

To: CABINET – 9 July 2012

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- (1) **REVENUE AND CAPITAL BUDGET OUTTURN 2011-12**
  - (2) **REVENUE BUDGET ROLL FORWARD**
  - (3) **CAPITAL BUDGET ROLL FORWARD**
  - (4) **2011-12 FINAL MONITORING OF KEY ACTIVITY INDICATORS**
  - (5) **2011-12 FINAL FINANCIAL HEALTH INDICATORS**
  - (6) **2011-12 FINAL MONITORING OF PRUDENTIAL INDICATORS**
  - (7) **IMPACT OF 2011-12 REVENUE BUDGET OUTTURN ON RESERVES**
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## 1. Summary

- 1.1 This report sets out the provisional revenue and capital budget outturn for 2011-12. It details:
  - where revenue projects have been rescheduled and/or are committed
  - where there is under or overspending.The provisional outturn on the revenue budget shows an underspend of £8.242m (excluding schools). This underspend is £4.213m lower than the projected underspend reported in May but is after £8m has been transferred to reserves for highways maintenance (£6m) and investment in technology and communications (£2m) to deliver further savings.
- 1.2 Details of the proposals for the use of £8.242m of the revenue budget underspending are provided in Appendix 2. This identifies those projects where there is already a commitment to spend in 2012-13, leaving an uncommitted balance of £5.716m. However, Cabinet is also asked to consider a bid for £0.4m of the roll forward for a dedicated central communications and engagement budget within the Customer & Communities portfolio. Further details are provided in Appendix 2. Assuming this initiative is funded, this would leave an uncommitted balance of £5.316m. It is recommended that, in consideration of the potential for further Government funding cuts, this is set aside in the earmarked Economic Downturn reserve.
- 1.3 The report refers to a number of contributions to reserves which Cabinet is asked to approve.
- 1.4 Details of the capital roll forwards are provided in Appendix 3.
- 1.5 Final monitoring of key activity indicators for 2011-12 is detailed in Appendix 4.
- 1.6 The report also provides the year-end financial health indicators in Appendix 5, prudential indicators in Appendix 6 and impact on reserves in section 3.6.

## 2. Recommendations

Cabinet is asked to:

- 2.1 **Note** the provisional outturn position for 2011-12.
- 2.2 **Agree** that £2.526m of the 2011-12 revenue underspending is rolled forward to fund existing commitments, as detailed in section 2 of Appendix 2.
- 2.3 **Agree** that £0.4m of the 2011-12 roll forward is used for a central communications and engagement budget within the Customer & Communities directorate, as detailed in section 4 of Appendix 2.
- 2.4 **Agree** that the £5.316m remainder of the 2011-12 revenue underspending is set aside in the Economic Downturn reserve.

- 2.5 **Note** that £9.774m of capital re-phasing from 2011-12 will be added into 2012-13 and later years, as detailed in Appendix 3 and the 2012-13 Capital Programme will also be adjusted to reflect other 2011-12 variances as reported in the outturn.
- 2.6 **Note** the final monitoring of the key activity indicators for 2011-12 as detailed in Appendix 4.
- 2.7 **Note** the final financial health indicators for 2011-12 as detailed in Appendix 5.
- 2.8 **Note** the final monitoring of the prudential indicators for 2011-12 as detailed in Appendix 6.
- 2.9 **Note** the impact of the 2011-12 provisional revenue budget outturn on reserves as detailed in section 3.6.
- 2.10 **Note** that the schools' revenue and capital reserves have reduced by some £1.381m. Details are provided in this report.

### **3. BUDGET OUTTURN 2011-12**

#### **3.1 INTRODUCTION**

- 3.1.1 This report sets out the provisional revenue and capital budget outturn for 2011-12. There may be minor variations in figures during the final stage of the closing of accounts process and the accounts are also still subject to external audit.
- 3.1.2 For the 12<sup>th</sup> consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level (excluding schools).

#### **3.2 REVENUE BUDGET OUTTURN 2011-12**

- 3.2.1 The provisional outturn is a net underspend of £8.242m against portfolio budgets and a £3.898m increase in school reserves, giving a total underspend of £12.140m.
- 3.2.2 This -£8.242m provisional outturn position (excluding schools) compares with the adjusted net variance of -£12.455m last reported to Cabinet at its meeting on 14 May, which represents a movement since the last report of +£4.213m. The net provisional outturn by portfolio and the movement since the last report are shown below in table 1.

**TABLE 1: PROVISIONAL FINAL REVENUE OUTTURN BY PORTFOLIO**

<b>Portfolio</b>	<b>Budget</b>	<b>Provisional Outturn</b>	<b>Variance</b>	<b>Variance per last report</b>	<b>Movement</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Education, Learning &amp; Skills</b>	<b>+38,720</b>	<b>+35,916</b>	<b>-2,804</b>	-2,812	+8
<b>Specialist Children's Services</b>	<b>+111,326</b>	<b>+126,839</b>	<b>+15,513</b>	+15,591	-78
<b>Adult Social Care &amp; Public Health</b>	<b>+308,266</b>	<b>+302,684</b>	<b>-5,582</b>	-5,014	-568
<b>Environment, Highways &amp; Waste</b>	<b>+149,162</b>	<b>+141,897</b>	<b>-7,265</b>	-6,216	-1,049
<b>Customer &amp; Communities</b>	<b>+91,704</b>	<b>+89,807</b>	<b>-1,897</b>	-1,081	-816
<b>Regeneration &amp; Enterprise</b>	<b>+4,730</b>	<b>+4,731</b>	<b>+1</b>	0	+1
<b>Finance &amp; Business Support</b>	<b>+159,145</b>	<b>+155,664</b>	<b>-3,481</b>	-10,187	+6,706
<b>Business Strategy, Performance &amp; Health Reform</b>	<b>+51,581</b>	<b>+49,264</b>	<b>-2,317</b>	-2,402	+85
<b>Democracy &amp; Partnerships</b>	<b>+7,296</b>	<b>+6,886</b>	<b>-410</b>	-334	-76
<b>SUB TOTAL (excl Schools)</b>	<b>+921,930</b>	<b>+913,688</b>	<b>-8,242</b>	<b>-12,455</b>	<b>+4,213</b>
<i>Schools (ELS portfolio) (Note 1)</i>	<i>0</i>	<i>-3,898</i>	<i>-3,898</i>	<i>+3,126</i>	<i>-7,024</i>
<i>Schools (SCS portfolio)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Schools (TOTAL)</b>	<b>0</b>	<b>-3,898</b>	<b>-3,898</b>	<b>+3,126</b>	<b>-7,024</b>
<b>TOTAL</b>	<b>+921,930</b>	<b>+909,790</b>	<b>-12,140</b>	<b>-9,329</b>	<b>-2,811</b>

*Note 1: Although schools reserves have increased by £3.898m, this is made up of a £2.513m increase in reserves by schools against the schools delegated budgets (a £4.361m drawdown as a result of 41 schools converting to new style academy status and taking their*

*reserves with them offset by a £6.874m underspend for the remaining Kent schools), together with an underspend on the unallocated schools budget of £1.385m.*

3.2.3 Detailed below are the main reasons for the movement in the portfolio forecasts since the last monitoring report to Cabinet on 14 May, as shown in Table 1:

#### 3.2.4 **Education, Learning & Skills:**

The overall position for the portfolio has only moved by +£0.008m since the 14 May report to Cabinet. However, within this is a couple of offsetting movements over £0.1m: a £0.151m reduction in Special School and Hospital Recoupment income, due to a reduction in other local authority pupils in our special schools during the spring term, has been offset by a £0.136m underspend on the Participation by Rights budget within Strategic Management & Directorate Support.

#### 3.2.5 **Specialist Children's Services Portfolio:**

The overall position for the portfolio has moved by -£0.078m since the 14 May report to Cabinet. The main movements are:

3.2.5.1 -£0.300m underspend on the Kent Safeguarding Children Board. This represents KCC's share of the underspend of the KSCB Board and the underspending related to partners contributions is held in a Fund. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board and therefore this is included in the roll forward proposals detailed in appendix 2.

