



Revenue and Capital Budget Outturn 2023-24

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Unrestricted

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1 Introduction

This report presents the provisional budget outturn position for 2023-24 for both Revenue and Capital budgets.

The Council is in the position of recording an overspend and needs to drawdown from reserves to fund the outturn position. It should be noted that within the overall outturn position there are significant overspends in Adult Social Care & Health totalling £32.602m and in Children's Services totalling £26.635m. The provisional outturn against the combined directorate revenue budgets is an overspend of £9.601m (excluding schools and roll forward requests of £2.771m). There may be minor variations to the figures during the final stage of the year end process and the external audit.

Details of the requested roll forwards are provided in Appendix 1. This identifies those projects where there is already a commitment or a request to spend in 2024-25, increasing the overspend to £12.372m. It is recommended that this overspend is funded from the budget stabilisation smoothing reserves.

Also included are capital re-phasing and budget adjustments which require Cabinet approval. It also includes the impact on our reserves.

1.1 The provisional revenue outturn for 2023-24 is an overspend of +£9.601m before roll forward requests. After roll forward requests the underlying overspend is +£12.372m.

The provisional revenue outturn before roll forwards is an overspend of +£9.601m. After roll forwards of £2.771m the overspend increases to +£12.372m.

Overspends are recorded in ASCH (+£32.602m) and CYPE (+£24.635) before roll forwards. Underspends are recorded in GET (-£3.881m) CED (-£2.959m) and DCED (-£8.050m) before roll forwards. There was also a large underspend in NAC (-£32.746m).

There may be minor variations to the figures during the final stages of the year end processes and external audit.

1.2 £12.372m overspend is proposed to be funded from reserves.

It is proposed that the £12.372m underlying overspend is funded from the budget stabilisation smoothing reserves.

1.3 The provisional capital outturn position is an underspend of -£192.7m.

The underspend is made up of +£5.5m real overspend and -£198.2m rephasing variance. This represents 47.1% of the capital budget.

The largest real variance is an overspend of +£10.6m in DCED (mainly due to +£7.4m relating to Unaccompanied Asylum-Seeking Children (UASC) Accommodation Requirements and will be funded from Government Grants.

The major rephasing variances are -£119.6m in GET and -£63.3m in CYPE, the detail can be found in Section 11.

1.4 Schools' Delegated Budgets are reporting a £42.024m net overspend.

The in year overspend position is £39.57m on the DSG and a £2.45m reduction in school's balances and reflects the combination of high demand for additional SEN support and high cost per child due to greater demand for more specialist provision. This is in part due to the impact of legislative changes introduced in 2014 and funding shortages.

On the 16 March 2023 the Department for Education (DfE) announced that the authority had successfully secured £140m of High Needs

1 Introduction

Funding over the next five years to help contribute towards the historical deficit. We received £56.3m in 2022-23 and a further £19.4m in 2023-24 which has been reflected in the interim outturn position. The Council's contribution in 2023-24 was £14.4m and was funded from earmarked reserves.

Section 10 of the report provides more detail.

2 Recommendations

Cabinet is asked to:

2.1	Note the provisional Revenue out-turn position for 2023-24	The provisional Revenue out-turn for 2023-24 is an overspend of £12.372m. Please refer to Section 3 for details.
2.2	Note the provisional Capital position for 2023-24	The provisional Capital out-turn for 2023-24 is an underspend of - £192.7m Please refer to Section 11 for details.
2.3	Agree that £2.097m is rolled forward to fund existing commitments in line with the agreed roll forward criteria	15 roll forward requests that meet the roll forward criteria have been submitted for approval. Please refer to Section 2 of Appendix 1.
2.4	Agree that £0.675m is rolled forward to fund member grants	1 roll forward request to carry forward uncommitted member grants has been requested for approval. Please refer to Section 3 of Appendix 1
2.5	Agree the drawing down of £12.372m from the budget stabilisation smoothing reserves	The overspend will require the utilisation of £12.372m from the budget stabilisation smoothing reserves to balance the 2023-24 budget. Please refer to section 3.
2.6	Agree the £198.2m of capital slippage/re-phasing from 2023-24 will be added to the 2024-25 and later years capital budgets and to note the review of the capital programme to address the high levels of slippage and rephasing and its funding requirements and sustainability.	The capital programme budget for 2023-24 has an underspend of £192.7m which will need to be added to future years as the majority relates to slippage/rephasing. Please refer to section 11 and Appendix 2.
2.7	Agree the proposed capital cash limit changes totalling £86.180m as set out in Appendix 3.	There are a number of capital cash limit changes that are required since the budget was set in February 2023. Please refer to Appendix 3.

- 2.8 Agree the contributions to and from reserves including the changes made as a result of the Reserves Review
- There are a number of movements in reserves that are required including those to fund the 2023-24 overspend which need to be approved. Please refer to Appendix 4.
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Provisional outturn position as overspend/(underspend)

Directorate	Budget £m	Provisional Outturn £m	Net Revenue Forecast Variance £m
Adult Social Care & Health	528.723	561.326	+32.602
Children, Young People & Education	347.002	371.637	+24.635
Growth, Environment & Transport	195.346	191.465	-3.881
Deputy Chief Executive's Department	83.693	75.643	-8.050
Chief Executive's Department	31.035	28.076	-2.959
Non Attributable Costs	142.170	109.127	-33.044
Corporately Held Budgets	-0.298	0.0	+0.298
Initial General Fund	1,327.672	1,337.274	9.601
Roll forward requests			2.771
Revised Variance			12.372

Variance Funded by:

Drawdown from Smoothing Reserves	-12.372
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Ringfenced Items

Schools' Delegated Budgets	0.000	42.024	+42.024
Overall Position	1,327.672	1,379.998	42.024

Roll Forwards

Directorate £m	Variance	Committed	Re-Phased	Bid	Revised Variance
Adult Social Care & Health	+32.602				+32.602
Children, Young People & Education	+24.635	0.786			+25.421
Growth, Environment & Transport	-3.881	1.181			-2.700
Deputy Chief Executive's Department	-8.050				-8.050
Chief Executive's Department	-2.959	0.130		0.675	-2.154
Non Attributable Costs	-33.044				-33.044
Corporately Held Budgets	+0.298				0.298
Total excluding Schools	9.601	2.097		0.675	+12.372

Background

The 2023-24 budget included a total £219.3m spending growth (18.4% increase on approved budget for 2022-23), of which £182.3m was on core funded activities (15.3% growth) and £37m on specific grant funded activities (including Public Health and Household Support Fund). This was substantially more growth than had been included in previous budgets and exceptionally higher than we would normally expect from population demographic changes and inflation at the government target level due to the extraordinary economic consequences of global and national circumstances. At the time the budget was set this exceptional growth was largely expected to be short term. The growth in the core funded element included:

- £65.2m for price uplifts (contractual and negotiated reflecting the surge in inflation during 2022 which at the time the 2023-24 budget was set the rate of price growth was expected to decline during 2023-24, and inflation subsequently proved to be higher than originally forecast in the latter half of the year)
- £63.5m for full year effect of 2022-23 variances
- £33.5m for demand growth
- £20.1m pay and other spending growth

£141.1m of this core funded growth was included in budgets for Adult Social Care (18.3% growth on 2022-23) and Children, Young People and Education (17.6% growth on 2022-23) reflecting the disproportionate pressures in these services. Further work was undertaken during the early part of 2023-24 to better identify the underlying drivers for demand and non-inflationary cost growth in adult social care, children in care and home to school transport to inform future budgets.

General Fund

Despite the additional spending growth allocated in 2023-24, the provisional outturn variance is an overspend of +£9.601m on the 2023-24 revenue budget before roll forwards. There are Directorate roll forward requests of £2.097m that meet the roll forward criteria as set out below. These requests increase the overspend to +£11.698m. There is also a bid of £0.675m to roll forward the underspend on member grants which increases the overspend to +£12.372m.

Overspends are reported across ASCH +£32.602m, (including £46.254m in the Adult Social Care & Health Operations Division, partially offset by an underspend of £12.959m in the Strategic Management & Directorate Budgets Division) and CYPE +£24.635m (+£14.782m in the Education and Special Educational Needs division and +£10.147m in the Integrated Children's Services division). All other Directorates reported net underspends. The GET directorate is showing a net underspend of -£3.881m (including -£4.009m in the Highways & Transportation division, +£3.098m in the Environment & Circular Economy division and -£2.830 in the Growth & Communities Division). DCED is showing a net underspend of -£8.050m (including -£5.664m in the Corporate Landlord division and -£1.816m in the Infrastructure division. There is a small overspend of +£0.127m in the Technology division; all other divisions are recording an underspend). CED has a net underspend of -£2.959m (including -£1.194 in Strategy, Policy, Relationships & Corporate Assurance and -£0.790m in Governance, Law & Democracy). There is a large underspend of -£32.746m in NAC & CHB due to the application of the risk contingency (-£12m), the annual recalculation of debt charges (-£8m) and higher income return on investments (-£5.2m).

The overspend is proposed to be funded corporately by drawing down £12.372m from the budget stabilisation smoothing reserves.

Roll forward requests

The £2.771m proposed roll forward requests that meet the agreed criteria are as follows:

- £2.097m of contractually committed items
- £0.675m bid relating to Member Grant underspend

Schools' Delegated Budgets

The Schools' Delegated budget of £1,623.8m has an overspend of £42.024m. This is almost entirely due to an increase in the High Needs budget deficit, which is the Council's single biggest financial risk. On the 16th March 2023 the Department for Education (DfE) announced that the council as part of the Safety Valve programme had successfully secured £140m of High Needs Funding over the next five years to help contribute towards the historical deficit. This funding is dependent on the council delivering its deficit recovery plan over the same period. We received £56.3m in 2022-23 and a further £19.4m in 2023-24 and this has been reflected in the provisional outturn position. As part of the agreement with the DfE the council has to contribute £84m to the deficit over the same 5 year period; in 2022-23 our contribution was £17m and in 2023-24 was £14.4m which has been funded from Earmarked Reserves. For more information, please refer to Section 10 and the Reserves position in Appendix 4.

	Forecast Variance				
	Budget	Revenue Forecast Outturn	Net Revenue Forecast Variance	Last reported position (Dec)	Movement (+/-)
	£m	£m	£m	£m	£m
Adult Social Care & Health Operations	488.328	534.582	46.254	44.122	2.132
Strategic Management & Directorate Budgets (ASCH)	16.157	3.198	(12.959)	(12.720)	(0.239)
Strategic Commissioning (Integrated and Adults)	14.235	15.156	0.921	1.205	(0.284)
Public Health	0.0	0.0	0.0	0.0	0.0
Business Delivery	9.986	8.372	(1.614)	(1.302)	(0.312)
Adult Social Care & Health	528.723	561.326	32.602	31.306	1.296

The 23-24 outturn variance for the Adult Social Care & Health directorate was a net overspend of +£32.602m.

