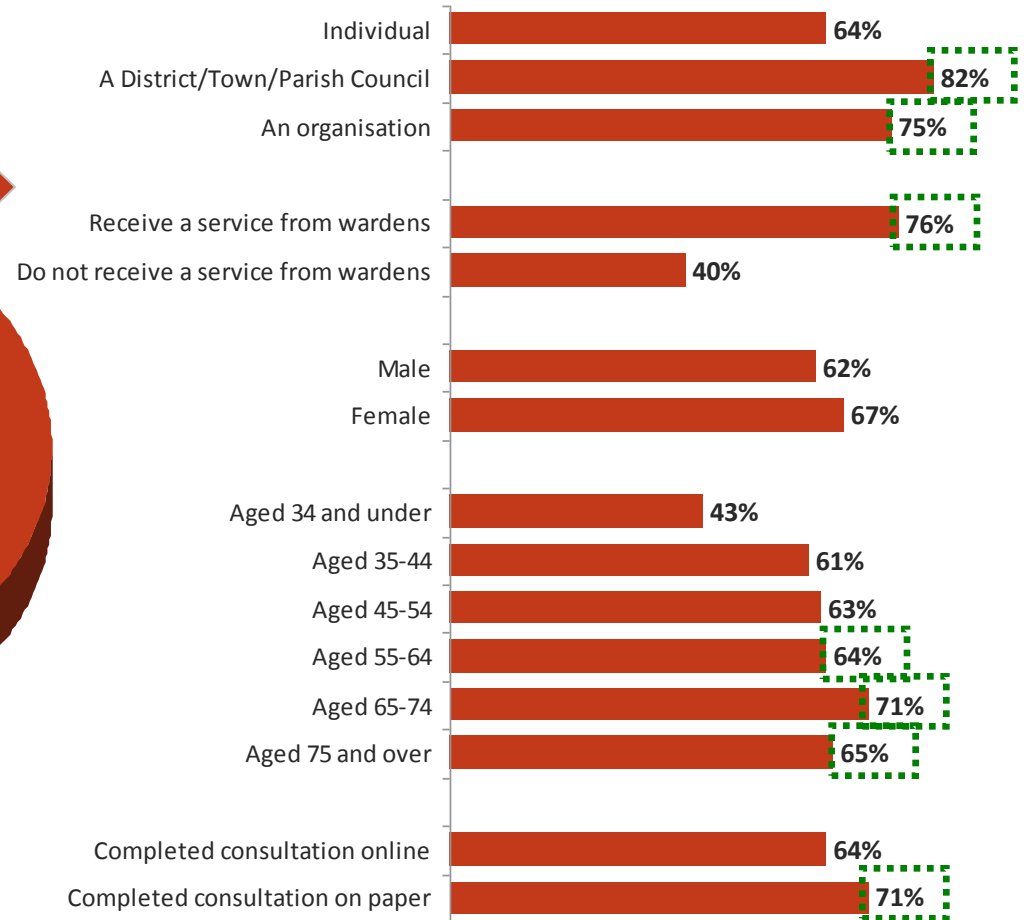
Two thirds believe the proposals would have a major impact on them.

If proposals were implemented what could be the impact upon you/your organisation?