3.2.5.2 +£0.199m due to a contribution to a provision for the review of 15 Adoption/Special Guardianship Order cases.

3.2.5.3 +£0.154m increase in the pressure on Fostering to £8.922m, mainly due to a further increase in legal costs.

3.2.5.4 +£0.198m increase in the pressure on Asylum to £2.784m mainly due to increased costs of rent, client support, infrastructure and fostering payments.

3.2.5.5 -£0.230m increase in the underspend on Strategic Management & Support mainly due to additional income and staffing vacancy savings.

3.2.5.6 There were a number of smaller movements across the other budgets within Specialist Children's Services which account for the remaining movement of -£0.099m.

#### 3.2.6 **Adult Social Care & Public Health Portfolio:**

The overall position for the portfolio has moved by -£0.568m to an underspend of -£5.582m since the 14 May report to Cabinet. The main movements are:

3.2.6.1 -£0.567m Strategic Management & Directorate Support - this is due to £0.285m of underspending against the Integrated Community Equipment Store, Excellent Homes for All project and Kent & Medway Safeguarding Vulnerable Adults Committee. These are all partnership agreements and therefore this underspending is required to roll forward to fund our obligation to these inter-agency pooled budgets. Details are included in the roll forward proposals shown in Appendix 2. The remainder of the underspending on this budget is largely due to lower than expected charges for ICT.

3.2.6.2 -£0.192m Older People Domiciliary Care mainly as a result of lower than expected costs of sheltered housing and a drawdown from the bad debt provision.

3.2.6.3 +£0.237m Other Adult Services – this is mainly due to an increase in demand for Occupational Therapy equipment and services and a penalty payment as the number of meals provided was lower than expected.

3.2.6.4 There are a number of smaller movements across the other budget lines within this portfolio, all below £0.1m.

### 3.2.7 **Environment, Highways & Waste Portfolio:**

The overall underspend for the portfolio has increased by a further £1.049m, to £7.265m since the 14 May report to Cabinet. The main movements are:

- 3.2.7.1 -£0.547m on Highways Services – this is made up of a number of smaller movements across all of the A-Z budgets within this service grouping. The main changes relate to lower than anticipated costs of road safety speed awareness and cycle training (-£0.271m), lower than anticipated costs of street light energy (-£0.140m) and a £0.135m increase in the underspend for Traffic Management predominately due to additional income from traffic systems (road works activity) and the Permit Scheme.
- 3.2.7.2 -£0.333m on Transport Services – this is due to additional underspending on the Freedom Pass, and Concessionary Fares, together with a reduction in costs of multi modal transport models and ICT development within Sustainable Transport.
- 3.2.7.3 -£0.208m Directorate Management & Support predominately reflecting lower than anticipated costs of training, computer related expenditure and legal services and additional income for staff recharges.

### 3.2.8 **Customer & Communities Portfolio:**

The underspend on this portfolio has increased by £0.816m to £1.897m since the 14 May report to Cabinet. This is made up of several relatively small movements across most A-Z budgets. The main movements are:

- 3.2.8.1 -£0.205m Library Services – this is mainly due to additional income for stock purchases, salary recharges and income from the on-line shop together with lower than anticipated spend on equipment, computers and audio visual stock.
- 3.2.8.2 -£0.130m Registration Service, which is due to additional income from ceremonies.
- 3.2.8.3 -£0.123m Youth Service & Youth Offending Service – this is mainly due to a reduction in staffing costs and additional income.
- 3.2.8.4 The balance of the movement is due to smaller movements on most budgets including Strategic Management & Directorate Support, Gateways, Local Boards & Member Grants and the Contact Centre.

### 3.2.9 **Finance & Business Support Portfolio:**

The underspend on this portfolio has reduced by £6.706m to £3.481m since the 14 May report to Cabinet, which is due to:

- 3.2.9.1 A £1.1m increase in the underspend on the Financing Items budgets, which is predominately on the net debt charges and investment income budget to do with our recovery of Icelandic monies and re-phasing of the capital programme.
- 3.2.9.2 A transfer of £6m to the rolling budget reserve for Highways maintenance, following the prolonged spell of wet weather during the spring in order to protect our recent investment in Kent highways, as approved by Cabinet in June.
- 3.2.9.3 A transfer of £2m to the rolling budget reserve for investment in communications and technology following identification that the Customer Service Strategy has the potential to realise significant savings from how we engage with our customers and residents. This modest investment should enable a radical change to a more cost effective means of communication with the people of Kent.
- 3.2.9.4 This position also reflects an overspend on the Insurance Fund of £2.470m which has been met by a drawdown from the Insurance Reserve. This overspend, which is due to an increase in the provision for liability claims and claims paid, together with a reduction in premium income, was only marginally higher than previously forecast.
- 3.2.9.5 A £0.2m increase in the underspend within the Finance & Procurement Unit mainly due to ICT charges being lower than expected.

### 3.2.10 **Business Strategy, Performance & Health Reform Portfolio:**

The underspend for the portfolio has reduced by £0.085m to -£2.317m since the 14 May report to Cabinet. The main movements are:

3.2.10.1 +£0.367m within Property & Infrastructure due to increased spend in relation to Corporate Landlord and lower recharge income than previously forecast

3.2.10.2 -£0.326m within ICT which was mainly due to -£0.192m underspending within EiS related to re-phasing of implementation of the contract to take over the IT services for BSF schools. This was due to complete in February 12 but has been postponed until the start of 2012-13 due to legal complications. In addition, there was a £0.080m increase in the re-phasing of KPSN orders placed with the External Provider, but due to delivery constraints, these were not completed before 31st March 2012. Both of these are included within the roll forward proposals detailed in Appendix 2.

### 3.2.11 **Democracy & Partnerships Portfolio:**

The underspend for the portfolio has increased by £0.076m to -£0.410m since the 14 May report to Cabinet. This is mainly due to a draw down from the elections reserve for the costs of the bi-elections held during 2011-12.

3.3 A reconciliation of the revenue gross and income cash limits to the last full monitoring report, as reported to Cabinet on 19 March, is provided in Appendix 1.

## 3.4 **REVENUE BUDGET ROLL FORWARD PROPOSALS**

3.4.1 The 2012-13 approved budget assumes rolled forward underspending from 2011-12 of £3.512m, which has already been transferred to an earmarked reserve to support the 2012-13 budget. Of the £8.242m provisional underspend, £2.526m is required to roll forward to fund the completion of a number of projects within directorates, which have been rescheduled and/or are committed. Details of these commitments are provided in Appendix 2. **Cabinet is asked to approve these roll forward proposals.** This leaves a residual uncommitted balance of £5.716m. It is recommended that this be used as follows:

- £0.4m to establish a dedicated communications and engagement budget, the details of which are provided in section 4 of Appendix 2. **Cabinet is asked to approve this roll forward proposal.**
- in consideration of the potential for further Government funding cuts, the balance of £5.316m is set aside in the earmarked Economic Downturn reserve. **Cabinet is asked to approve this contribution of the remaining 2011-12 underspend to reserves.**

## 3.5 **DELEGATED SCHOOLS BUDGET**

3.5.1 The previously forecast draw down from reserves of £3.126m, which was made up of a drawdown of £4.626m as a result of 41 schools converting to academies together with an increase of £1.5m in reserves for the remaining Kent schools, was based on the schools nine month monitoring returns. The actual movement in schools reserves in 2011-12 was an increase of £3.898m, a movement of -£7.024m from the forecast position, which is due to previously unforecast savings against the schools unallocated budget of £1.385m, a reduction in the estimated drawdown as a result of schools converting to academies of -£0.265m and a shift of -£5.374m in the remaining Kent schools position.

3.5.2 The £3.898m increase in schools reserves in 2011-12 is made up of:

- a £4.361m drawdown of reserves as a result of 41 schools converting to new style academy status and taking their reserves with them,
- an underspend of £6.874m for the remaining Kent schools,
- in addition, there is an underspend on the unallocated schools budget of £1.385m, which is mainly due to a £1.3m increase in DSG after the schools budgets were set which has yet to be allocated by the Schools Funding Forum, an underspend on early years placements of £0.184m, offset by +£0.099m of other minor variances. This has increased total school revenue reserves to £59.088m of which £21.990m relates to unallocated schools budget. Of the remaining £37.098m, the schools returns show that of this balance, £10m is committed for specific revenue projects and contributing towards larger capital projects.