The impact of planned management actions in the last quarter of the year was expected to reduce the Q3 position of £31.3m to £26.7m. These management actions were not delivered in 2023-24 and now form part of the outturn variance resulting in a +£5.9m movement from the Q3 position after management action (+£4.6m relating to management action and +£1.3m in the table above).

The Adult Social Care & Health Operations division had an overspend of +£46.3m. This was predominately due to Older People Residential Care Services which had an overspend of +£20.8m, and Younger People in Community Based Services which had an overspend of £17.7m.

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

Key Service (Division)	Variance	Summary	Detail
Older People - Residential Care Services (Adult Social Care & Operations)	+£20.8m	Activity and price pressures beyond budgeted levels	<p>+£17.3m of this overspend is driven by costs of older people accessing residential and nursing care services, where the average cost of 'beds' is continuing to increase due to new placements being made at a higher cost than those leaving care. It is considered that this is in part due to the current hospital discharge process, which is being reviewed as part of management action to ensure costs are shared appropriately between social care and health.</p> <p>Other pressures on this service line include a +£0.6m increase in contributions to the provision for bad and doubtful debts, +£2.7m from costs relating to the previous financial year due to additional backdated client activity, +£1.3m from a contribution to the provision for backdated costs for the current financial year, +£0.2m from savings no longer expected to be achieved this financial year, and +£2.2m from a contribution to a provision to fund estimated charges from health.</p> <p>Pressures on this service line have been offset by -£3.4m released from centrally held funds.</p>
Adult Learning Disability - Community Based Services & Support for Carers (Adult Social Care & Operations)	+£7.6m	Increases in Supported Living care packages	<p>+£7.6m of the overspend relates to clients receiving supported living services which is driven in the main by increased activity in terms of hours of support being provided as well as average costs being higher than anticipated, which in part will be due to continued use of non-framework providers. A review of the use of non-framework providers is being undertaken as part of the management action.</p> <p>Other pressures include +£1.1m across other community services, predominantly day services, and +£1.4m from savings which are no longer anticipated to be achieved.</p> <p>The above pressures are offset by -£0.8m released from centrally held funds, -£1.1m from 22-23 unrealised creditors, -£0.1m reduction in contributions to the provision for bad and doubtful debts, and -£0.5m from joint funding arrangements.</p>
Adult Mental Health - Community Based Services (Adult Social Care & Operations)	+£7.5m	Increases in Supported Living care packages	<p>+£6.3m of the overspend relates to more clients receiving supported living care packages, including an increase in average hours provided per client to meet more complex needs.</p> <p>Other pressures include +£1.0m across other community services, and +£0.9m from savings which are no longer anticipated to be achieved.</p> <p>The above pressures are offset by -£0.2m released from centrally held funds, -£0.3m from 22-23 unrealised creditors, and -£0.2m from joint funding arrangements.</p>

<p>Adult Mental Health – Residential Care Services (Adult Social Care & Operations)</p>	<p>+£2.1m</p>	<p>Activity and price pressures beyond budgeted levels</p>	<p>+£2.6m overspend relates to clients accessing nursing and residential care services, with increases in activity and average cost of packages exceeding budgeted levels.</p> <p>Other pressures include +£0.3m from savings no longer anticipated to be achieved and +£0.1m from costs relating to the previous financial year.</p> <p>The above pressures are offset by -£0.1m released from centrally held funds and -£0.8m from joint funding arrangements.</p>
<p>Adult Physical Disability – Residential Care Services (Adult Social Care & Operations)</p>	<p>+£3.9m</p>	<p>Activity pressures beyond budgeted levels</p>	<p>+£3.2m overspend relates to clients accessing nursing and residential care services, with increases in activity exceeding budgeted levels.</p> <p>Other pressures include +£0.3m from savings no longer anticipated to be achieved, +£0.2m increase in contributions to the provision for bad and doubtful debts, and +£0.4m from costs relating to the previous financial year due to backdated client activity.</p> <p>The above pressures are offset by -£0.1m released from centrally held funds.</p>
<p>Adult Physical Disability - Community Based Services (Adult Social Care & Operations)</p>	<p>+£2.7m</p>	<p>Increases in Supported Living care packages</p>	<p>+£2.7m of the overspend relates to clients receiving supported living services with higher cost packages, and +£0.2m overspend relates to pressures across other community services.</p> <p>Other pressures include +£0.5m from savings which are no longer anticipated to be achieved and a +£0.3m increase in contributions to the provision for bad and doubtful debts.</p> <p>The above pressures are offset by -£0.4m released from centrally held funds, and -£0.6m from 22-23 unrealised creditors.</p>
<p>Older People - Community Based Services (Adult Social Care & Operations)</p>	<p>+£1.1m</p>	<p>Increases in Homecare packages</p>	<p>+£7.9m overspend relates to homecare services where there has been an increase in both the number of people receiving homecare services and an increase in the average number of hours of support provided. Further to this there is also an increase in average costs which is higher than anticipated, most likely due to the on-going use of non-framework providers who are typically higher cost. A review of the use of non-framework providers is being undertaken as part of the management action.</p> <p>Other pressures include +£3.3m from savings which are no longer anticipated to be achieved, and a +£0.7m increase on contributions to the provision for bad and doubtful debts.</p> <p>The above pressures are offset by a forecast underspend of -£1.6m across other older people community services, -</p>

£1.0m from 22-23 unrealised creditors, -£3.9m released from centrally held funds, and a -£4.4m debtor with the NHS.

Provision for Demographic Growth - Community Based Services (Strategic Management & Directorate Budgets (ASCH)	-£10.7m	Release of centrally held funds.	This is the release of centrally held funds to partly offset demand and growth pressures across ASCH operations.
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Strategic Management & Directorate Support (ASCH) (Strategic Management & Directorate Budgets (ASCH)	-£2.3m	Release of centrally held funds.	This is the release of centrally held funds to partly offset pressures across ASCH operations.
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Forecast Variance

	Budget £m	Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m	Last reported position (Dec) £m	Movement (+/-) £m
Integrated Children's Services (Operations and County Wide)	264.964	275.112	10.147	12.495	(2.347)
Education & Special Educational Needs	78.800	93.582	14.782	15.855	(1.073)
Strategic Management & Directorate Budgets (CYPE)	3.238	2.943	(0.294)	(0.127)	(0.167)
Children, Young People & Education	347.002	371.637	24.635	28.222	(3.587)
Earmarked Budgets Held Corporately	(0.150)	0.0	0.150	0.150	0.0
Net Total incl provisional share of CHB	346.852	371.637	24.785	28.372	(3.587)
Roll Forward Requests			0.786		
Revised Variance			25.571		

The Children, Young People & Education directorate provisional revenue outturn variance is £25.571m after roll forwards, an improvement of £2.8m on the previously reported position. Whilst the costs of children's social care placements across both integrated and disability services has increased by £3.3m, this has been partially offset by the impact of management actions across the directorate in response to the Council's directive to reduce spending including the use of grants and redirecting of income to fund existing services, where possible. Spend on Special Educational Needs (SEN) Home to Schools Transport was also £1.4m lower than previous forecast with fewer children and lower average costs than anticipated.

The outturn for Integrated Children's Services (Operations and County Wide) is a net overspend of +£10.1m, predominately in Looked After Children Care & Support, which has an overspend of +£11.8m. The net overspend for the Education and Special Educational Needs service is £14.8m, +£10.9m of which relates to Home to School & College Transport.

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

Management actions were identified to reduce the overall overspend, where delivered, these have been reflected in the outturn position.

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

Key Service (Division)	Variance	Summary	Detail
Looked After Children Care & Support (Integrated Children's Services)	+£11.8m	Increase in number and cost of looked after children.	The number of Looked After Children (excluding Unaccompanied Asylum-Seeking Children) continued to rise during the latter part of 2022-23 whereas it had been anticipated these numbers would stabilise earlier and start to reduce as the delays in the courts started to clear. Due to the ongoing challenges of recruiting in-house foster carers, children are being placed in increasingly more expensive alternatives including independent fostering agencies, unregulated semi-independent placements or residential care. Pressures in the market for suitable children's social care placements are also causing the costs of placements to rise at a higher rate than inflation, compounded by placements made by other Local Authorities in the County and UASC numbers. The number of looked after children reached a peak at the end of April and has reduced slowly during the year. The combined impact of these factors resulted in an overspend of of £12.5m, which has partially been offset by the use of grants. Invicta Law have increased their prices but have not been able to match this with efficiencies leading to a cost pressure of around £1.0m, the remaining £0.5m overspend is resulting from spend continuing to remain at a higher level during 2023-24, whilst it had been assumed in the budget this would reduce resulting from efficiencies and reduction in court delays.
Looked After Children (with a disability) – Care & Support (Integrated Children's Services)	+£1.6m	Increase cost of looked after children	The average number of children supported has increased by 6% during 2023-24 and whilst more cost-effective fostering solutions have been used this has not been possible in all cases. In addition, the higher than budgeted average cost of residential and semi-independent placements have added to the overspend.
Adult Learning & Physical Disability Pathway – Community Based Services (Integrated Children's Services)	+£1.1m	Increased cost of Supported Living, Direct Payments and Day Care	The number of supported living, direct payments and homecare packages have remained relatively static, however the average cost of packages has been higher than budgeted. The cost of support has slowed compared to the increases seen in 2022-23, with savings impacting later in the year than initially anticipated. The service continues to see a reduction in the use of residential care (reported separately) but this does result in higher packages of community support also contributing towards the higher cost.