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% Major impact

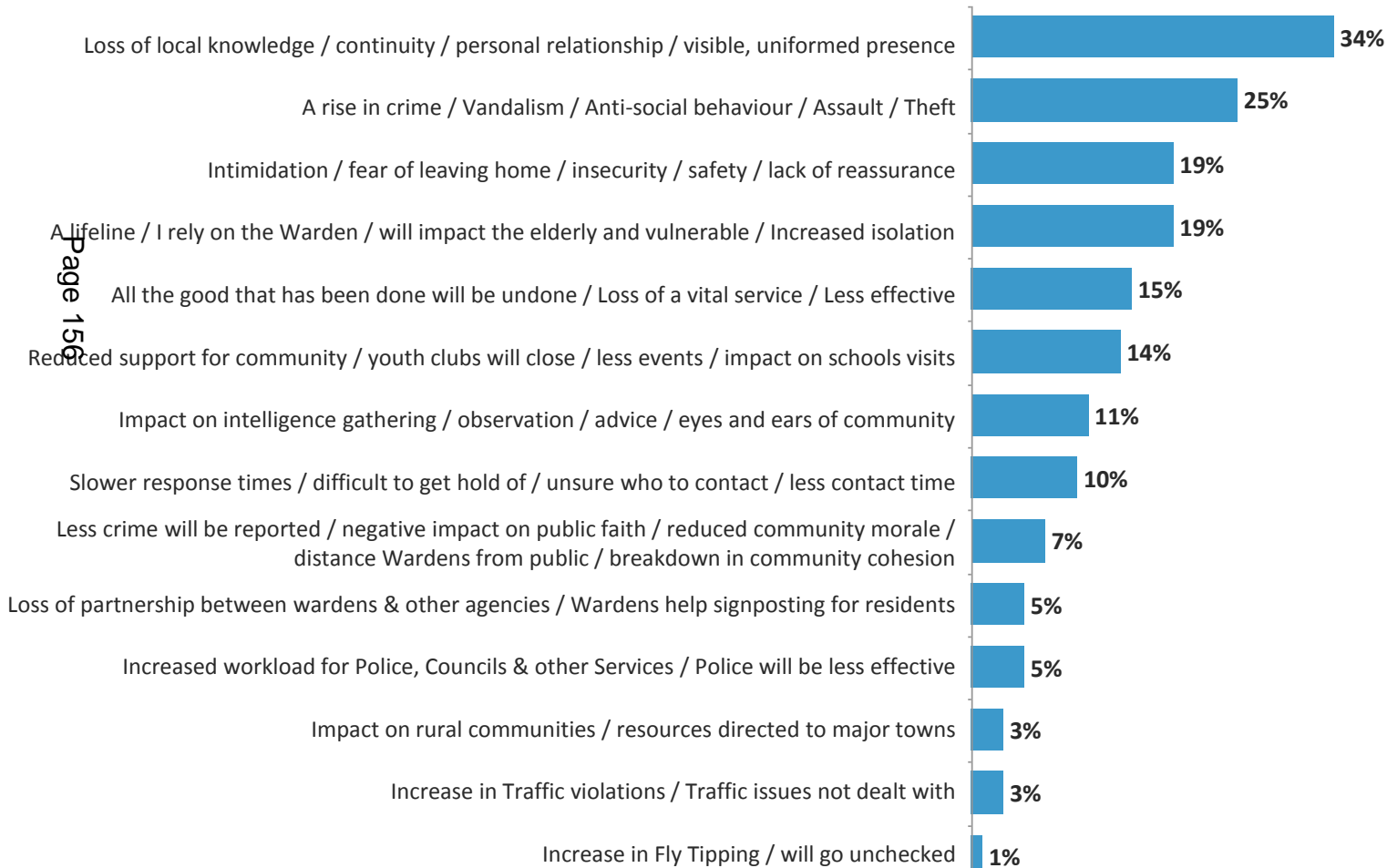


Base: All answering (1,153)

Significantly higher at 95% confidence level to other groups

Responses to perceived impact echoes local knowledge / relationship and safety concerns.