### 3.6 IMPACT ON RESERVES

These are provisional figures and are subject to change during the final stages of the closing of accounts process.

Account	Balance at 31/3/11 £m	Balance at 31/3/12 £m	Movement £m
Earmarked Reserves	118.1	141.3	+23.2
General Fund balance	26.7	31.7	+5.0
Schools Reserves	55.2	59.1	+3.9

3.6.1 The general reserves position at 31 March 2012 was £31.7m, this is an increase of £5m from the position as at 31 March 2011 reflecting the budgeted contribution, as approved by County Council in February 2011, in consideration of our increased risk profile. £31.7m amounts to 3.5% of the 2012-13 net revenue budget, and 2.2% of the 2012-13 gross revenue budget (excluding schools). This is reviewed formally as part of the annual budget process – see Appendix F of the 2012-15 Medium Term Financial Plan for further details.

3.6.2 The provisional movement of +£23.2m in earmarked reserves since 31 March 2011 is mainly due to:

- New NHS Support for Social Care reserve +£12.9m Reflecting the balance of monies pass ported from PCTs to be spent on jointly agreed plans with Health
- Increase in Rolling Budget Reserve +£8.9m
- Increase in the Kingshill development smoothing reserve +£5.5m Reflecting a profit share received in 2011-12
- Increase in DSG reserve +£4.2m
- Increase in the reserve to support next year's budget +£3.5m
- Increase in the Economic Downturn Reserve +£3.3m reflects decisions taken during 2011-12
- Increase in Commercial Services earmarked reserves +£1.6m
- Increase in IT Asset Maintenance Reserve +£0.7m
- Increase in Social Care – Supported Living Costs reserve +£0.6m to fund potential back dated costs for clients currently funded by OLAs following legal negotiations
- Reduction in the PFI Reserves -£10.6m reserve to equalise costs. The reduction largely reflects the corporate draw down to support the 2011-12 budget, to be paid back over the medium term
- Reduction in the reserve for projects previously classified as capital but now considered revenue -£2.5m includes Member Highway Fund
- Reduction in Landfill Allowance Taxation Scheme reserve -£1.2m reflects value of unsold landfill allowance permits – this reserve is currently zero as the remaining permits cannot be sold and therefore have no value
- Reduction in the Supporting People Reserve -£1.0m

• Reduction in Turner Contemporary reserve	-£1.0m	
• Reduction on the KPSN Development Reserve	-£1.0m	to cover the costs of this re-phased project from 2010-11
	+£23.9m	

### 3.7 CAPITAL BUDGET OUTTURN 2011-12

3.7.1 The following changes have been made to the capital programme since the last report to Cabinet:

	£000s 2011- 12	£000s 2012- 13	£000s <i>Future Years</i>
1 Cash Limits as reported to Cabinet on 14th May	272,426	296,486	696,543
2 Re-phasing agreed at Cabinet on 14th May			
Childrens Social Care (exc PFI)			
Adults Social Care (exc PFI)	-239	-3,245	3,484
Business Strategy & Support	-319	319	
Regeneration	-1,084	1,084	
Education, Learning & Skills (exc Schools)	-3,511	3,515	-4
Customer & Communities	-583	583	
Enterprise & Environment	-681	1,302	-621
3 Learning Disability Good Day Programme - reduction in capital receipt funding - ASC&PH portfolio	-75		
4 Disposal Costs - increase capital receipt funding - BSS&HP portfolio	36		
5 Faversham Family Centre - increase capital receipt funding - BSS&HP portfolio		26	
6 Margate eastern seafront - reduction in grant funding - R&ED portfolio	-50		
7 Sittingbourne Adult Education Centre - increase capital receipt and PEF2 funding - C&C portfolio		482	
8 Youth Reconfiguration - increase developer contribution funding - C&C portfolio	28		
9 Cyclo Park - increase capital receipt funding - E&E portfolio	75		
10 Coldharbour Gypsy Site - increase other external funding - E&E portfolio	11	240	
11 Devolved Schools - changes to revenue and grant - ELS portfolio	5,580		
12 PFI Lifecycle costs - ELS	625		
13 PFI Lifecycle costs - ASC&PH	485		
	<b>272,724</b>	<b>300,792</b>	<b>699,402</b>
14 PFI			66,800
	272,724	300,792	766,202

3.7.2 The provisional outturn for the capital budget, excluding schools devolved capital and the Property Enterprise Fund is £237.265m, a variance of -£5.159m. This outturn compares with the variance (after re-phasing) of £0.664m last reported to Cabinet at its meeting on 14 May. In addition, the Schools' have underspent their available capital resources by some £2.000m, having previously forecast a balanced position. The provisional outturn by portfolio and the movement since the last report are shown below in table 3.

**TABLE 3: PROVISIONAL FINAL CAPITAL OUTTURN BY PORTFOLIO**

Portfolio	Budget	Provisional Outturn	Variance	Variance per last report exc re-phasing	Movement
	£k	£k	£k	£k	£k
Education, Learning & Skills	100,796	96,897	-3,899	-893	-3,006
Specialist Children's Services	14,408	15,139	731	762	-31
Adult Social Care & Public Health	3,664	3,292	-372	-263	-109
Environment, Highways & Waste	96,654	96,795	141	1,357	-1,216
Customer & Communities	16,863	16,490	-373	-225	-148
Regeneration & Enterprise	2,483	2,450	-33	-91	58
Business Strategy, Performance & Public Health	7,556	6,202	-1,354	17	-1,371
<b>TOTAL (excl Schools)</b>	<b>242,424</b>	<b>237,265</b>	<b>-5,159</b>	<b>664</b>	<b>-5,823</b>
Schools	30,300	28,300	-2,000	0	-2,000
<b>TOTAL</b>	<b>272,724</b>	<b>265,565</b>	<b>-7,159</b>	<b>664</b>	<b>-7,823</b>
Property Enterprise Fund 1		37	37		37
Property Enterprise Fund 2		159	159		159
<b>TOTAL incl PEF</b>	<b>272,724</b>	<b>265,761</b>	<b>-6,963</b>	<b>664</b>	<b>-7,627</b>

3.7.3 Table 4 shows how the capital spend of £265.761m, including Schools and Property Enterprise Fund has been funded.

**TABLE 4: PROVISIONAL FUNDING OF CAPITAL OUTTURN**

Funding Source	Capital Cash Limit			Capital Variance			
	KCC portfolios	Schools Devolved	TOTAL	KCC portfolios	Schools Devolved	Property Enterprise Fund (1&2)	TOTAL
	£k	£k	£k	£k	£k	£k	£k
Supported Borrowing	2,674		2,674	-37			-37
Prudential	29,534		29,534	-4,751			-4,751
Prudential/Revenue (directorate funded)	5,386		5,386	-330			-330
PEF2	4,105		4,105	-3,025			-3,025
Grant	171,164	12,785	183,949	-6,105	-1,867		-7,972
External Funding - Other	11,172	4,104	15,276	133	-133		
External Funding - Developer contributions	4,377		4,377	945			945
Revenue & Renewals	8,495	13,411	21,906	2,921			2,921
Capital Receipts	5,232		5,232	-493			-493
General Capital Receipts (generated by Property Enterprise Fund 1)	285		285	1,595		37	1,632
PEF2 Capital Receipts	0		0	3,988		159	4,147
<b>TOTAL</b>	<b>242,424</b>	<b>30,300</b>	<b>272,724</b>	<b>-5,159</b>	<b>-2,000</b>	<b>196</b>	<b>-6,963</b>

3.7.4 The main reasons for the movement in the forecast since the last monitoring report to Cabinet on 14 May, as shown in table 3, are as follows:



### 3.7.5 **Education, Learning & Skills Portfolio:**

The overall capital position for the portfolio (excluding capital devolved to schools) has moved by -£3.006m since the last report. The main movements are:

- Academies (£-3.745m) - most of the required rephasing within the Academy Programme relates to Contractor delays in reaching Academy Milestone payments (£-3.704m) - the Academies projects affected by these delays are: Marsh (£-1.109m), Skinners (£-0.842m), Cornwallis (£-0.707m), Spires (£-0.586m), New Line Learning (£-0.290m) & Knole Academy (£-0.170m). Other Academy rephasings are required at: Sheppey Academy (-1.048m) - where the build Programme is approximately five weeks behind schedule. The programme is expected to catch up and complete on schedule by February 2013. Longfield Academy (£+0.780m) – the build has completed ahead of schedule following pressure by the Headteacher and the need to vacate the old buildings for demolition. Academy Unit Costs (£+0.227m) - additional fees have been incurred to progress the Academy Programme.
- Building Schools for the Future (£+0.510m) - the major areas of rephasing on BSF are: BSF Wave 3 Programme (£-0.884m) the rephasing relates to the delay in renegotiating the ICT contract which is expecting to complete in the near future & BSF Unit Costs (£-0.365m) where proactive management action has been taken to minimise spend on external fees. BSF Wave 5 Programme (+£1.592m) relates to the abortive costs written off to revenue. This has increased capital spend as this relates to the reversal of a creditor.

Overall this leaves a residual balance of +£0.23m on a number of minor projects.

### 3.7.6 **Specialist Children's Services Portfolio:**

The capital outturn for the portfolio has moved by -£0.031m since the previous reported position.

### 3.7.7 **Adult Social care & Public Health Portfolio:**

The overall capital position for the portfolio has moved by -£0.109m since the last report. This is due to:

- Good Day Programme (-£0.110m) - changes relate to rephasing of ongoing projects by external organisations to which KCC makes capital grants. It is understood that there are no contractual difficulties.

### 3.7.8 **Environment, Highways and Waste Portfolio:**

The overall capital position for the portfolio has moved by -£1.216m since the last report. This is mainly due to:

- A2 Cyclo Park (-£0.518m) - the pavilion works have been delayed due to reprogramming as a result of additional requested works to construct a workshop building, and some works transferring from the main contractor to the pavilion contractor.
- East Kent Waste Facilities (-£0.580m) - the underspend was the result of comprehensive survey work carried out to determine the number and type of containers required, and the successful management of the roll-out programme for delivering new waste collection services in Dover and Shepway districts. Roll-out of new waste containers for Shepway and Dover has now been completed by the client and the contractor. Underspend will roll forward to 2013-14 to support the roll out containers for phase 2.
- Ashford Drivers Roundabout (-£0.281m) - The revised out-turn reflects some progress on negotiations and settlements of claims relating to the final account, with the contractor.

Overall this leaves a residual balance of +£0.163m on minor projects.

### 3.7.9 **Customer & Communities Portfolio:**

The overall capital position for the portfolio has moved by -£0.148m since the last report. The main movement is:

- Modernisation of Assets (-£0.148m, rephasing) - rephasing from quarter four of 11-12 to quarter one of 12-13 across a number of projects due to planning consent delays and snagging works which will now take place in quarter one. Overall the programme is showing an additional gross cost of £0.342m which is fully funded by an additional revenue contribution this year of £0.227m (£0.315m previously reported)

### 3.7.10 **Regeneration & Enterprise Portfolio:**

The capital outturn for the portfolio has moved by +£0.058m since the previous reported position.

### 3.7.11 **Business Strategy, Performance & Public Health Portfolio:**

The capital outturn for the portfolio has moved by -£1.371m since the previous reported position.

- Modernisation of Assets (+£0.126m) – mainly due to the fact that in 2011-12 a significant amount of Modernisation of Assets work was originally delayed due to the team working on other Corporate priorities. This work was then completed earlier than planned and some boiler replacement work was able to start in 2011-12, which has now resulted in a +£0.115m increase from the previous forecast.
- Corporate Property Strategic Capital (-£0.201m) - the underspend is due primarily to surveys that were due to take place in March at the Christchurch Academy being postponed to April and May. Rephasing is required to 2012-13 to meet these costs.
- Oracle Release 12 (-£0.210m) - the emphasis has been to deliver the ERP Programme and Project Activity (MIDAS replacement), both of which have been funded separately, resulting in an underspend on this budget. Rephasing is required for the Oracle Release 12 work, which will be completed in 2012-13.
- Sustaining Kent Maintaining the Infrastructure (-£0.293m) - there have been further delays in the Unified Communications programme caused by problems with technical resource availability and a considerable amount of time spent on ensuring the technical design meets the Government Connects code of connection security requirements. In addition, the final payment was expected to be made for the data centre in 2011-12, but this has been delayed to 2012-13 as satisfactory completion has not yet been agreed due to ongoing noise nuisance issue in A Block offices.
- Enterprise Resource Programme (-£0.610m) - the main element of the reduction between the previous forecast and the outturn position is £0.510m for the Oracle Business Intelligence (OBI) licences. These licences were planned to be procured in 2011-12 but because of a last minute change to the purchasing route, which improved KCC's cash flow, the formal contract start date is now 1 April 2012.
- Integrated Children's System (-£0.138m) - due to threat of challenge from one of the potential suppliers, we had to extend the software demonstrations timeline which meant that the procurement phase of the ICS project went on longer than expected. This caused delays to ordering hardware, and budget rephasing of £0.138m will therefore be required to 2012-13.

Overall this leaves a residual balance of -£0.045m on minor projects.

## 3.8 **CAPITAL PROJECT ROLL FORWARDS:**

The 2012-13 Capital Programme will now be revised to reflect the rephasing and other variations of the 2011-12 Capital Programme that resulted in the -£5.159m variance in 2011-12. The rephasing details are included in appendix 3 and are adjusted in the exception monitoring report of the 2012-13 budget which is also included on the agenda of this meeting.

### **3.9 CAPITAL RECEIPTS:**

Capital Receipts realised in 2011-12 were £2.575m from the sale of property and £0.552m from the repayment of loans. All of these receipts are required to fund existing capital programme commitments. This position excludes the receipts generated through the Property Enterprise Fund which are referred to in section 3.11 below.

### **3.10 SCHOOLS DEVOLVED CAPITAL**

3.10.1 Capital expenditure incurred directly by schools in 2011-12 was £28.300m. Schools have in hand some £2.000m of capital funding which will be carried forward as part of the overall schools reserves position. This represents a decrease in schools capital reserves of £5.254m.

### **3.11 PROPERTY ENTERPRISE FUND (PEF)**

#### **3.11.1 PEF1**

At the end of 2010-11 the fund was in deficit by £7.162m, and this was covered by temporary borrowing.

In 2011-12, the costs of disposal activity undertaken within PEF1 amounted to £0.037m, as shown in table 3 above. In addition, PEF1 was earmarked to fund £0.497m of capital spend in 2011-12 on the Integrated Transport and the Gateway programme. Therefore, total costs to be met from PEF1 were £0.534m. Capital receipts realised through PEF1 from the sale of non-operational property were £1.916m, leaving a surplus to reduce the deficit of £1.382m. When taken together with the deficit brought forward from 2010-11, the deficit on PEF1 at the end of 2011-12 was £5.780m.

Further details of the Property Enterprise Fund are provided in section 5.2 of Appendix 4.

#### **3.11.2 PEF2**

At the end of 2010-11 the fund was in deficit by £20.463m, and this was covered by temporary borrowing.

Costs associated with PEF2 in 2011-12 were £0.159m, as shown in table 3 above, and PEF2 funding support to the capital programme was £2.654m. This was offset by £4.147m of capital receipts realised through the Fund, therefore during 2011-12, there was a surplus of £1.334m on PEF2. When taken together with the surplus brought forward from 2010-11, the deficit on PEF2, against the £85m overdraft limit, at the end of 2011-12 was £19.129m.

Further details of the PEF2 are provided in section 5.3 of Appendix 4.