<p>Home to School & College Transport (Education & Special Educational Needs)</p>	<p>+£10.9m</p>	<p>Increases in demand and costs of transport contracts</p>	<p>The outturn includes +£2.5m overspend on mainstream home to school transport and +£8m on SEN transport services.</p> <p>The average cost per child of both mainstream and SEN transport has continued to increase higher than inflation leading to an estimated pressure of £1.4m and £8.0m respectively, as a result of transport requirements and capacity limitations.</p> <p>The number of children requiring SEN transport has continued to increase in line with historic trends with the number travelling increasing by around 7%. This is a consequence of the higher EHCP numbers and greater number of children with SEN not being educated in their local school. Work to slow this trend is underway but it is not expected to impact significantly in the short-term and this has been reflected in the budget plans.</p> <p>The mainstream home to school transport outturn reflects the full year effect of the increasing costs of transporting children in 2022-23, resulting from a combination of increasing numbers of children travelling during the Autumn and Spring Term coupled with the use of more expensive hired transport (+£1.2m). The numbers eligible for transport continued to remain high during 2023-24 leading to a further +£0.2m pressure.</p>
<p>Other School Services (Education & Special Educational Needs)</p>	<p>+£1.6m</p>	<p>Use of temporary school accommodation. Increased cost of legal services and costs of surveys in schools</p>	<p>Delays in basic need projects have resulted in use of more temporary accommodation to ensure sufficient school places are available (+£1.8m). The underspend on the compliance testing has been used to meet the costs of building surveys in schools, legal costs associated with capital building projects and other school related costs that cannot be charged to the school capital programme. The balance of -£0.2m relates to a variety of other school related underspends and use of income to meet the costs of existing services, many of which are one-off in nature or vary annually.</p>
<p>Educational Needs & Psychology Services (Education & Special Educational Needs)</p>	<p>+£2.0m</p>	<p>Use of agency staff to support delivery of Accelerated Progress Plan</p>	<p>To support the delivery of the Accelerated Progress Plan, the service is using agency staff to create additional capacity to support the implementation of the new SEN operating model and support permanent staff recently recruited to the new structure. This includes additional support for the processing of both annual reviews and Education, Health and Care Plan (EHCP) assessments.</p>

5 Children, Young People & Education

General Fund forecast +£24.785m overspend

Looked After Children (with Disability) – In house Provision (Integrated Children’s Services)	+£0.6m	Use of agency staff and higher costs of transport	Greater use of agency staff to support individual children and higher transport costs have led to an overspend.
Adoption & Special Guardianship Arrangements & Service	-£0.6m		£0.5m underspend on the activities of the Regional Adoption Agency of which £0.2m has been requested as a committed roll forward to 24-25. Minor underspend of £0.1m across permanency payments.
Children in Need (Disability) – Care & Support (Integrated Children’s Services)	+£1.8m	Daycare & direct payments trend in spend and delay in achieving savings	The cost of packages for disabled children continued to increase in the latter part of 2022-23 due to additional support required, whilst savings assumed the costs and numbers would start to stabilise and reduce where packages started to return to pre-COVID levels.
Children’s Social Work Services – Assessment & Safeguarding Service (Integrated Children’s Services)	-£2.9m	Savings on the costs of agency staff.	The costs of agency staff have not increased in line with inflation as anticipated leading to a saving of £0.6m. The remaining underspend of £0.9m relates to various vacancies and reductions in non-staffing spend across the service, and the use of £1.2m of grants.
Children’s Centres (Integrated Children’s Services)	-£1.8m	Upskilling Children Centre workforce to deliver Family Hub outcomes	Children Centre workforce are receiving additional training and upskilling (funded by the DfE Family Hub grant) to deliver outcomes as required under the DfE Family Hub programme; providing KCC with an enhanced skilled workforce to ensure future sustainability of our Family Hub model within Kent. We are recruiting interim staff to ensure the smooth running of the Family Hubs during the transitional period. This has resulted in a one-off underspend of £1.5m due to the timing of provision of the training versus the recruitment of the interim staff. The balance of £0.3m relates to other vacancies and underspends on non-staffing spend.

	Forecast Variance			Last reported position (Dec)	Movement (+/-)
	Budget	Revenue Forecast	Net Revenue Forecast		
	£m	£m	£m	£m	£m
Highways & Transportation	70.751	66.743	(4.009)	(2.927)	(1.081)
Growth & Communities	31.241	28.410	(2.830)	(1.789)	(1.042)
Environment & Circular Economy	91.948	95.046	3.098	2.789	0.309
Strategic Management & Directorate Budgets (GET)	1.406	1.266	(0.140)	(0.076)	(0.064)
Growth, Environment & Transport	195.346	191.465	(3.881)	(2.003)	(1.878)
Earmarked Budgets Held Corporately	(0.300)	0.0	0.300	0.300	0.0
Net Total incl provisional share of CHB	195.046	191.465	(3.581)	(1.703)	(1.878)
Roll Forward Requests			1.181		
Revised Variance			(2.400)		

The GET directorate's provisional revenue outturn variance is -£2.400m, after roll forwards, which is an improvement on the last reported position of -£0.556m primarily because of additional income as well as a delay (contractor capacity) in the final quarters statutory testing of the Streetlights in Kent and which will now need to be undertaken in 2024-25, in addition to the current year's planned cycle of testing. Details of the directorate underspend of -£3.881m, before roll-forwards of +£1.180m, is shown below, with the roll forwards set out in Appendix 1.

The roll forwards include committed grant and partnership funding for on-going project delivery in 2024-25, an underspend on Winter Maintenance to be available in the new financial year to aid an earlier growing season (in line with a previous Key Decision), an underspend committed to environmental projects as agreed with the Department for Transport and an underspend within Highways Tunnels and Structures budgets for statutory testing where planned review was not possible due to network cancellations and if not available in 2024-25 – in addition to that year's testing cycle - would otherwise have an adverse impact on the budget.

Earmarked Budgets Held Corporately relates to an estimated saving from increased fees and charges following the adoption of a revised fees and charges policy by County Council. This policy was aimed at improving the transparency of discretionary services where charges include an element of concession or subsidy, and to adopt a more consistent approach to full cost recovery. Any changes in fees and charges, including those where a KCC subsidy may remain, will require a Cabinet decision based on a more comprehensive evaluation of full (direct and indirect) costs.

At this stage, no such decisions over and above what was already reflected in the MTFP (inflationary uplifts) have yet been presented or taken due to time spent on trying to implement the management action associated with reducing the in-year overspend.

GET identified £1.5m of management action to contribute towards reducing the in-year overspend across the authority. This has been delivered in full, with some areas such as income and vacancy management over-delivering, with all recurring impacts also reflected in the 2024-25 budget where applicable.

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

Key Service (Division)	Variance	Summary	Detail
Waste Facilities & Recycling Centres (Environment & Circular Economy)	+£3.525m	Paused HWRC saving, plus price pressures and reduced income	<p>Part of the projected overspend is due to the proposed consultation on the Review of HWRC sites (Waste) being delayed (+£0.500m). The overspend is the non-delivery of the 2023-24 part-year effect of the proposed 2-year £1.5m budget reduction. The remaining full year-effect (£1.0m) has been delayed until 2025-26 until a decision is taken whether to proceed or to look for alternative savings.</p> <p>In addition, there was a small savings target from Re-use and Small Business trade waste. Re-use activities have been delivered; however, to meet the full target required investment of capital to develop a shop facility. There is no capital finance for this which has resulted in an overspend this year (+£0.200m) but is expected to be delivered in 2024-2025 as one of KCC's Waste contractors has developed a re-use facility. Small Business trade waste is an ongoing project with active plans of work to develop small trade waste through the districts/contractors at Dover Transfer Station and Dunbrik through Sevenoaks District Council.</p> <p>Environmental permits for other HWRCs can only be pursued once the HWRC Review has been concluded which, as set out above has been delayed. It is taking the Environment Agency circa one year to issue variations on current permits. An overspend has arisen this year as a result (+£0.190m).</p> <p>Increased prices on the Material Recycling Facilities contract have resulted in an overspend (+£0.810m). These are highly variable and based on market commodity prices and volumes of materials. There is also an overspend within haulage where prices are higher than budgeted (+£0.872m) and higher levels of waste have resulted in some additional support payments to districts (+£0.491m). This improvement has prevented tonnes from being burned for energy at a higher cost to the authority and represents further cost avoidance overall when you look at the entirety of the Waste budgets.</p>
Residual Waste, (Environment & Circular Economy)	+£0.592m	Increased tonnes offset by lower than budgeted price	An overspend primarily resulting from additional tonnes (+£1.189m) is offset by a reduced price for Allington Waste to Energy plant, as the contractual uplift based on April RPI was lower than the budgeted estimate (-£0.618m).

Public Protection (Growth & Communities)	-£0.658m	Additional income and other minor variances	<p>The underspend primarily results from additional income within Kent Scientific Services and Trading standards budget (-£0.509m), plus vacancies and other minor variances across several budgets (-£0.186m). Overspends within Coroners on postmortem fees, mortuary costs toxicology services and funeral directors (+£0.342m) been mostly offset by underspends within staffing (-£0.226m).</p> <p>Also within this position is an underspend of -£0.079m of committed funding requested to be rolled forwards for on-going projects.</p>
Environment, (Environment & Circular Economy)	-£0.876m	Activity and price below budgeted level	<p>Within this position are underspends totalling -£0.460m that the division are rolling forward as commitments for 2024-25, including -£0.370m of committed spend relating to environmental projects as agreed with the Department for Transport, as well as -£0.089m of committed funding for on-going externally funded projects. The remaining underspend results from the implementing of management actions, primarily vacancy management.</p>
Libraries Registration & Archives (Growth & Communities)	-£0.964m	Additional Registration income	<p>Continued higher than budgeted levels of Registration income (-£0.960m). Part of this has been reflected in the 2024-25 budget build. Temporary suspension of activity spend in line with Management Actions.</p>
Transportation (Highways & Transportation)	-£1.001m	Management actions and other minor variances	<p>The implementing of management actions, primarily vacancy management and reducing spend in areas such as traffic modelling, together with additional income, grant funding and reduced energy costs for traffic signals, have helped to create a forecast underspend.</p>
Growth and Support to Businesses (Growth & Communities)	-£ 1.037m	Vacancy management and other minor variances	<p>The variance is primarily from vacancy management, delay of project spend and other minor variances. Also within this position is an underspend of -£0.075m of committed funding requested to be rolled forward for on-going projects.</p>
Highway Assets Management (Highways & Transportation)	-£1.807m	Favourable energy prices and income offset by HTMC price uplift and additional activities	<p>The underspend on this line primarily relates to Streetlight and Tunnels energy following confirmation of a reduced summer price for electricity, plus lower than budgeted cost on the winter rate tariff (-£2.700m).</p> <p>Together with additional income (-£1.632m), and savings in works across Streetlight Maintenance and Soft Landscapes, due to a reduction in works and slippage of some spend into 2024/25 (-£0.785), more than offset overspends across all Area/District teams, Drainage reactive works/price uplifts in the Highways</p>

Term Maintenance Contract and increased works due to the condition of the network and necessary safety critical works which are required during the winter season (+3.058m).

There are also additional costs for tunnels and structures to ensure legal and statutory principal bridge and tunnel inspections are carried out to ensure compliance with regulations (+£0.390m) and for which additional funding has been set aside in the 2024-25 budget build and MTFP exercise.