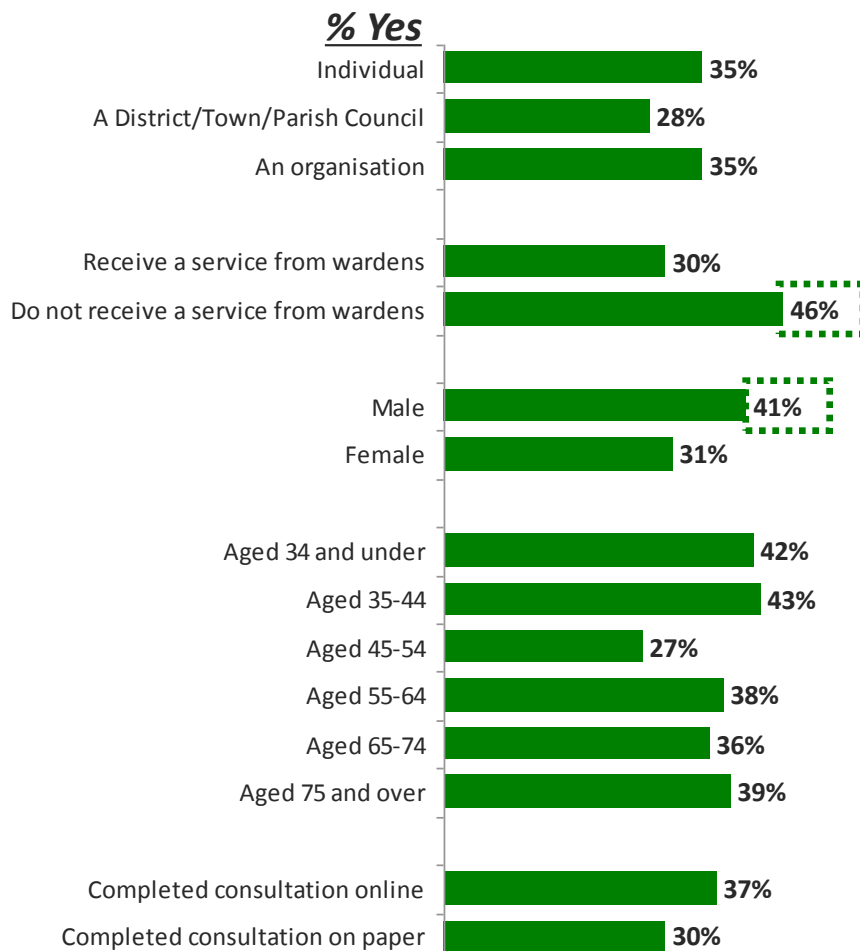
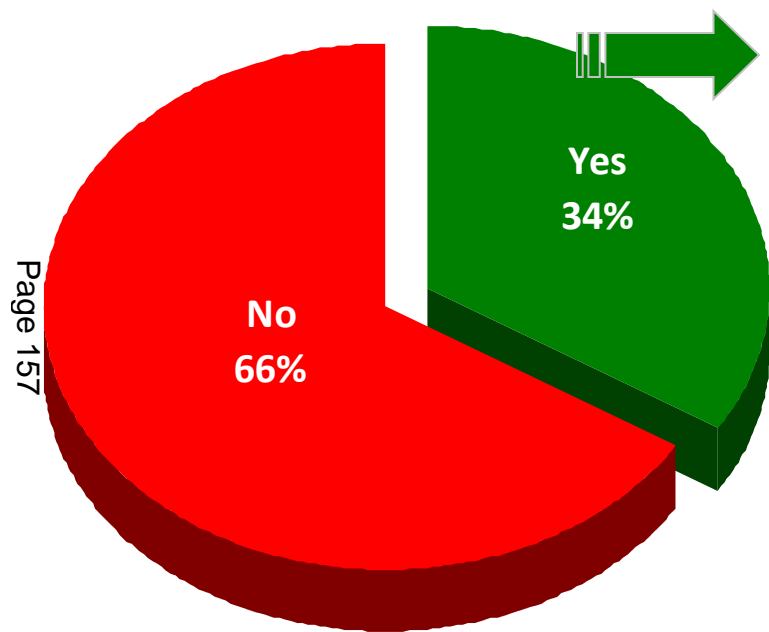
Details of the major or minor impact upon you / your organisation (coded)



Base: All answering (597)

34% believe volunteers could be used to supplement the service in the future.

In the future, do you think volunteers could be used to supplement the Community Warden service (a service similar to Special Constables)?