## **4. STAFFING LEVELS**

4.1 The following table provides a snapshot of the staffing levels by directorate as at 31 March 2012 compared to the numbers as at 31 December, 30 September, 30 June and 1 April 2011 for the new directorate structure, based on active assignments. However, due to the large movements of staff between directorates as a result of the council restructure, direct comparisons between old and new directorates are not possible, so staffing levels as at 31 March 2011 are only provided in total, together with a split of schools and non schools staff. The difference, in the right hand columns of the table, represents the movement in staffing numbers from 1 April to 31 March, which was a reduction of 2,804.26 FTEs, of which -2,007.80 were in schools and -796.46 were non-schools. However, there was also a reduction of 651.32 FTEs between 31 March 11 and 1 April 11, of which -573.55 were in schools and -77.77 were non-schools. So overall, between 31 March 11 and 31 March 12, there has been a reduction of 3,455.58 FTEs of which 2,581.35 were in schools and 874.23 were non-schools. The reduction in schools based staff is largely as a result of schools converting to academies; hence the staff are no longer employed by KCC.

		31-Mar-11	structure 01-Apr-11	Jun-11	Sep-11	Dec-11	Mar-12	Movement in year	
								Number	%
<b>KCC</b>	Assignment count	49,960	48,819	47,745	45,438	44,934	44,226	-4,593	-9.41%
	Headcount (inc. CRSS)	42,432	41,434	40,484	38,457	37,954	37,399	-4,035	-9.74%
	Headcount (exc. CRSS)	37,644	36,881	35,971	34,234	33,779	33,274	-3,607	-9.78%
	<b>FTE</b>	<b>27,845.19</b>	<b>27,193.87</b>	<b>26,479.32</b>	<b>25,153.37</b>	<b>24,782.76</b>	<b>24,389.61</b>	<b>-2,804.26</b>	<b>-10.31%</b>
<b>KCC - Non Schools</b>	Assignment count	15,330	15,191	14,916	14,427	14,100	13,901	-1,290	-8.49%
	Headcount (inc. CRSS)	13,850	13,740	13,501	13,065	12,805	12,652	-1,088	-7.92%
	Headcount (exc. CRSS)	11,944	11,854	11,662	11,311	11,045	10,865	-989	-8.34%
	<b>FTE</b>	<b>10,060.87</b>	<b>9,983.10</b>	<b>9,826.35</b>	<b>9,544.95</b>	<b>9,336.50</b>	<b>9,186.64</b>	<b>-796.46</b>	<b>-7.98%</b>
<b>BSS</b>	Assignment count		1,761	1,744	1,704	1,685	1,673	-88	-5.00%
	Headcount (inc. CRSS)		1,743	1,727	1,695	1,676	1,665	-78	-4.48%
	Headcount (exc. CRSS)		1,719	1,703	1,673	1,654	1,646	-73	-4.25%
	<b>FTE</b>		<b>1,587.72</b>	<b>1,575.10</b>	<b>1,546.35</b>	<b>1,531.79</b>	<b>1,523.86</b>	<b>-63.86</b>	<b>-4.02%</b>
<b>ELS</b>	Assignment count		1,770	1,741	1,625	1,598	1,646	-124	-7.01%
	Headcount (inc. CRSS)		1,701	1,678	1,566	1,540	1,585	-116	-6.82%
	Headcount (exc. CRSS)		1,396	1,370	1,267	1,250	1,295	-101	-7.23%
	<b>FTE</b>		<b>1,067.90</b>	<b>1,044.36</b>	<b>961.89</b>	<b>951.76</b>	<b>990.93</b>	<b>-76.97</b>	<b>-7.21%</b>
<b>C&amp;C</b>	Assignment count		4,425	4,328	4,123	4,005	3,971	-454	-10.26%
	Headcount (inc. CRSS)		3,800	3,715	3,534	3,438	3,415	-385	-10.13%
	Headcount (exc. CRSS)		2,611	2,551	2,439	2,319	2,274	-337	-12.91%
	<b>FTE</b>		<b>1,985.84</b>	<b>1,941.35</b>	<b>1,854.80</b>	<b>1,761.62</b>	<b>1,730.35</b>	<b>-255.49</b>	<b>-12.87%</b>
<b>E&amp;E</b>	Assignment count		1,293	1,270	1,233	1,229	1,205	-88	-6.81%
	Headcount (inc. CRSS)		1,279	1,256	1,219	1,215	1,190	-89	-6.96%
	Headcount (exc. CRSS)		1,187	1,167	1,124	1,113	1,079	-108	-9.10%
	<b>FTE</b>		<b>1,129.44</b>	<b>1,108.97</b>	<b>1,071.36</b>	<b>1,061.03</b>	<b>1,028.29</b>	<b>-101.15</b>	<b>-8.96%</b>
<b>FSC</b>	Assignment count		5,942	5,833	5,742	5,583	5,406	-536	-9.02%
	Headcount (inc. CRSS)		5,326	5,236	5,161	5,041	4,897	-429	-8.05%
	Headcount (exc. CRSS)		4,988	4,920	4,856	4,754	4,611	-377	-7.56%
	<b>FTE</b>		<b>4,212.20</b>	<b>4,156.57</b>	<b>4,110.55</b>	<b>4,030.30</b>	<b>3,913.21</b>	<b>-298.99</b>	<b>-7.10%</b>
<b>Schools</b>	Assignment count	34,630	33,628	32,829	31,011	30,834	30,325	-3,303	-9.82%
	Headcount (inc. CRSS)	28,816	27,915	27,206	25,593	25,342	24,932	-2,983	-10.69%
	Headcount (exc. CRSS)	25,799	25,123	24,407	23,011	22,817	22,487	-2,636	-10.49%
	<b>FTE</b>	<b>17,784.32</b>	<b>17,210.77</b>	<b>16,652.97</b>	<b>15,608.42</b>	<b>15,446.26</b>	<b>15,202.97</b>	<b>-2,007.80</b>	<b>-11.67%</b>

CRSS = Staff on Casual Relief, Sessional or Supply contracts

Notes:

If a member of staff works in more than one directorate they will be counted in each. However, they will only be counted once in the Non Schools total and once in the KCC total.

If a member of staff works for both Schools and Non Schools they will be counted in both of the total figures. However, they will only be counted once in the KCC Total.