Also, within this position are committed underspends totalling -£0.462m that the division need to roll forward, including -£0.328m for winter maintenance in line with a previous key decision. This stated that any future winter service budget underspend resulting from a mild winter would be treated as a committed roll forward, so that additional funding is available in the following financial year for highway soft landscaping maintenance where there is an earlier growing season (weeds).

There is also -£0.134 underspend relating to structures and principal bridge and tunnel inspections including confined spaces, network rail trackside, and underwater structures where possessions were booked but were cancelled. These are essential inspections that are required to be undertaken and if the roll forward is not agreed, these will be a direct impact on next year's revenue budget as the works need doing on top of those budgeted for as there is a cycle of testing over a 6-year basis set by legislation.

Forecast Variance

	Budget £m	Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m	Last reported position (Dec) £m	Movement (+/-) £m
Finance	12.860	12.465	(0.395)	(0.143)	(0.253)
Strategic Commissioning	3.165	3.262	0.097	(0.249)	0.346
Commercial & Procurement	1.746	1.423	(0.324)	0.0	(0.324)
Governance, Law & Democracy	8.322	7.532	(0.790)	(0.472)	(0.318)
Strategy, Policy, Relationships & Corporate Assurance	5.401	4.207	(1.194)	(1.063)	(0.131)
Strategic Management & Directorate Budgets (CED)	(0.460)	(0.813)	(0.354)	(0.293)	(0.061)
Chief Executive's Department	31.035	28.076	(2.959)	(2.219)	(0.740)
Roll Forward Requests			0.805		
Revised Variance			(2.154)		

The Chief Executive's Department provisional revenue outturn variance is -£2.154 after roll forwards.

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

Key Service (Division)	Variance	Summary	Detail
Strategy, Policy, Relationships & Corporate Assurance	-£1.2m	Management action to support reduced spend.	In response to a KCC-wide request for Management action to reduce spend, SPRCA deferred appointments to new posts. This variance includes Roll Forward requests for Kent Safeguarding Boards, totalling - £0.1m.
Local Member Grants (Governance, Law & Democracy)	-£0.7m	Unallocated Member Grants	Unallocated Member grants, this is subject to a Roll Forward request.
Strategic Management & Directorate Budgets (CED)	-£0.4m	Reduced early retirement costs.	This underspend is due primarily to reduce early retirement costs and is reflected in the MTFP.
Finance	-£0.4m	One off salary recharge and reduction in historic pension deficit charge.	The underspend is mainly due to a backdated recharge of salary costs to the Pension Fund. The remainder of the underspend is due to a reduction in the historic pension deficit charge, as a result of the transfer of Finance staff from Cantium Business Solutions.
Commercial & Procurement	-£0.3m	Management action to support reduced spend.	In response to a KCC-wide request for Management action to reduce spend, the Commercial and Procurement Division re-phased appointments to vacant posts.

Forecast Variance

	Budget £m	Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m	Last reported position (Dec) £m	Movement (+/-) £m
Infrastructure	8.632	6.816	(1.816)	(1.143)	(0.673)
Strategic Management & Departmental Budgets (DCED)	5.223	4.836	(0.387)	(0.395)	0.008
Technology	24.999	25.126	0.127	(0.312)	0.439
Corporate Landlord	32.825	27.161	(5.664)	(5.462)	(0.202)
Marketing & Resident Experience	6.788	6.682	(0.106)	(0.080)	(0.025)
Human Resources & Organisational Development	5.228	5.022	(0.205)	(0.243)	0.038
Deputy Chief Executive's Department	83.694	75.643	(8.050)	(7.636)	(0.415)
Earmarked Budgets Held Corporately	(0.050)	0.0	0.050	0.050	0.0
Net Total incl provisional share of CHB	83.644	75.643	(8.000)	(7.586)	(0.415)

The Deputy Chief Executive's Department is forecasting to underspend by -£8.000m.

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

Key Service (Division)	Variance	Summary	Detail
Corporate Landlord	-£5.7m	Utilities underspend due to revised price variance.	This variance is principally due to a reduced utilities spend, as a result of a reduction of wholesale energy prices. Facilities management reduced spend is due to some re-phasing of work into 24/25. Additionally, there is a one – off credit from rates revaluations.
Property related services (Infrastructure)	-£1.8m	Management action to support reduced spend.	In response to KCC-wide request for Management action to reduce spend, Property Group deferred appointing to new posts. There is also reduced activity on condition surveys and some rephasing of New Ways of Working activity into 2024-25.
Strategic Management and Departmental Budgets (DCED)	-£0.4m	Management action to support reduced spend.	In response to a KCC-wide request for Management action to reduce spend, the Strategic Reset Programme reduced expenditure on specialist and consultancy spend.

Human Resources & Organisational Development	-£0.2m	Management action and cost reduction.	Management action to defer appointments, deferred graduate recruitment and an increased engagement with salary sacrifice schemes which generates a saving in National Insurance costs.
Resident Experience - Contact Centre; Gateways; Customer care & Complaints (Marketing & Resident Experience)	-£0.3m	Reduced cost of Agilisys contract, vacancy management and additional SEN funding.	Majority of the underspend is due to a reduced net cost for the Agilisys contract. Additionally, in response to KCC-wide request for Management action to reduce spend, MRX have deferred appointments to some posts.
Marketing & Digital Services (Marketing & Resident Experience)	£0.1m	Additional expenditure on subscriptions and software.	Unbudgeted expenditure within the marketing team for subscriptions and software, is offset in part by additional income received from Public Health for communication commissioning.
Technology	£0.1m	Minor off-setting variances.	An underspend against 3rd Party Contracts offset by increased costs on Mobile Handheld Devices as more devices are in circulation for hybrid working.

Forecast Variance

	Budget £m	Revenue Forecast Outturn £m	Net Revenue Forecast Variance £m	Last reported position (Dec) £m	Movement (+/-) £m
Non Attributable Costs	142.170	109.127	(33.044)	(30.009)	(3.034)
Earmarked Budgets Held Corporately	0.202	0.0	(0.202)	(0.140)	(0.062)
Net Total incl provisional share of CHB	142.372	109.127	(33.246)	(30.149)	(3.097)

The Non-Attributable Costs budgets are underspent by -£33m.

A £12m risk contingency was included in the 2023-24 budget to mitigate against the anticipated volatility in inflation and other cost forecasts. £12m of the underspend in NAC reflects the release of this contingency to offset overspending reflected within ASCH & CYPE Directorates.

-£8m of the underspend relates to the annual recalculation of debt charges and is due to the decisions that Members have taken to contain the capital programme, the significant levels of re-phasing of the capital programme in 2022-23, and changes in interest rates. £8m has been released from the debt charges budget; because re-phasing happens every year, £4m of this has been released on a permanent basis, £2m on a two-off basis in 2023-24 and 2024-25 and £2m on a one-off basis in 2023-24. This has been reflected in the 2024-27 MTFP published on 12 February 2024.

-£5.2m of the underspend relates to the impact on the net debt costs budget of the increase in the Bank of England base rate since the time of setting the budget, leading to a significantly higher income return on investments.

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

Key Service (Division)	Variance	Summary	Detail
Non-Attributable Costs	-£33.0m	Release of risk contingency, recalculation of debt charges and increase in forecast return from investments and changes in funding	<p>-£12m release of risk contingency to offset overspends in ASCH & CYPE directorates</p> <p>-£8.0m relates to the recalculation of debt charges.</p> <p>-£6.2m underspend on the net debt costs budget mainly due to the impact of the increase in the Bank of England base rate since setting the budget, leading to a significantly higher income return on investments.</p> <p>-£1.9m increase in Retained Business Rates levy for 2021-22 & 2022-23 compared to the level of debtors raised at the end of the 2022-23.</p> <p>-£1.6m KCC share of £100m national distribution of 2023-24 Business Rates Levy account surplus</p> <p>-£0.5m following a review of the balance sheet, resulting in the reversal of historic unreceipted purchase orders and release of unused provisions</p>

-£0.6m following release of unclaimed income from the balance sheet

-£0.7m adjustments for the 2022-23 and 2021-22 Business Rates Compensation Grants including Covid Additional Relief Fund, based on provisional NNDR3 information.

-£0.7m due to funding debt costs associated with the strategic acquisition in prior years of offices at Kings Hill from the rental income received

-£0.3m other funding changes including receipt of Inshore Sea fisheries Support grant and compensation grant for business rates exemptions for green plant and machinery relating to 2022-23 & 2023-24

-£0.5m of smaller variances including net dividend, audit fee, apprenticeship levy, other levies, Union rep, new burdens funding and other miscellaneous items.

In addition to the £33m underspend there are other significant items to report that have a net nil impact on the NAC position, as detailed below.

Minimum Revenue Provision (MRP) has been recalculated based on assets completed in 2022-23. This has resulted in a saving of £0.3m. In line with usual practice, this underspend has been transferred to the MRP smoothing reserve to be used to fund future fluctuations in MRP, therefore there is no overall impact in the current year.

An overspend of £0.8m against the Insurance Fund mainly due to increased cost of premiums and an increase in potential recorded claims has been offset by a drawdown from the Insurance Reserve. The increase cost of the premiums has been factored into the 2024-27 MTFP as it is not sustainable to continue to fund this from reserves.

Variances against the Workforce Reduction budget are managed via the Workforce Reduction reserve and as such an underspend of £0.5m has been transferred to the reserve in line with usual practice.

Corporately Held
Budgets (CHB)

-£0.2m

Uncommitted residual Pay
Pot

-£0.2m Uncommitted residual pay pot after funding staff pay increases in accordance with policy.

10 Schools' Delegated Budgets

The Schools' Budget reserves as at 31st March 2024 is a surplus of £58.6m on individual maintained school balances, and a deficit on the central schools' reserve of £67.2m. The total Dedicated Schools' Grant for 2023-24 is £1,623.8m and is overspent by £39.5m.

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

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

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

DSG Block	2023-24 Total Budget* £m's	2023-24 Outturn £m's	2023-24 Variance £m's
Schools' Block	1,190.1	1,188.8	-1.3
High Needs Block	323.1	365.3	+42.2
Early Years Block	98.7	97.3	-1.4
Central Services to Schools' Block	11.9	11.9	0.0
Total DSG 2023-24	1,623.8	1,663.3	+39.5

*Before recoupment and other DfE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving £12m from the Schools' block to the High Needs Block as agreed by the Secretary of State.