Base: All answering (1,087)

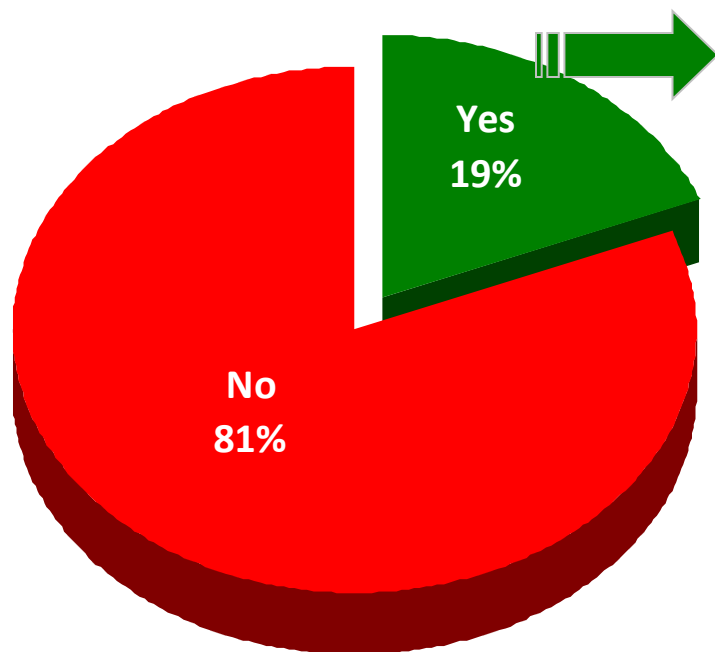
Significantly higher at 95% confidence level to other groups

A significantly higher proportion of Councils would consider the option of funding compared to Organisations.

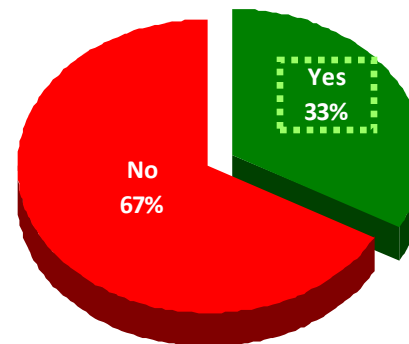
Would your organisation, either individually or collectively with others, consider the option of funding a dedicated Community Warden for your area?

Overall

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District/Town/Parish Council



Organisation



Base: All answering (190)

Significantly higher at 95% confidence level to other groups



Community Warden Redesign – Letter/Email Responses Received

Type of Response	Responder	Details
Letter	Swale Community Safety Partnership	Proposal to take over supervision of KCC Community Wardens in area
Email	St Mary's Stanstead, Vigo & Fairseat	Supportive of their local community warden
Letter	Dymchurch resident	Supportive of their local community warden
Letter	Secretary Greenhill PACT Group	Supportive of community wardens, makes proposals for other costs reductions including reducing KCC executive pay and closing the Police & Crime Commissioners Office
Letter	Thanet Area Committee	Requests reconsideration and withdrawal of proposal to reduce the number of community wardens
Letter	Ramsgate Resident	Proposes the introduction of Environmental Enforcement Officers
Email	Iwade Parish Council	Requests KCC not to change the present community warden scheme
Letter	Dover District Council	Proposal to take over supervision of KCC Community Wardens in area
Letter	Appledore Resident	Requests that the status quo is retained and that a base is retained in the village
Letter	Hawkinge Town Council	Concerns regarding proposal and that the reduction will lead to more expenditure in the longer term. Also supportive of a District based service
Letter	Swingfield Parish Council	Concerns regarding proposal and that the reduction will lead to more expenditure in the longer term. Also supportive of a District based service
Letter	Dartford Council	Proposal to take over supervision of KCC Community Wardens in area
Letter	Minster on Sea, resident	Supportive of local community wardens and wanting more in Minster
Letter	East Peckham, resident	Keep the community wardens local
Letter	Harrietsham Parish Council	Totally opposed to changes
Letter	Kent Police – Shepway CSP	Would like proposal reconsidered, with community wardens being allocated to individual wards
Letter	Kent Association of Local Councils	Would like proposals reconsidered and would like further discussions and the opportunity to consider alternatives.
Email	Borden Parish Council	Please do not reduce the number of community wardens and please keep current geographic boundaries.