## **5. 2011-12 FINAL MONITORING OF KEY ACTIVITY INDICATORS**

5.1 Details of the final monitoring of key activity indicators for 2011-12 are detailed in Appendix 4.

## **6. FINANCIAL HEALTH INDICATORS**

6.1 The final financial health indicators for 2011-12 are detailed in Appendix 5.

## **7. PRUDENTIAL INDICATORS**

7.1 The final monitoring of the 2011-12 prudential indicators is detailed in Appendix 6.

### Reconciliation of Gross and Income Cash Limits to the 19 March 2011 Cabinet Report

Portfolio	CASH LIMIT			VARIANCE		
	Gross £k	Income £k	Net £k	Gross £k	Income £k	Net £k
Education, Learning & Skills	+191,380	-135,120	<b>+56,260</b>	-2,181	-623	<b>-2,804</b>
Specialist Children's Services	+167,819	-56,493	<b>+111,326</b>	+14,588	+925	<b>+15,513</b>
Adult Social Care & Public Health	+468,839	-153,393	<b>+315,446</b>	-10,454	+4,872	<b>-5,582</b>
Environment, Highways & Waste	+179,860	-30,139	<b>+149,721</b>	-6,468	-798	<b>-7,266</b>
Customer & Communities	+151,912	-60,208	<b>+91,704</b>	-3,139	+1,242	<b>-1,897</b>
Regeneration & Enterprise	+6,316	-1,586	<b>+4,730</b>	+396	-395	<b>+1</b>
Finance & Business Support	+162,241	-29,288	<b>+132,953</b>	-4,969	+1,488	<b>-3,481</b>
Business Strategy, Performance & Health Reform	+91,084	-38,590	<b>+52,494</b>	+1,915	-4,231	<b>-2,316</b>
Democracy & Partnerships	+8,269	-973	<b>+7,296</b>	-349	-61	<b>-410</b>
<b>SUB TOTAL (excl Schools)</b>	<b>+1,427,720</b>	<b>-505,790</b>	<b>+921,930</b>	<b>-10,661</b>	<b>+2,419</b>	<b>-8,242</b>
<i>Schools (ELS portfolio)</i>	<i>+828,091</i>	<i>-828,091</i>	<i>0</i>	<i>-32,970</i>	<i>+29,072</i>	<i>-3,898</i>
<i>Schools (SCS portfolio)</i>	<i>+41,368</i>	<i>-41,368</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Schools (TOTAL)</b>	<b>+869,459</b>	<b>-869,459</b>	<b>0</b>	<b>-32,970</b>	<b>+29,072</b>	<b>-3,898</b>
<b>TOTAL</b>	<b>+2,297,179</b>	<b>-1,375,249</b>	<b>+921,930</b>	<b>-43,631</b>	<b>+31,491</b>	<b>-12,140</b>
	<b>Gross</b>	<b>Income</b>	<b>Net</b>			
	£k	£k	£k			
<b>Reconciliation:</b>						
<b>Cash Limits per March (Q3) report</b>	<b>2,284,949</b>	<b>-1,363,019</b>	<b>921,930</b>			
<b>Subsequent changes:</b>						
						<b>Changes to grant/income allocations:</b>
ELS	-2,886	2,886	0			Schools delegated budgets: reduction in DSG as a result of schools converting to academies
ELS	-32	32	0			Strategic Mgmt & Directorate Support: reduction in DSG as a result of schools converting to academies (central expenditure)
ELS	22	-22	0			final allocation of EIG from DfE
ELS	-1,342	1,342	0			reduction in YPLA grant as a result of schools converting to academies (schools delegated)
ELS	41	-41	0			14 -19 year olds: YPLA Bursary Fund
ELS	200	-200	0			14 -19 year olds: Increase in YPLA Young Apprentices grant
ELS	75	-75	0			Strategic Mgmt & Directorate Support: DfE SEN & Disability Green Paper grant
ELS	-76	76	0			repayment to DfE of underspend on Additional Grant for Schools (schools delegated)
ELS	245	-245	0			14 -19 year olds: Diploma Flexible 14-19 funding RIA from 2010-11
ELS	579	-579	0			Diploma funding RIA from 2010-11 (schools delegated)
ELS	209	-209	0			Early Years & Childcare: Standards fund RIA from 2010-11
ELS	8,779	-8,779	0			PFI Schools Schemes: higher than budgeted PFI grant
ASC&PH	-248	248	0			Public Health Mgmt & Support: RIA for DoH grant for Warm Homes, Healthy
ASC&PH	-103	103	0			Health Promotion: RIA for NHS EK PCT grant for House Project

	<b>Gross</b>	<b>Income</b>	<b>Net</b>	
	£k	£k	£k	
F&BS	7,500	-7,500	0	Contribution to/from reserves: Kingshill Profit Share
				<b>Technical Adjustments:</b>
ELS	-152	152	0	Mgmt & support: removal of income budget for wrong pension scheme payments as should be credit to gross
BSP&HR	-581	581	0	Mgmt & support: PFI grant incorrectly treated as income in budget rather than drawdown from reserves, (all paid as a final settlement in 2010-1& held in reserves)
Revised Budget	<b>2,297,179</b>	<b>-1,375,249</b>	<b>921,930</b>	

## 2011-12 REVENUE BUDGET ROLL FORWARD PROPOSALS

		£000s	£000s
<b>1</b>	<b>2011-12 provisional underspend</b>		<b>-8,242</b>
<b>2</b>	<b>Rescheduled/committed projects:</b>		
a	<p><i>ELS portfolio – 14 -19 Year Olds – Maidstone Skills Studio</i></p> <p>Part of the underspend on the 14-19 Unit was on the Expanding Vocational Training budgets. One of the main aims of this budget was to set up the Maidstone Skills Studio but there have been ongoing delays in setting up the project and some of this spend will now be incurred in 2012-13. Roll forward is required to fund this re-phasing.</p>	80	
b	<p><i>SCS portfolio – Kent Safeguarding Children Board</i></p> <p>This represents KCC's share of the underspend of the KSCB Board. Under the terms of the inter-agency agreement, KCC has an obligation to provide this funding to the Board. The underspending relating to partners contributions is held in a Fund.</p>	300	
c	<p><i>ASC&amp;PH portfolio – Integrated Community Equipment Store</i></p> <p>This represents KCC's share of the underspend of the ICES Board. Under the terms of the S75 agreement, KCC has an obligation to provide this funding to the pooled budget. The underspending relating to partners contributions has been rolled forward as a receipt in advance.</p>	115	
d	<p><i>ASC&amp;PH portfolio – Kent &amp; Medway Safeguarding Vulnerable Adults Committee</i></p> <p>This represents KCC's share of the underspend of the Committee. Under the terms of the multi-agency agreement, KCC has an obligation to provide this funding to the Committee. The underspending relating to partners contributions has been rolled forward as a receipt in advance.</p>	37	
e	<p><i>ASC&amp;PH portfolio – Excellent Homes for All</i></p> <p>This represents KCC's share of the underspend of the Partnership with five District &amp; Borough Councils. Under the terms of the partnership agreement, KCC has an obligation to provide this funding. The underspending relating to partners contributions has been rolled forward as a receipt in advance.</p>	133	
f	<p><i>ASC&amp;PH portfolio – delay in phase 2 of the non-residential charging policy</i></p> <p>The 2012-13 budget includes a saving resulting from implementation of phase two of the changes to the charging policy for non-residential services. This was due to take effect from 10 April 2012 but is now scheduled to come into effect from 23 July 2012. A number of reasons have contributed to this delay:</p> <ul style="list-style-type: none"> <li>• The need for finance to focus on achieving the deadline for Phase one, which was achieved within the expected timeframe. Financially this was the greatest contributing part of the savings.</li> <li>• The numbers of service users affected were far greater than originally anticipated.</li> <li>• Various issues were identified with the data quality and it is not possible for Finance to begin the financial assessments until all relevant data is entered into the SWIFT client database.</li> </ul> <p>It is estimated that the income loss in 2012-13 because of this delay is £250k based on original calculations. It is therefore necessary to roll forward £250k of the 2011-12 underspend to cover this known shortfall in income in 2012-13.</p>	250	

		£000s	£000s
g	<i>ASC&amp;PH portfolio – Health Inequalities</i> Of the original £70k budget for Health Inequalities, £22k has re-phased into 2012-13. This will be spent on mental health work in the Dartford community which has been commissioned but not initiated before 31 March 2012. Contracts have been signed and work is due to be delivered by the end of June 2012.	22	
h	<i>EHW portfolio – Environment Management - Flood Project Work</i> Partnership working with district councils and the Environment Agency has led to re-phasing of flood project work into 2012-13, which is not in our direct control and roll forward is required to fund our contribution to this partnership work in order to complete the project.	188	
i	<i>Customer &amp; Communities portfolio – Coroners Service</i> A backlog of long inquests will now fall into 2012-13 and so as not to place undue pressure on the 2012-13 budget, roll forward is required to fund this re-phasing.	150	
j	<i>Customer &amp; Communities portfolio - Member Grants</i> Grants which have been committed in 2011-12 for projects internal to KCC, but the work was not completed by 31 March. This relates to both the Member Community Grants Scheme and the Local Scheme Grants.	26	
k	<i>BSP&amp;HR portfolio - Governance &amp; Law - County Returning Officer Review</i> Part of the 2011-12 underspend in Legal relates to net income received as a result of the County Returning Officer (CRO) Review. A further £20k worth of work is necessary to complete the Review in 2012-13 and this amount is therefore required to be rolled-forward to meet these commitments.	20	
l	<i>BSP&amp;HR portfolio - Property &amp; Infrastructure - Workplace Transformation</i> Workplace Transformation activity has been significantly re-phased as a result of the need to revise strategic priorities such as the shaping of One Council/Bold Steps for Kent. Roll forward of £297k is required in order to fund this re-phasing into 2012-13.	297	
m	<i>BSP&amp;HR portfolio - HR - East Kent Partnership Payroll Project</i> £92k is required to fund the Project Manager post for the East Kent Partnership Payroll project which has re-phased to 2012-13	92	
n	<i>BSP&amp;HR portfolio - HR - CPD Programme</i> Early Years funding was received for CPD programmes running over the academic year, many of which are ongoing and will complete by August 2012. Of the £97k received, £40k (5/12ths) is to fund activity already planned for the summer terms and therefore needs to be carried forward to fund those commitments.	40	
o	<i>BSP&amp;HR portfolio - ICT - KPSN</i> Orders have been placed with the External Provider, but due to delivery constraints, these were not completed before 31st March 2012. Consequently, a roll forward is required to fund this commitment in 2012-13.	378	
p	<i>BSP&amp;HR portfolio - ICT - EiS</i> Delay in release date of Microsoft System Centre	16	
q	<i>BSP&amp;HR portfolio - ICT - EiS</i> Centrally managed IT solution contract agreed but installation not completed by 31 March 2012	49	
r	<i>BSP&amp;HR portfolio - ICT - EiS</i> Re-phasing of implementation of the contract to take over the IT services for BSF schools. This was due to complete in February 12 but has been postponed until the start of 2012-13 due to legal complications. One-off funding for the set up costs of this contract was available in 2011-12 and needs to roll forward to 2012-13 to fund this re-phasing.	127	