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

	Individual Maintained School Reserves £m's	Central Schools' (DSG) Reserve £m's
Reserve Balance as at 1 st April 2023*	61.1	-61.4
<i>Contribution to/(from) reserves:</i>		
Academy Conversions	-0.7	
Change in School Reserve Balances	-1.8	
Overspend on DSG 2023-24		-39.5
Safety Valve: Local Authority Contribution		14.4
Safety Valve: Payment from DfE		19.4
Reserve Balance as at 31 st March 2024*	58.6	-67.1**

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

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the Department for Education (DfE) and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) surpluses continue to form part of the main council reserves, whilst any deficit balances are held in a separate unusable reserve from the main council reserves (see appendix 3). DLUHC have confirmed this statutory override will be in place until March 2026 whilst Council's implement recovery plans.

In 2022-23, the Council entered the DfE's Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery; this includes annual funding from the DfE, totalling

10 Schools' Delegated Budgets

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

In 2023-24, the Council received £19.4m from the DfE, the second (and partly third) tranche of the £140m safety valve commitment, with the Council required to contribute a further £14.4m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £174m to £67m as at 31st March 2024.

10 Schools' Delegated Budgets

Key Issues	Details
Individual Maintained Schools Reserves	<p>As at 31st March 2024, there were 294 maintained schools with a surplus reserve balance and 3 schools with a deficit reserve balance. The number of schools in deficit has decreased from 5 to 3 during 23-24. The Council commissions The Education People to support Schools with their recovery plans.</p> <p>Schools balances excluding academy convertors have reduced by £1.8m, a reduction of approximately 2.9% compared to balances as at 31st March 2023. Schools balances have been steadily reducing since the spike in surpluses seen due to COVID. The Education Programme continues to monitor schools on a regular basis but we are anticipating the trend of reducing balances to continue during 2024-25, with the combined impact of lower funding increases and higher cost increases; along with a falling primary roll.</p> <p>In addition, 7 schools converting to academy status during 2023-24 have reduced school balances by a further £0.7m. When a maintained school converts to an academy status, the council is no longer responsible for holding the schools' reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion. During 2023-24, there was one convertor schools with a deficit budget however this was deficit was met from a contribution from the DfE.</p>
Schools' Block: Underspend falling roll funding	<p>The Schools' Block funds primary and secondary core schools' budgets including funding for additional school places to meet basic need or to support schools with significant falling rolls.</p> <p>The majority of the Schools' Block underspend is due to an underspend on the Falling Roll fund based on eligibility to access the fund.</p>
Early Years Block: general underspend	<p>The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, along with the funding of some council led services for early years.</p> <p>Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to under or overspends if activity is slightly lower or higher than expected. This has led to an underspend of £1.4m against a budget of £99m, and in line with DfE guidance (on the use of DSG), this will be used to partly fund spend on the Early Years SEN Inclusion Fund, which is currently funded from the High Needs Block, and reduces the overspend on High Needs Block.</p>
High Needs Block: Higher demand and higher cost for high needs placements.	<p>The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision. The HNB funds payments to maintained schools and academies (both mainstream and special), independent schools, further education colleges, specialist independent providers and pupil referral units. Some of the HNB is also retained by KCC to support some SEND services (staffing/centrally commissioned services) and overheads. Costs associated with the EHCP assessment and annual review process are met from the General Fund and are not included in this section of the report.</p>
Safety Valve Payment & Local Authority Contribution.	<p>The in-year funding shortfall for High Needs placements and support in 2023-24 is +£42m due to a combination of both higher demand for additional SEN support and higher cost per child resulting from greater demand for more specialist provision. Levels of growth are expected to be similar to previous years whilst actions to support future financial sustainability are implemented.</p>

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

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

	20-21 £'ms	21-22 £'ms	22-23 £'ms	23-24 £'ms
Maintained Special School	106	123	137	151
Independent Schools	49	60	68	76
Mainstream Individual Support & SRP* **	46	54	61	65
Post 16 institutions***	17	19	21	24
Other SEN Support Services	49	43	48	49
Total Spend	264	299	334	365

Table 4: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is not the total number of children with SEN or number of EHCPs.

	20-21 No	21-22 No	22-23 No	23-24 No
Maintained Special School	5,118	5,591	6,019	6,382
Independent Schools	1,126	1,348	1,485	1,620
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,496
Post 16 institutions***	1,281	1,453	1,569	1,665
Total Number of Pupils	12,035	13,650	14,845	16,163

Table 5: Average cost of HNB funded pupils receiving individualised SEN Support or placement cost.

	20-21 £s per pupil	21-22 £s per pupil	22-23 £s per pupil	23-24 £s per pupil
Maintained Special School	£20,629	£21,648	£22,640	£23,587
Independent Schools	£43,734	£44,799	£44,911	£46,894
Mainstream Individual Support & SRP* **	£10,294	£10,245	£10,578	£10,051
Post 16 institutions***	£13,309	£13,090	£12,927	£14,565

*Specialist Resource Provision

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

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

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

Directorate	Capital Budget £m	Variance £m	Real Variance £m	Slippage/Rephasing Variance £m
Adult Social Care & Health	1.7	-0.7	-0.4	-0.3
Children, Young People & Education	116.5	-68.1	-4.8	-63.3
Growth, Environment & Transport	265.8	-119.5	0.1	-119.6
Chief Executive's Department	1.6	-1.9	0.0	-1.9
Deputy Chief Executive's Department	23.5	-2.5	10.6	-13.1
TOTAL	409.1	-192.7	5.5	-198.2

The total approved General Fund capital programme including roll forwards for 2023-24 is £409.1m

The total capital programme spend for the year (excluding PFI and schools) is £216.4m which represents 52.9% of the approved budget. This is a £192.7m underspend against the budget, which is split between a +£5.5m real variance and -£198.2m slippage/re-phasing variance. £33.3m of the underspend is funded from borrowing, £7.2m of which is a real reduction in borrowing due to additional developer contributions being used in CYPE (£5.2m) and a real reduction in the School Roofs budget in CYPE (£2m). The remaining £26.1m of the borrowing variance across the programme is due to rephasing.

The 10-year capital programme continues to be developed to address the high levels of slippage and rephasing and the funding requirements and sustainability of key elements of the programme such as Highways and Basic Need will be reviewed during 2024-25.

2023-24 Variances

The major variances (>£1m rephasing and >£0.1m real variances) are described below:

Adult, Social Care & Health:

Project	Real Variance £m	Rephasing Variance £m	Detail
Hedgerows	-0.4		The planned new build project is no longer progressing and has been removed from the Capital Programme.

Children, Young People & Education:

Project	Real Variance £m	Rephasing Variance £m	Detail
Annual Planned Enhancement Programme	1.5	-3.8	<p>The real variance is due to:</p> <ul style="list-style-type: none"> - RACC costs (+£1.8m) which are expected to be funded from the DfE, these have been forward funded by other available grant until the specific RAAC funding is received. - £0.3m relating to repair costs which have been correctly moved to revenue. <p>The rephasing relates to a number of projects each under £1m which have started in 2023-24 and are forecast to complete in 2024-25.</p>
Modernisation Programme	0.0	-5.3	<p>The rephasing is due to:</p> <ul style="list-style-type: none"> -£1.6m allocated to projects in future years. -£1.1m cost savings on projects which will now be rolled forward to use on other modernisation works. -£1.5m to fund mobile replacement costs in 2024-25. -£1.1m Bidborough Primary – this was originally a school managed project, but the planning was difficult and KCC took over project management which led to delays in project delivery. -£0.8m Langdon Primary – feasibilities were requested from two different contractors causing delays at the start of the project. -£0.6m Meadowfield School – planning delays as permitted development was not allowed, and full planning permission was required. +£0.8m The Archbishops School – programme of enhancement works brought forward. +0.7m Davington Primary – replacement mobile works.
Basic Need Kent Commissioning Plan 2017	-1.4	-0.6	<p>The real variance is due to:</p> <ul style="list-style-type: none"> -£1.0m Meopham Primary School – forecast inflation costs did not materialise as expected. -£0.2m Ebbsfleet Green Primary – expected resurfacing works are no longer required. <p>The funding released from the underspend will be used to fund other basic need projects across the programme.</p> <p>The rephasing is on 3 separate projects, each under £1m.</p>
Basic Need Kent Commissioning Plan 2018	-0.2	-2.5	<p>The real variance is due to:</p> <ul style="list-style-type: none"> -£0.1m Simon Langton Boys Grammar – additional costs for works requested by the school have been met by the school. -£0.1m Tunbridge Wells Boys Grammar Annex – project completed below budget. <p>The rephasing is due to:</p>

-£1.5m Pilgrims Way Primary. This is being delivered by the DfE and KCC are contributing. The contribution is dependent on DfE delivery timescales.

-£1.0m Isle of Sheppey Special School - This is being delivered by the DfE and KCC are contributing. The contribution is dependent on DfE delivery timescales.

Basic Need Kent Commissioning Plan 2019	-0.1	-27.4	<p>The rephasing is due to:</p> <p>-£6.8m Maidstone Grammar School for Girls - the site of the new building has to be relocated due to Network Rail restrictions. New planning application is required, and the project is currently on hold.</p> <p>-£6.7m Highsted Grammar – the school is requesting additional funds which has caused a delay to the start of the project.</p> <p>-£2.5m Chilmington Green Secondary, this is a DfE managed project and the KCC contribution is dependent on DfE delivery timescales.</p> <p>-£2.7m Cable Wharf, replacement school for Rosherville, has been selected under the school rebuild programme. KCC are adding an additional 1FE and the KCC contribution to the scheme is dependent on DfE delivery.</p> <p>-£2.4m Teynham Primary. The current 1FE school is being replaced with a 2FE. Agreeing project scope with school and planning issues caused delays. Planning has been submitted, costs have been finalised and the ROD has been submitted for approval.</p> <p>-£2.1m Thanington Primary. This project is in design contract but is not yet in build contract. It is due to open in September 2025.</p> <p>-£1.0m Westlands School and -£1.0m The Sittingbourne School – these are both school managed projects and the start date is dependent on the funding agreement being signed.</p>
Basic Need KCP 2021-25	-0.7	-0.3	<p>The real variance is due to:</p> <p>-£0.7m Cornwallis Academy. A change of scope and works are now being school managed at a lower cost.</p>
Basic Need KCP 2022-26	-0.1	-6.9	<p>The rephasing variance is due to:</p> <p>-£3.2m Marden Primary. Funding agreement with the school and forecasts have been aligned with provision requirement date of September 2024.</p> <p>-£2.5m Cornwallis Academy. Forecasts have been aligned with the provision requirement date of September 2025.</p> <p>-£1.0m Sittingbourne. A school has not yet been identified to provide additional places.</p>
Basic Need KCP 2023-27	-0.3	-2.1	<p>The real variance is on Maidstone temporary secondary provision, where places are being provided at Cornwallis Academy.</p> <p>The rephasing variance is on 4 projects, each of which is below £1m.</p>

High Needs Provision	0.2	-0.9	The real variance is due to an increase to the contribution to The Cullum Centre, to be funded from the High Needs Provision 2022-24 budget line.
High Needs Provision 2022-24	-1.1	-13.1	<p>The real variance is due to:</p> <ul style="list-style-type: none"> -£1.0m Five Acre Wood - the budget that was being held is not required for works at this time. -£0.8m Oakley satellite provision – this project is no longer progressing. -0.2m to fund the overspend on the High Needs Provision budget line. +£0.5m Stone Bay – an additional reception year class is required for complex needs pupils. <p>The rephasing variance is due to:</p> <ul style="list-style-type: none"> -£10.7m The Beacon Satellite Provision. Space analysis was recently completed to confirm Special Educational Needs and Disability (SEND) spaces still required. Contracts for the next phase of works were not able to be entered into until this was completed. -1.4m Meadowfields satellite based at Fulston Manor. This is a school managed project and spend is dependent on school delivery. -£0.5m Nexus Satellite Provision - a site for this has not yet been identified.
School Roofs	-2.0		Birchington CEPS has been successful under the School Rebuild Programme and therefore no longer requires the funding allocated by KCC. This is prudential borrowing which will be given up as a saving.
John Wallis Academy	-0.3		Funds previously being held for a Community Services building are no longer required.
Youth Modernisation of Assets	-0.1		The budget has been removed.