Letter	KCC Members for Herne Bay	A number of alternative proposals offered and a request for further work on proposals
Letter	Tunbridge Wells Borough Council on behalf of Kent Chief Executives	Proposal to take over supervision of KCC Community Wardens in districts
Email	Tonbridge & Malling Borough Council	Proposal to take over supervision of KCC Community Wardens in districts
Email	Tunbridge Wells Borough Council	Proposal to take over supervision of KCC Community Wardens in districts
	Bobbing Parish Council	Please do not take away our community warden, or reduce the number of wardens or change geographic boundaries
Email	St Margaret's Bay, resident	Please reconsider proposals
Letter	Yalding Parish Council	Urged to keep wardens at current level
Letter	Kent Police –HQ response	Concerns regarding reduction and request that supervision of community wardens remains with KCC
Email	Lympne, resident	Scrap service and refund cost to residents
Email	Shepherdswell, resident	Community warden is vital to the village, scrap the Police and Crime Commissioner
Email	Councillor, TMBC	Please consider the implications on communities of reducing the service
Email	Lyminge Parish Council	Supportive of Kent Chiefs proposal but would also like discussions regarding financing additional warden support in their area

Community Warden Redesign – Petitions Received

Type of Response	Responder	Details
Paper	Unison	A signed petition containing 1,192 signatures – Against cuts to the Community Wardens
Paper	Various (Maidstone, Tenterden, Canterbury)	A number of signed petitions containing 2,156 signatures - Stop 50% cuts to the wardens, same service needed
Paper	Folkestone	Petition in support of keeping local warden, 43 signatures
Paper	Lyminge	Petition to save our warden, 23 signatures
Paper	Lydd	Petition to save our warden, 205 signatures
Paper	Dymchurch	Petition to save our warden, 242 signatures
Paper	Vigo	Petition to save our warden, 29 signatures
Paper	Kent resident	Petition to save wardens, 16 signatures
Online	E-Petition	Stop the 50% cuts to the Community Warden service – 717 signatures
TOTAL		4,623 signatures

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From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
Roger Gough, Cabinet Member for Education and Health Reform

To: Cabinet – 28th January 2015

Subject: Development of the Wildernesse Site in Sevenoaks, to construct 2 new Secondary Schools buildings – Sevenoaks Grammar Annexe and Trinity School, Sevenoaks. (Decision No. 14/00084)

Classification: Unrestricted

Past Pathway of Paper: Policy and Resources Property Sub-Committee, 23rd June 2014

Future Pathway of Paper: N/A

Electoral Division: Sevenoaks East

Summary: This report follows the Policy and Resources Property Sub-Committee of 23th June 2014. Cabinet Members are asked to consider entering into contracts to construct both the Grammar Annexe building and the Trinity School, Sevenoaks building on the Wildernesse Site, Seal Hollow Road, Sevenoaks. It is intended to enter into contract to build both schools simultaneously, although the Records of Decision provides for each contract to be entered into separately in order to provide the ability to novate contract responsibilities at a later date. Development Agreements and Long term lease arrangements are to be entered it with both parties. The Trinity School Sevenoaks is a Free School and the project is being wholly funded by the Education Funding Agency, with KCC acting as procuring and delivery agent for the scheme. The Grammar Annexe project is being funded by Kent County Council.

1. Introduction

1.1 The Wildernesse site is a complex site in Sevenoaks which used to be Wildernesse Boys School until Knole Academy was created in 2010. The separate Wildernesse Sports Centre is leased to Sevenoaks District Council and used out of school hours by sports groups and local residents. The lease allows for school use during the day.