		£000s	£000s
s	<i>BSP&amp;HR portfolio - Health Reform</i> Of the original £180k Health Reform budget, £146k has re-phased into 2012-13. In order to implement the corporate activities this funding was identified to deliver, roll forward is required to implement the second phase of the Kent Health Commission; support the establishment of HOUSE projects in Districts across the County and work with mental health issues in communities.	146	
t	<i>Democracy &amp; Partnerships portfolio - Internal Audit</i> To fund remainder of contract with external consultants (Deloitte & Touche Public Sector) to deliver the work in the 2011-12 audit plan, which has re-phased to 2012-13	60	
			<b>2,526</b>
<b>3</b>	<b>Uncommitted balance of underspending</b>		<b>-5,716</b>
<b>4</b>	<b>Initiatives Cabinet is asked to consider:</b>		
	<i>Customer &amp; Communities portfolio - dedicated central communications and engagement budget</i> It has become apparent that in order to maintain levels of income and partnership funding in future years, that a dedicated central communications and engagement budget needs to be established in order to focus on funding and the authority's strategic priorities. As part of the centralisation of Communications and Engagement, only staff budgets transferred into the new Communication and Engagement division in C&C directorate, with activity budgets remaining within the service units. The newly appointed Programme Managers are visiting each service within KCC to understand their required outcomes and priorities for future years. The Communication and Engagement division are reviewing all activity spend and ensuring that this represents best value for money. This roll forward request is to provide a central staffing and activity budget for 2012-13, with future years' budgets to be created from the review of existing communications spend.	400	
			<b>400</b>
<b>5</b>	<b>Uncommitted balance of underspending if item 4 is approved</b>		<b>-5,316</b>

**CAPITAL RE-PHASING**

The 2012-13 Capital Programme will be adjusted to reflect the total re-phasing of -£9.774m as follows:-

<b>ELS</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>Academy Unit Costs</b>					
Amended total cash limits	+900	+1,267	+778		+2,945
re-phasing	+227	-227			0
<b>Revised project phasing</b>	<b>+1,127</b>	<b>+1,040</b>	<b>+778</b>	<b>0</b>	<b>+2,945</b>
<b>Annual Planned Enhancement Programme</b>					
Amended total cash limits	+13,200	+12,151	+7,999	+6,150	+39,500
re-phasing	-196	+196			0
<b>Revised project phasing</b>	<b>+13,004</b>	<b>+12,347</b>	<b>+7,999</b>	<b>+6,150</b>	<b>+39,500</b>
<b>Building Schools for the future - Wave 3</b>					
Amended total cash limits	+4,402	+4,400			+8,802
re-phasing	-884	+884			0
<b>Revised project phasing</b>	<b>+3,518</b>	<b>+5,284</b>	<b>0</b>	<b>0</b>	<b>+8,802</b>
<b>BSF Wave 3 Unit Costs</b>					
Amended total cash limits	+561	+100			+661
re-phasing	-336	+336			0
<b>Revised project phasing</b>	<b>+225</b>	<b>+436</b>	<b>0</b>	<b>0</b>	<b>+661</b>
<b>BSF Wave 5 Unit Costs</b>					
Amended total cash limits	-2,423	+395			-2,028
re-phasing	+138	-138			0
<b>Revised project phasing</b>	<b>-2,285</b>	<b>+257</b>	<b>0</b>	<b>0</b>	<b>-2,028</b>
<b>Cornwallis Academy</b>					
Amended total cash limits	+5,845	+1,161			+7,006
re-phasing	-707	+707			0
<b>Revised project phasing</b>	<b>+5,138</b>	<b>+1,868</b>	<b>0</b>	<b>0</b>	<b>+7,006</b>
<b>Longfield Academy (new build)</b>					
Amended total cash limits	+2,507	+800			+3,307
re-phasing	+422	-422			0
<b>Revised project phasing</b>	<b>+2,929</b>	<b>+378</b>	<b>0</b>	<b>0</b>	<b>+3,307</b>
<b>New Line Learning</b>					
Amended total cash limits	+1,598				+1,598
re-phasing	-290	+290			0
<b>Revised project phasing</b>	<b>+1,308</b>	<b>+290</b>	<b>0</b>	<b>0</b>	<b>+1,598</b>

ELS	2011-12	2012-13	2013-14	Future Years	Total
<b>Spires Academy (aka Montgomery) - new build</b>					
Amended total cash limits	+9,487	+2,668			+12,155
re-phasing	-586	+586			0
<b>Revised project phasing</b>	<b>+8,901</b>	<b>+3,254</b>	<b>0</b>	<b>0</b>	<b>+12,155</b>
<b>Sheppey Academy (new build)</b>					
Amended total cash limits	+20,463	+14,265	+8,582		+43,310
re-phasing	-1,048	+1,048			0
<b>Revised project phasing</b>	<b>+19,415</b>	<b>+15,313</b>	<b>+8,582</b>	<b>0</b>	<b>+43,310</b>
<b>Marsh Academy (new build)</b>					
Amended total cash limits	+8,778	+1,613			+10,391
re-phasing	-1,109	+1,109			0
<b>Revised project phasing</b>	<b>+7,669</b>	<b>+2,722</b>	<b>0</b>	<b>0</b>	<b>+10,391</b>
<b>Acads - Skinners Academy (Tun Wells High)</b>					
Amended total cash limits	+6,350	+13,200	+394		+19,944
re-phasing	-842	+842			0
<b>Revised project phasing</b>	<b>+5,508</b>	<b>+14,042</b>	<b>+394</b>	<b>0</b>	<b>+19,944</b>
<b>The Knole Academy (formerly Vine)</b>					
Amended total cash limits	+170	+8,389	+8,388		+16,947
re-phasing	-170	+170			0
<b>Revised project phasing</b>	<b>0</b>	<b>+8,559</b>	<b>+8,388</b>	<b>0</b>	<b>+16,947</b>
<b>Total re-phasing &gt;£100k</b>					
	<b>-5,381</b>	<b>+5,381</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>					
	<b>+21</b>	<b>-21</b>			<b>0</b>
<b>TOTAL RE-PHASING</b>					
	<b>-5,360</b>	<b>+5,360</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Childrens SS</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>Total re-phasing &gt;£100k</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>					
	<b>-101</b>	<b>+101</b>			<b>0</b>
<b>TOTAL RE-PHASING</b>					
	<b>-101</b>	<b>+101</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>ASC&amp;PH</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>Learning Good Day Programme</b>					
Amended total cash limits	+455	+1,619			+2,074
re-phasing	-110	+110			0
<b>Revised project phasing</b>	<b>+345</b>	<b>+1,729</b>	<b>0</b>	<b>0</b>	<b>+2,074</b>
<b>Total re-phasing &gt;£100k</b>	<b>-110</b>	<b>+110</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-266</b>	<b>+147</b>	<b>+119</b>		<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-376</b>	<b>+257</b>	<b>+119</b>	<b>0</b>	<b>0</b>
<b>Enterprise &amp; Environment</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>East Kent Waste Facilities - Ashford TS</b>					
Amended total cash limits	+165	+585			+750
re-phasing	+122	-122			0
<b>Revised project phasing</b>	<b>+287</b>	<b>+463</b>	<b>0</b>	<b>0</b>	<b>+750</b>
<b>A2 Cyclo Park</b>					
Amended total cash limits	+5,730	+353			+6,083
re-phasing	-661	+661			0
<b>Revised project phasing</b>	<b>+5,069</b>	<b>+1,014</b>	<b>0</b>	<b>0</b>	<b>+6,083</b>
<b>East Kent Waste Facilities</b>					
Amended total cash limits	+3,601	0	+1,000		+4,601
re-phasing	-528		+528		0
<b>Revised project phasing</b>	<b>+3,073</b>	<b>0</b>	<b>+1,528</b>	<b>0</b>	<b>+4,601</b>
<b>Total re-phasing &gt;£100k</b>	<b>-1,067</b>	<b>+539</b>	<b>+528</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-232</b>	<b>+132</b>	<b>+209</b>	<b>-109</b>	<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-1,299</b>	<b>+671</b>	<b>+737</b>	<b>-109</b>	<b>0</b>