Growth, Environment & Transport:

Project	Real Variance £m	Rephasing Variance £m	Detail
<u>Highways and Transportation</u>			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	0.1	-8.5	<p>There is an overspend for the Road Inspections budget of £2.95m and £0.9m on the Highways Operations Teams budget with regards to managing the road network. This is not shown in these figures as it has been offset by rephasing from the Structures budget line, whereby schemes were deferred due to the need to re-design engineering schemes and/or capacity issues with contractors. The result of this is that there is £3.85m less roll forward on Structures.</p> <p>The rephasing variance relates to:</p> <ul style="list-style-type: none"> - structures and the inability to recruit to senior posts, - some schemes that are in or have completed the design phase will be constructed in future years - some schemes take more than one year to construct, - delays due to KCC waiting for access to be granted by Network Rail. - rephasing of Challenge Fund grant for specific schemes. - rephasing of the new pothole blitz grant that was received late in 2023-24. These schemes will all be completed in 2024-25, contractor capacity dependent.
Integrated Transport Schemes	0.1	-2.8	<p>The real variance is due to various smaller Integrated Transport schemes that will be funded from additional external funding.</p> <p>The rephasing is due to a number of delayed schemes across the programme.</p>
A299 Bluebell Hill M2 and M20 Interchange Upgrades		-5.2	<p>The spend profile has been updated to align with the latest monitoring return submitted to the Department for Transport (DfT). The project has been pushed back to align with DfT approvals of the funding package and the award of additional funds to complete the Outline Business Case.</p>
Bearsted Road	0.1	-7.3	<p>Offline works have continued to construct the new Harvestore access roads. Reductions in scope and value engineering opportunities are still being explored to meet the increased risk and contingency budget required on this project. An award of the full construction contract is still outstanding which requires further sign off and has caused delays.</p>
Dover Inter Border Facility	-0.5		<p>The forecast has been adjusted to expected spend. Any residual grant will be repaid to the funders and cash limits will be adjusted accordingly.</p>

Green Corridors	-6.2	The spend for this project has been re-profiled into 2024-25 to reflect the updated construction timescales for the Green Corridors 3 programme. Several sites have had construction pushed back to 24-25 due to environmental issues (dormouse license required), design challenges and requirement for agreements with landowners (Network Rail).
Housing Infrastructure Fund (HIF) Swale	-14.9	The rephasing variance is due to delays in the commencement of the works contract whilst awaiting the sign off from National Highways, poor weather and road space clashes on the surrounding network (particularly M2 J5). The project is externally funded by the HIF fund from Homes England and a deed of variation has been agreed with Homes England to cover the programme delays where they have exceeded the original funding deadline.
Kent Active Travel Fund Phase 2	-1.7	Rephasing for these projects is due to the need for additional consultations on 4 of the 5 projects. Active Travel England have agreed extended deadlines with further change control to be requested by KCC.
Kent Active Travel Fund Phase 3	-1.2	The rephasing is for the Sevenoaks East/West cycle improvements part of the project. The delay is due to works continuing on developing and consulting on the proposals. Active Travel England have agreed extended deadlines with further change control to be requested by KCC.
Kent Active Travel Fund Phase 4	-1.4	An extension of time has been requested of Active Travel England for all schemes in phase 4 to 24-25 as development and works are not expected to start this year.
National Bus Strategy – Bus Service Improvement Plan	-10.9	Following the late award in February 2023 of £18.9m BSIP funding for 23-24 (£12.5m of which is Capital), KCC has worked to progress a delivery programme. A number of initiatives within the programme have needed to carry to 2024-25 due to their current status and this is supported by the DfT through their Project Adjustment Request (PAR) process.
Maidstone Integrated Transport (MIT)	-2.3	The forecast has been updated to reflect the remaining work that is expected and despite delays a construction contract has now been awarded to deliver the Coldharbour Improvement scheme. A full review of all s106 contributions covering the MIT projects is currently underway, and steps being taken to recover any monies that currently sit with Maidstone Borough Council. Refunds have also been sought from utilities for advance payments for those projects no longer coming forward.

Sturry Link Road, Canterbury	-1.9	Further confidence in the delivery programme is a requirement of SELEP, this in turn safeguards the £5.9m Local Growth Fund (LGF) contribution, so progress with land negotiations and design work must be suitably demonstrated. A design and build contract has been awarded and the detail design is being developed, including a value engineering review. The design costs are covered by s106 contributions already received and the SELEP LGF contribution. The project has been rescheduled based on the current programme for the design and build contract.
A228 and B2160 Junction Improvements with B2017 Badsell Road	-1.1	Flood Risk modelling has identified issues with the current scheme design. Therefore further design and drainage modelling needs to be carried out and alternative options explored. This is currently affecting the overall programme for the project and causing rephasing of the S106 contributions which are funding the delivery of this scheme.
Fastrack Full Network – Bean Road Tunnels	-10.1	Following the project being paused due to a funding gap, the availability of BSIP 2 funding has allowed work to start again to resubmit the planning application and to review the existing design and tender documents. This has led to a rephasing of available funds which are currently being reviewed through updated legal agreements.
Faversham Swing Bridge	-1.8	There are ongoing complex legal discussions with Peel Ports relating to the project therefore the budget is being rephased.
LED Conversion	-1.6	Rephasing is required as the budget is to convert newly adopted assets to LED where the approved design was prior to the LED conversion project. The date for adopting new developments is an unknown quantity, therefore the carry forward reflects that less assets will be adopted this year than expected.
Urban Traffic Management Control	-1.2	The spend for this project has been reprofiled based on the programme of works. This programme is funded by Ebbsfleet Development Corporation.
Zero Emission Bus Regional Areas (ZEBRA)	-3.2	The purchase of the electric vehicle chargers for this project will now take place in 2024-25. The reprofiling is due to procurement and supply delays. It is now also expected that the buses relating to the Dover element of the project will be purchased early in 24-25.

Kent Thameside Strategic Transport Programme (STIPS)		-3.3	The Thamesway project is on hold pending outcome of the Northfleet Harbourside planning application and Ebbsfleet Central build out programme confirmation. This follows a decision by the Cabinet Member following Environment and Transport Cabinet Committee in January 2023, to amend the Thamesway project.
A28 Chart Road, Ashford		-3.0	There is further uncertainty as to when construction will commence, which is reliant on the S106 position and provision of the bond by the developer. The delay has caused further rephasing of the potential spend.
Dover Bus Rapid Transit		-4.9	The project has continued to be delivered through the winter months and is now near completion, although there has been slippage which has extended the completion date into the 24-25 financial year.
Government Transition Works		-3.1	The grant has been rolled forward until the DfT decides on future works. Any unspent grant will be returned to the DfT.
Thanet Parkway Railway Station		-2.7	The overall project costs are still being reviewed with Network Rail and so the costs are not yet finalised. Network Rail have made further funding requests which are not included in the forecast. KCC is currently undertaking a full audit of Network Rail's costs on this project. As with all major projects, final costs are only confirmed when the project's accounts with contractors are finalised and closed.
<u>Environment and Waste</u>			There are no significant variances to report.
Kings Hill Solar Park		-0.1	There has been a real underspend in 23-24 on the project. There is a possibility of drainage works being required in 24-25, which would result in further capital spend. If required these can be funded from a reserve.
<u>Growth & Communities</u>			
Gypsy & Traveller Site Improvements	0.1	-1.8	Rephasing variance: The construction contract award was completed in the summer of 2023 resulting in works planned and programmed to end by December 2025. This has resulted in rephasing due to the scale of the improvement scheme and availability of contractors to carry out the works. Real variance: This reflects works due to fire damage, which will be covered by insurance.
Kent Empty Property Initiative	0.1	-7.1	The real variance is due to additional funding. The rephasing reflects adjusted loan repayments in line with expected receipts.

Broadband Contract 2		-1.3		Timescales for closing the contract have slipped due to delays in national assurance and supplier reporting processes for all BDUK projects. The final spend has therefore been rephased to 2024-25.
Digital Autopsy		-0.1	-2.8	The real variance is due to specific funding no longer able to be used as the deadline was not met. The rephasing variance: The NHS review has been completed but would result in the need of a much larger body store. The project has changed from its initial proposal of being a digital autopsy facility and options are being re-explored for future savings and resilient provision.
Kent and Medway Business Fund (KMBF)			-2.2	The rephasing is due delays in issuing loans due to reviewing the business case submitted to the Department for Business, Energy & Industrial Strategy (BEIS). It has been agreed that funds can be retained by KCC so a new scheme was launched in October 2023, but this didn't give sufficient time for loans to be defrayed in 2023-24.
Innovation Investment Initiative (i3)			1.0	The "forward" phasing is due to the agreement with BEIS (linked to the issues identified above) that some of the i3 funds can be used to facilitate the KMBF projects that are in the pipeline that were relevant to innovation, while the KMBF scheme was on hold pending agreement from BEIS that KCC could retain the funds.
Kent Scientific Services (KSS) Equipment		0.3		Purchase of equipment funded from revenue.
Kent & Medway Business Fund – Small Business Boost		0.2		Additional loans funded from KMBF loan repayments.
Javelin Way Development		-0.3		Real underspend in year as the project risks are continuing to fall away. The final risk on partner investment is yet to be closed out but once this is resolved all remaining retentions can be released.
Tunbridge Wells Cultural Hub		-0.2		The project is complete. The real variance is not an underspend, the works are being undertaken by the district council for which KCC will transfer the funds.
Deputy Chief Executive's Department:				
	Project	Real Variance £m	Rephasing Variance £m	Detail
	Modernisation of Assets (MOA)	0.1	0.7	The rephasing variance is due to addressing category 1 and urgent works.