1.2 With Knole Academy relocating to their other site, it was clear the existing buildings were in a very poor state of repair and needed considerable investment to bring them up to current standards of education accommodation. Consequently it was not viable to refurbish the main school buildings apart from the Sports Centre which, whilst needing significant maintenance upgrades, was of a fair standard.

1.3 The playing fields are of reasonable standard and provide for current standards required by Sport England.

GRAMMAR ANNEXE

1.4 Following the decision in 2012 for Knole Academy to vacate the Wildernesse site by 2014, it was decided that there would be the opportunity to create a Grammar Annexe on the site to support the parental requests for selective education within the Sevenoaks district. Sevenoaks is the only district within Kent to be without a selective secondary school.

1.5 The Kent Commissioning Plan for Education suggests that 160+ pupils within Sevenoaks district will require selective education by 2018 and therefore 6-forms of entry grammar provision is required in Sevenoaks.

1.6 In September 2013, the Weald of Kent Grammar School, Tonbridge (the host school) submitted a bid to the Department for Education to provide Co-educational grammar education in purpose built accommodation on the Wildernesse site – The Sevenoaks Grammar Annexe.

1.7 This bid was refused in December 2013 for the main reason that the Annexe could not be co-educational as the host school was girls only.

1.8 Following consultation with parents, the Weald of Kent Grammar school submitted a further bid in October 2014 to the Department for Education to operate a 3-forms of entry girls school from Sevenoaks as an Annexe to the host school. The outcome of this submission is awaited.

1.9 At the present time there is no host school for the Boys Grammar provision, however it is hoped that before 2016 this will be resolved.

TRINITY FREE SCHOOL

1.10 The Trinity School Sevenoaks opened as a Free School in September 2013 in converted office buildings on a short-term lease in Riverhead. Prior to this the Free School were looking for permanent premises within Sevenoaks town and, together with the Education Funding Agency, made enquiries to KCC for the Wildernesse site.

1.11 The Trinity School is approved to take 4-forms of entry of students on a non-selective basis.

JOINT USE OF THE WILDERNESSE SITE

1.12 As both KCC and Education Funding Agency wanted to make use of the Wildernesse site it was decided to work together to achieve both aims.

1.13 KCC have been working with the Education Funding Agency to bring together an agreement to lease part of the Wildernessee site for the Trinity School on a long-term basis. These agreements are now ready for signature.

1.14 Design work has continued in earnest with both Weald of Kent Grammar School and Trinity School Sevenoaks, and construction contracts have been drawn up to meet the needs of both parties.

1.15 Both new buildings need to open in September 2016 and considerable amounts of construction work needs to be undertaken to meet these challenging dates.

1.16 Trinity School Sevenoaks have been given approval by KCC to take a further area of the Wildernessee Site in order to locate Temporary Modular Classrooms from July 2015 until the new building is complete. The short term lease on the current site in Riverhead is coming to an end in July 2014. This temporary accommodation is subject to a Planning Application which has been submitted for consideration to the local Planning Authority. The Temporary Modular Classrooms are planned to be used for one academic year.

1.17 The Grammar Annexe will abut the existing Sports Hall, which will become integral to the Grammar building. The Sports Hall will undergo upgrade and repair to meet the needs of all users.

1.18 Sevenoaks District Council has been consulted on the Sports Hall alterations and have agreed a period of closure to enable works to the Sports Hall to be carried out.

1.19 The Grammar Annexe will be constructed as a full envelope of building , but will not be fitted out in all areas until a Boys Grammar partner can be confirmed. This is a prudent measure to take and this approach has been undertaken on other Kent Schools when necessary.

1.20 The Grammar Annexe will open with only one year group of 90 students, and will grow by each year group annually.

2 Finance and Contracting

2.1 Both buildings are being contracted by using the national SCAPE Construction Framework, through Willmott Dixon Construction.

2.2 Working with the Education Funding Agency, of which Willmott Dixon Construction is a member of their own Framework, has enabled KCC to take advantage of pre-agreed construction rates. This has saved considerable funds for both schemes rather than using Market rates which are unpredictable in the current market conditions.

2.3 It is considered prudent to have separate construction contracts for the Grammar Annexe and the Trinity Free School. This is to enable KCC to novate the contracts at the end of the Defect Liability Period. This is especially important as both schools will be independent from KCC as an Academy and a Free School respectively.

2.4 Lease plans have been agreed and legal teams have been involved to agree terms.

2.5 Full Development Agreements are going through final agreement between all parties.

2.6 The renegotiation of the Sevenoaks District Council lease is underway in line with the agreed terms of the original lease.

2.7 The Trinity Free School is being fully funded by the Education Funding Agency. The funding stream has been approved by the Secretary of State for transfer directly to KCC.

2.8 The funding agreed for the Grammar Annexe has been agreed through Project Advisory Group.

2.9 The Grammar Annexe project has been challenging in terms of meeting the project budget. Further extensive refurbishment to the Sports Hall has been required than first envisaged, and construction market conditions have added inflationary costs to both projects. Consequently the Grammar Annexe scheme has been reduced in terms of full fit out to bring it to an affordable budget to proceed.

3 Risks

All Risks have been mitigated wherever possible, particularly with regard to building design.

Risks on the Trinity School Scheme have been mitigated where appropriate.

The remaining risks have been identified.

Risk	Probability	Impact	Mitigation
Grammar Annexe: Delayed approval from the Secretary of State on the future of the Grammar Annexe	Medium	High	Any delay to the construction programme at this stage will create cost uncertainty. All contracts are ready to sign at agreed prices. Any delay could create upwards of a 20% increase in costs if the schemes need to be fully costed at current market rates. The construction programme is very tight and any delay will lose the September 2016 opening date.
Grammar Annexe: No approval from the Secretary of	Low	High	From 2016 the 160 student places planned for Sevenoaks students will need to be allocated to other selective schools in neighbouring

State for the Grammar Annexe			districts. This will put pressure on those schools and will require additional school accommodation on already limited school footprints. The additional costs have not yet been evaluated but will be costly.
Site wide: Big Lottery Funding approval for redevelopment of the site, linked to funding for the All Weather Pitch in 2008	Low	Low	Big Lottery Fund has been informed of the redevelopment of the site and acknowledgement is awaited for redevelopment of the site with no effect to the All Weather Pitch. The approval is a formality.
Construction: Delays to completion of the buildings and external works, whilst ensuring the site is safe to occupy by each school	Low	Low	All measures have been taken to mitigate any delays and should any delay occur reprogramming will be required. Focus is upon the completion for September 2016 to enable both schools to open. Completion of external works and car parking will be essential.

4 Recommendations

Recommendation(s):

The Cabinet is asked to endorse the recommendations on the proposed decisions which will be recorded as separate Records of Decision:

1. AUTHORISE the Director of Property and Infrastructure Support in consultation with the Director of Governance and Law, on behalf of Kent County Council:

To enter into necessary contracts for the Construction of the Sevenoaks Grammar Annexe, together with any necessary Development Agreement and leases.

The Director of Property and Infrastructure Support will be the named Authority Representative within the relevant Agreements and to enter into variations as envisaged under the contracts.

2. AUTHORISE the Director Property and Infrastructure Support in consultation with the Director of Governance and Law, on behalf of Kent County Council

To enter into necessary contracts for the Construction of the Trinity School, Sevenoaks, together with any necessary Development Agreement and leases.

The Director of Property and Infrastructure Support will be the named Authority Representative within the relevant Agreements and to enter into variations as envisaged under the contracts.

5 Background Documents

Policy and Resources Property Sub Committee – June 23rd 2104.

6 Report Author:

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 10

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