Asset Utilisation – Oakwood House	0.2	The real variance is due to costs that were originally coded to Modernisation of Assets which relate to this project so will be moved, along with the funding.
Dover Discovery Centre	-4.0	The rephasing is due to delays in procurement.
Unaccompanied Asylum-Seeking Children (UASC) Accommodation Requirements	7.4	These are additional accommodation requirements and will be funded by Central Government grant.
Digital Workplace Programme	4.3	The variance is due to new laptops purchased as part of the Refresh programme which were capitalised at year end and funded from revenue.
Strategic Reset Programme	-2.9	The rephasing is due to the Future Assets programme still being at feasibility stage.
Strategic Estate Programme	-4.1	£2.9m relates to rephased works in Invicta House on the roof and lifts, the remainder £1.2m is still notionally attached to Sessions House but amounts and phasing will depend on the market response to the sale.
LIVE Margate	-1.8	The rephasing variance is due to fewer loans being distributed than expected during the year.
Corporate Property Strategic Capital	-1.0	The real variance is lower than anticipated staff capitalisation costs relating to Education projects, which are funded from education capital grant funding.
Disposal Costs	-0.3	The real variance is due to lower than anticipated disposal costs relating to properties sold.

Chief Executive's Department:

Project	Real Variance £m	Rephasing Variance £m	Detail
Feasibility Fund		-1.9	The rephasing is due to less expenditure than anticipated in 2023-24.

2023-24 REVENUE BUDGET PROPOSED ROLL FORWARDS

		£'m
1	2023-24 provisional overspend	9.601
2	Details of committed projects where we have a legal obligation or contractual commitment:	
a)	Children, Young People & Education	
i)	Section 31 Leaving Care Allowance Uplift	0.171
	Grant is not ring fenced. Funding is only available for 2 years, ceasing in 24-25 and the unspent grant for 23-24 will be used to assist future care leavers	
ii)	Effective Kent Project	0.248
	Grant is not ring fenced. Committed for ongoing delivery of UASC accommodation	
iii)	Pathways For All	0.185
	Committed for ongoing delivery of the RAA Project. Unspent funding from KCC to the RAA pooled budget	
iv)	Regional Adoption Agency	0.182
	Committed funding from the school improvement grant for continued delivery of work in 24/25	
c)	Growth, Environment & Transport Directorate	
i)	Various external funded projects	0.243
	This represents funds required to fulfil our obligation to the partnership agreements in relation to various externally funded projects.	
ii)	Kent Resource Partnership	0.105
	KCC's element of underspend on KRP project	
iii)	Highways Winter underspend	0.328
	Prior Key Decision from 2016/17 *16/00076 - Winter Service Policy 2016/17) (s. 9.1.2) The proposal for any future winter service budget underspend to be treated as a committed roll forward, so that any additional funding is available in the following financial year for highway soft landscaping maintenance	
iv)	Tunnels/Structures statutory testing	0.134
	Legal/Statutory Obligation. Structures and principle bridge and tunnel inspections including confined spaces, network rail trackside, and underwater structures. Due to resource issues within KCC and the consultants these have not been fully delivered this year but are essential inspections that are required to be undertaken. These will be a direct impact on next year's revenue budget as the works need doing on top of those budgeted for.	
v)	Proceeds from sale of Electric Vans for Environmental Projects	0.370
	Vans were purchased as part of a project funded by National Highways with the agreement that the proceeds will be earmarked for Environmental projects that align with the original funding agreement.	
d)	Chief Executive's Department	
i)	Kent Safeguarding Adults Board	0.019
	KCC's element of underspend on project.	
ii)	Kent Safeguarding Childrens Board	0.112
	KCC's element of underspend on project.	
Total of committed projects		2.097
3	Details of Bids	
		£'000
a)	Chief Executive's Department	
i)	Combined Member Grants	0.675
	Unspent Member grant from 2023-24 for allocation in 2024-25	
Total of Bids		0.675
5	Revised overspend after roll forwards	12.372
6	Funded by	
i)	Drawdown from Budget stabilisation smoothing reserves	-12.372
7	Revised Outturn Position	0.000

**APPENDIX 2
CAPITAL REPHASING**

The tables below identify the requested roll forwards by budget line, which reflect the rephasing as described in section 11 of the report. Some of this rephasing has already been effected as part of the 24-27 budget, therefore only the rephasing since then is to be actioned.

CYPE	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
Annual Planned Enhancement Prog	-3,787	1,959	1,829		0
Modernisation Programme	-5,330	2,055	3,275		0
Basic Need KCP 16	-355	355			0
Basic Need KCP 17	-579	579			0
Basic Need KCP 18	-2,462	1,406		1,056	0
Basic Need KCP 19	-27,434	14,583	12,851		0
Basic Need KCP 21-25	-296	-4,777	-1,365	6,437	0
Basic Need KCP 22-26	-6,860	2,403	4,456		0
Basic Need KCP 23-27	-2,140	-9,286	7,587	3,839	0
High Needs Provision	-978	978			0
High Needs Provision 22-24	-13,064	4,864	8,200		0
Special Schools Review Phase 2	-5	5			0
Family Hubs	-11	11			0
TOTAL CYPE REPHASING	-63,300	15,134	36,834	11,331	0
Rephasing already actioned through Budget Build	-29,897	23,503	6,394		0
Remaining rephasing to action from outturn	-33,403	-8,368	30,440	11,331	0

ASCH	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
LD Good Day Programme	-320	80	239		0
TOTAL ASCH REPHASING	-320	80	239		0
Rephasing already actioned through Budget Build					0
Remaining rephasing to action from outturn	-320	80	239		0

GET - Highways & Transportation	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
Major Schemes - Preliminary Design	-20	20			0
Highway Major Enhancement	-8,543	8,543			0
Integrated Transport Schemes	-2,807	2,807			0
Government Transition Works	-3,064	3,064			0
Dover Inter Border Facility	-100	100			0
Old Schemes Residual Works	-226	158	68		0
Bearsted Road Improvements	-7,310	7,260	50		0
LED Conversion	-1,649	1,374	275		0
Thanet Park Way Railway Station	-2,670	2,670			0
Kent Thameside Strategic Transport (STIPS)	-3,294	-3,017	6,311		0
Urban Traffic Management Control	-1,204	1,204			0
Rathmore Road Link	-150	150			0
A28 Chart Road	-2,953	-8,042	4,124	6,871	0
Maidstone Integrated Transport	-2,281	2,281			0
M20 Junction 4 Eastern overbridge	-25	25			0
Sturry Link Road, Canterbury	-1,883	-8,438	12,021	-1,700	0
Kent Thameside LST - Integrated door-to-door journeys	-20	20			0
Dartford Town Centre	-711	711			0

A2500 Lower Road Improvements	-104	104			0
A252 Safer Roads Fund	-85	85			0
A290 Safer Roads Fund	-17	17			0
Dover Bus Rapid Transit	-4,858	4,853	5		0
Fastrack Full Network, Bean Road Tunnels	-10,127	5,118	3,651	1,358	0
Faversham Swing Bridge	-1,815	815	1,000		0
A229 Bluebell Hill	-5,178	206	-7,549	12,521	0
Kent Active Travel Fund Phase 2	-1,744	1,744			0
Kent Active Travel Fund Phase 3	-1,176	1,176			0
Kent Active Travel Fund Phase 4	-1,363	1,363			0
Trees Outside Woodlands	-46	46			0
Green Corridors 3	-6,222	6,222			0
Bath Street, Gravesend	459	-919	460		0
A228 and B2160 Junction Improvements	-1,115	1,055	60		0
Zebra Funding	-3,232	3,232			0
National Bus Strategy - Bus Service Improvement Plan (BSIP)	-10,925	10,925			0
Diversion Routes for Unplanned Events	-295	295			0
Housing Infrastructure Fund - Swale	-14,856	14,643	212		0
Herne Relief Road	-453	434	19		0
North Thanet Link	-553	-8,971	-15,910	25,434	0
Market Square Dover	-333	333			0
Folkestone Brighter Futures	-45	45			0
					0
TOTAL HIGHWAYS & TRANSPORTATION REPHASING	-102,994	53,712	4,798	44,485	0
Rephasing already actioned through Budget Build	-54,054	7,852	-1,135	47,337	0
Remaining rephasing to action from outturn	-48,940	45,860	5,933	-2,852	0

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
GET - Environment & Waste					
Energy & Water Efficiency Investment Fund - External	-275	275			0
Energy Reduction & Water Efficiency Investment	-222	222			0
Maidstone Heat Network	-76	76			0
Surface Water Flood Risk Management	-383	-345	100	628	0
New Transfer Station Folkestone & Hythe	135	-6,122	5,987		0
Windmill Weatherproofing	0	0			0
Electric Van Scheme	-239	239			0
Local Authority Treescape Fund	24	-24			0
Waste Compactor Replacement	-11	11			0
TOTAL ENVIRONMENT & WASTE REPHASING	-1,048	-5,667	6,087	628	0
Rephasing already actioned through Budget Build	-589	-6,126	6,626	89	0
Remaining rephasing to action from outturn	-459	459	-539	539	0

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
GET - Growth & Communities					
Public Rights of Way	-983	370	613		0
Essella Road Footbridge	-109	109			0
Herne Bay Gateway - Library Plus	207	-207			0
Gypsy & Traveller Site Improvements	-1,808	1,808			0
Digital Autopsy	-2,770	100	0	2,670	0
Innovation Investment Initiative (I3)	1,025	-378	-53	-594	0
Kent & Medway Business Fund	-2,171	1,068	604	499	0
Kent Empty Property Initiative	-7,134	9,834	180	-2,880	0

Workspace Kent	-175	175			0
Country Parks, Access & Development	-165	165			0
Public Sports	-26	26			0
Village Halls and Community Centres	-63	63			0
Broadband Comtract 2	-1,349	1,349			0
Javelin Way Development					0
Public Mortuary			-3,000	3,000	0
					0
TOTAL GROWTH & COMMUNITIES REPHASING	-15,522	14,482	-1,656	2,696	0
Rephasing already actioned through Budget Build	-5,911	6,655	-3,016	2,272	0
Remaining rephasing to action from outturn	-9,611	7,827	1,360	424	0

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
DCED					
Modernisation of Assets	652	2,430	-1,129	-1,953	0
Asset Utilisation	-823	823			0
Dover Discovery Centre	-4,018	4,018			0
Live Margate	-1,865	1,865			0
Strategic Estate Programme	-4,145	-3,391	7,536		0
Strategic Reset Programme	-2,927	600	2,327		0
TOTAL DCED REPHASING	-13,126	6,345	8,734	-1,953	0
Rephasing already actioned through Budget Build	-10,245	3,925	9,049	-2,729	0
Remaining rephasing to action from outturn	-2,881	2,420	-315	776	0

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
CED					
Feasibility Fund	-1,937	93	-2,180	4,024	0
TOTAL CED REPHASING	-1,937	93	-2,180	4,024	0
Rephasing already actioned through Budget Build	-783	-392	1,175		0
Remaining rephasing to action from outturn	-1,154	485	-3,355	4,024	0

GRAND TOTAL

TOTAL REPHASING	-198,246	84,179	52,856	61,211	0
Total Rephasing already actioned through Budget Build	-101,479	35,417	19,093	46,969	0
Total Remaining rephasing to action from outturn	-96,767	48,762	33,762	14,242	0

APPENDIX 3

CAPITAL CASH LIMIT CHANGES

To reflect revised funding/phasing since budget

The tables below reflect changes and timing in available funding, such as additional grant and external funding, since the 2024-25 budget was agreed.

	2023-24	2024-25	2025-26	Future years	Total
CYPE	£'000	£'000	£'000	£'000	£'000
Management & Modernisation of Assets - Youth	-147				-147
Annual Planned Enhancement Programme	40				40
Modernisation Programme	-24				-24
School Roofs	-2,018				-2,018
Basic Need KCP 16	110	222			332
Basic Need KCP 17	-1,382	72			-1,310
Basic Need KCP 18	1,515	-630		-1,056	-172
Basic Need KCP 19	10,828	908	-13,785	-1,500	-3,549
Basic Need KCP 21-25	-560	5,332	1,553	-6,437	-112
Basic Need KCP 22-26	2,010	-1,941			68
Basic Need KCP 23-27	-1,717	1,018	-4,023	4,179	-542
Basic Need KCP 24-28	-135	3,500	11,613	489	15,467
High Needs Provision	13	17			30
High Needs Provision 22-24	-959	8,465	5,247	6,841	19,594
High Needs Provision 24-25		254	-1,500	2,060	814
DfE Fully Funded Projects	9				9
Special Schools Review Phase 2	-18	18			0
John Wallis	-338				-338
Priority School Build Programme	8				8
Childcare Expansion		2,659			2,659
					0
Total Other Cash Limit Changes	7,233	19,894	-895	4,577	30,809

	2023-24	2024-25	2025-26	Future years	Total
ASCH	£'000	£'000	£'000	£'000	£'000
Home Support Fund	-11	0	0	0	-11
Learning Disabled Good Day Programme	212	461	0	0	673
Community Sexual Health Services	-2	0	0	0	-2
Total Other Cash Limit Changes	199	461	0	0	660

	2023-24	2024-25	2025-26	Future years	Total
GET - Highways & Transportation	£'000	£'000	£'000	£'000	£'000
Highway Major Enhancement	387	513	1,536	12,288	14,724
Major Schemes - Preliminary Design	11				11
Integrated Transport Schemes	-235	-748	-548	-4,384	-5,915
Government Transition Works	-63				-63
Dover Inter Border Facility	220				220
Kent Thameside Strategic Transport (STIPS)	93	440			533
A226 St Clements Way (from KTS)	-61	-4			-65
Bearsted Road Improvements	190				190
Kent Thameside LST - Integrated door-to-door journeys	-93				-93

Herne Relief Road			-1		-1
Trees Outside Woodlands	20				20
Galley Hill Collapse	-40				-40
Diversion Routes for Unplanned Events	299	35			334
Local Electric Vehicle Infrastructure	0	200			200
Maidstone Integrated Transport	0	3,169			3,169
Housing Infrastructure Fund - Swale	43				43
M20 Junction 7	41				41
Fastrack Full Network, Bean Road Tunnels			9,500		9,500
Total Other Cash Limit Changes	813	3,605	10,487	7,904	22,809

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
GET - Environment & Waste					
Local Authority Treescape Fund	-44	71		-8	19
Total Other Cash Limit Changes	-44	71	0	-8	19

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
GET - Growth & Communities					
Country Parks, Access & Development	14				14
Public Rights of Way	24	274	263		562
Tunbridge Wells Cultural Hub	-1				-1
Kings Hill Solar Park	178	141			319
Javelin Way Development	-288				-288
Kent & Medway Business Fund	1,211		-601	-610	0
Kent & Medway Small Business Boost	154				154
Kent Empty Property Initiative	6,380	-7,816			-1,436
Herne Bay Gateway Library Plus	82	-178			-96
Digital Autopsy	-153				-153
Gypsy & Traveller Site Improvements	139				139
KSS Equipment and Vehicles	273				273
Trading Standards	15				15
Total Other Cash Limit Changes	8,028	-7,578	-337	-610	-497

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
DCED					
Modernisation of Assets	-882	611			-271
Oakwood House	951				951
Dover Discovery Centre	211				211
Live Margate	51				51
Corporate Property Strategic Capital	-995				-995
Disposal Costs	-301				-301
Lan Refresh	4,270				4,270
Modernisation of Assets Plus	-114				-114
Additional accommodation requirements UASC	7,403	20,262	424		28,089
Total Other Cash Limit Changes	10,594	20,873	424	0	31,891

	2023-24 £'000	2024-25 £'000	2025-26 £'000	Future years £'000	Total £'000
CED					

Feasibility Fund	489				489
					0
Total Other Cash Limit Changes	489	0	0	0	489

	2023-24	2024-25	2025-26	Future	Total
	£'000	£'000	£'000	years	£'000
	£'000	£'000	£'000	£'000	£'000
Total Other Cash Limit Changes	27,312	37,326	9,680	11,862	86,180

Appendix 4 – 2023-24 Reserves Provisional Outturn Position

	Balance as at 1 April 2023 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2024 £m
General Fund (GF) Balance	36.9	0.3	37.2
Budgeted contribution to/(from) in MTFP		5.8	5.8
	36.9	6.1	43.0
Earmarked reserves:			
Vehicle, Plant & Equipment (VPE)	20.3	2.3	22.6
Smoothing	109.2	39.4	148.6
Major Projects	68.9	(27.9)	41.0
Partnerships	67.7	(16.1)	51.5
Grant/External Funds	53.2	(37.0)	16.2
Departmental Under/Overspends	3.3	(0.5)	2.8
Insurance	13.2	(0.8)	12.4
Public Health	16.9	0.1	17.0
Trading	1.1	0.6	1.7
Special Funds	0.7	0.1	0.8
Total Earmarked Reserves	354.5	(39.9)	314.6
Total GF and Earmarked Reserves	391.4	(33.8)	357.6
Schools Reserves			
	Balance as at 1 April 2023 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2024 £m
School delegated revenue budget reserve - committed	18.9	(0.6)	18.3
School delegated revenue budget reserve - uncommitted	41.8	(1.8)	40.0
Community Focussed Extended Schools Reserves	0.3	0.0	0.3
Total School Reserves	61.0	(2.4)	58.6

DSG Adjustment Account - Unusable Reserve

	Balance as at 1 April 2023 £m	Contribution to/(from) Reserve £m	Balance at 31 March 2024 £m
Unallocated Schools Budget	(97.6)	(5.8)	(103.4)

The General Fund Reserve (including the Commercial Services General Fund) has increased by £6.1m to £43.0m. £5.8m of this movement is the 2023-24 budget contribution to General Reserves to maintain them at 5% of the net revenue budget. The remaining £0.3m is the movement on the General Fund Reserve relating to Commercial Services.

During 2023/24, a Reserves Review was undertaken and implemented to realign some of our reserves balances to the most appropriate categories. This resulted in £48.1m being transferred into the Smoothing category, made up of balances in Major Projects (£16.7m), Grant/External Funds (£30.8m) and Departmental Under/Overspends (£0.6m). The movement within the Smoothing category includes the closure of the Regeneration / Economic Development and Strategic Priorities reserves. A review is planned in 2024-25 to streamline and simplify our reserves further.

Of the £48.1m transferred to the Smoothing category, £2.0m has been allocated to the Budget recovery reserve specifically for the work with transformation partners as part of the Strategic Reset Programme (SRP).

The £12.4m overspend in 2023-24 has been funded from the Support to future years budgets reserve, which is in the Smoothing category.

The earmarked reserve in the Partnerships category of £36.2m set up at the end of 2022-23 for the Safety Valve agreement with the Department for Education (DfE) remains unchanged in 2023-24 due to the 2023-24 in-year deficit. KCC's contribution of £14.4m in 2023-24 has been funded from the Partnerships category. This, along with the DfE contribution of £19.4m has been transferred to the unusable DSG Deficit Adjustment Account.

Monitoring of Prudential Indicators as at 31 March 2024

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

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

	22-23 Actuals	23-24 Budget	23-24 Actual
Total	235.3	393.8	216.40

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

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources. It is a measure of the Council's underlying borrowing need.

	22-23 Actuals	23-24 Budget	23-24 Actual
Total CFR	1,292.42	1,345.30	1,268.01

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

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

	22-23 Actuals	23-24 Budget	23-24 Actual
Other Long-term Liabilities	222.40	235.80	178.77
External Borrowing	802.47	771.80	771.89
Total Debt	1,024.87	1,007.60	950.66
Capital Financing Requirement	1,292.42	1,345.30	1,268.01
Internal Borrowing	267.55	337.70	317.35

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

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt). A lower "operation boundary" is set should debt approach the limit.

	22-23 Actuals	23-24 Budget	23-24 Actual
Authorised Limit - borrowing	802	946	946
Authorised Limit - Other long term liabilities	222	232	179
Authorised Limit - total external debt	1,024	1,178	1,125
Operational Boundary - borrowing	802	896	822
Operational Boundary - Other long term liabilities	222	232	179
Operation Boundary - total external debt	1,024	1,128	1,001

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

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue. This indicator compares the net financing costs of the Authority to the net revenue stream.

	22-23 Actuals	23-24 Budget	23-24 Actual
Proportion of net revenue stream	9.18%	8.40%	8.17%

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

	22-23 Actual	23-24 Actual
Net income from commercial and service investments to net revenue stream (%)	0.64	0.46