<b>Customer &amp; Communities</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>Modernisation of Assets</b>					
Amended total cash limits	+1,641	+2,261	+1,834	+5,334	+11,070
re-phasing	-490	+490			0
<b>Revised project phasing</b>	<b>+1,151</b>	<b>+2,751</b>	<b>+1,834</b>	<b>+5,334</b>	<b>+11,070</b>
<b>Country Parks</b>					
Amended total cash limits	+988	+317			+1,305
re-phasing	-193	+193			0
<b>Revised project phasing</b>	<b>+795</b>	<b>+510</b>	<b>0</b>	<b>0</b>	<b>+1,305</b>
<b>Kent History Centre</b>					
Amended total cash limits	+4,863	+10	+1,834	+5,334	+12,041
re-phasing	-296	+296			0
<b>Revised project phasing</b>	<b>+4,567</b>	<b>+306</b>	<b>+1,834</b>	<b>+5,334</b>	<b>+12,041</b>
<b>Total re-phasing &gt;£100k</b>	<b>-979</b>	<b>+979</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-278</b>	<b>+278</b>			<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-1,257</b>	<b>+1,257</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>BSS&amp;HR and R&amp;E</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>Future Years</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>Modernisation of Assets - (BSP&amp;HR)</b>					
Amended total cash limits	+335	+4,075	+1,100	+2,100	+7,610
re-phasing	+127	-127	0		0
<b>Revised project phasing</b>	<b>+462</b>	<b>+3,948</b>	<b>+1,100</b>	<b>+2,100</b>	<b>+7,610</b>
<b>Corporate Property Strategic Capital - (BSP&amp;HR)</b>					
Amended total cash limits	+2,653	+2,650	0	0	+5,303
re-phasing	-201	+201			0
<b>Revised project phasing</b>	<b>+2,452</b>	<b>+2,851</b>	<b>0</b>	<b>0</b>	<b>+5,303</b>
<b>Sustaining Kent - Maintaining the infrastructure - (BSP&amp;HR)</b>					
Amended total cash limits	+2,206	+2,677	0	0	+4,883
re-phasing	-293	+293			0
<b>Revised project phasing</b>	<b>+1,913</b>	<b>+2,970</b>	<b>0</b>	<b>0</b>	<b>+4,883</b>
<b>Enterprise Resource Programme - (BSP&amp;HR)</b>					
Amended total cash limits	+774	+624	0	0	+1,398
re-phasing	-610	+610			0
<b>Revised project phasing</b>	<b>+164</b>	<b>+1,234</b>	<b>0</b>	<b>0</b>	<b>+1,398</b>
<b>Integrated Childrens System - (BSP&amp;HR)</b>					
Amended total cash limits	+150	+1,176	0	0	+1,326
re-phasing	-138	+138			0
<b>Revised project phasing</b>	<b>+12</b>	<b>+1,314</b>	<b>0</b>	<b>0</b>	<b>+1,326</b>
<b>Oracle Release 12 - (BSP&amp;HR)</b>					
Amended total cash limits	+394	+140	0	0	+534
re-phasing	-210	+210			0
<b>Revised project phasing</b>	<b>+184</b>	<b>+350</b>	<b>0</b>	<b>0</b>	<b>+534</b>
<b>Total re-phasing &gt;£100k</b>	<b>-1,325</b>	<b>+1,325</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-56</b>	<b>+56</b>			<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-1,381</b>	<b>+1,381</b>	<b>0</b>	<b>0</b>	<b>0</b>

Total re-phasing by portfolio:

Portfolio	2011-12	2012-13	2013-14	Future Years	Total
	£k	£k	£k	£k	£k
<b>Childrens Social Care (exc PFI)</b>					
Amended total cash limits	14,408	750	0	0	15,158
Re-phasing	0	0	0	0	0
<b>Revised cash limits</b>	<b>14,408</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>15,158</b>
<b>Adults Social Care (exc PFI)</b>					
Amended total cash limits	3,179	9,046	10,159	3,498	25,882
Re-phasing	-110	110	0	0	0
<b>Revised cash limits</b>	<b>3,069</b>	<b>9,156</b>	<b>10,159</b>	<b>3,498</b>	<b>25,882</b>
<b>Business Strategy &amp; Support</b>					
Amended total cash limits	7,556	17,578	6,701	4,245	36,080
Re-phasing	-1,325	1,325	0	0	0
<b>Revised cash limits</b>	<b>6,231</b>	<b>18,903</b>	<b>6,701</b>	<b>4,245</b>	<b>36,080</b>
<b>Regeneration</b>					
Amended total cash limits	2,483	44,493	36,000	28,000	110,976
Re-phasing					
<b>Revised cash limits</b>	<b>2,483</b>	<b>44,493</b>	<b>36,000</b>	<b>28,000</b>	<b>110,976</b>
<b>Education, Learning &amp; Skills (exc Schools)</b>					
Amended total cash limits	100,171	142,581	87,546	64,049	394,347
Re-phasing	-5,381	5,381	0	0	0
<b>Revised cash limits</b>	<b>94,790</b>	<b>147,962</b>	<b>87,546</b>	<b>64,049</b>	<b>394,347</b>
<b>Customer &amp; Communities</b>					
Amended total cash limits	16,863	8,651	5,006	10,199	40,719
Re-phasing	-979	979	0	0	0
<b>Revised cash limits</b>	<b>15,884</b>	<b>9,630</b>	<b>5,006</b>	<b>10,199</b>	<b>40,719</b>
<b>Enterprise &amp; Environment</b>					
Amended total cash limits	96,654	63,777	62,486	341,681	564,598
Re-phasing	-1,067	539	528	0	0
<b>Revised cash limits</b>	<b>95,587</b>	<b>64,316</b>	<b>63,014</b>	<b>341,681</b>	<b>564,598</b>
<b>TOTAL RE-PHASING &gt;£100k</b>	<b>-8,862</b>	<b>8,334</b>	<b>528</b>	<b>0</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>	<b>-912</b>	<b>+693</b>	<b>+328</b>	<b>-109</b>	<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-9,774</b>	<b>+9,027</b>	<b>+856</b>	<b>-109</b>	<b>0</b>

**2011-12 FINAL MONITORING OF KEY ACTIVITY INDICATORS****1. EDUCATION, LEARNING & SKILLS DIRECTORATE****1.1 Number of schools with deficit budgets compared with the total number of schools:**

	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
	as at 31-3-07	as at 31-3-08	as at 31-3-09	as at 31-3-10	as at 31-3-11	as at 31-3-12	projection
Total number of schools	596	575	570	564	538	497	467
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£57,376k
Number of deficit schools	15	15	13	23	17	7	10
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£350k

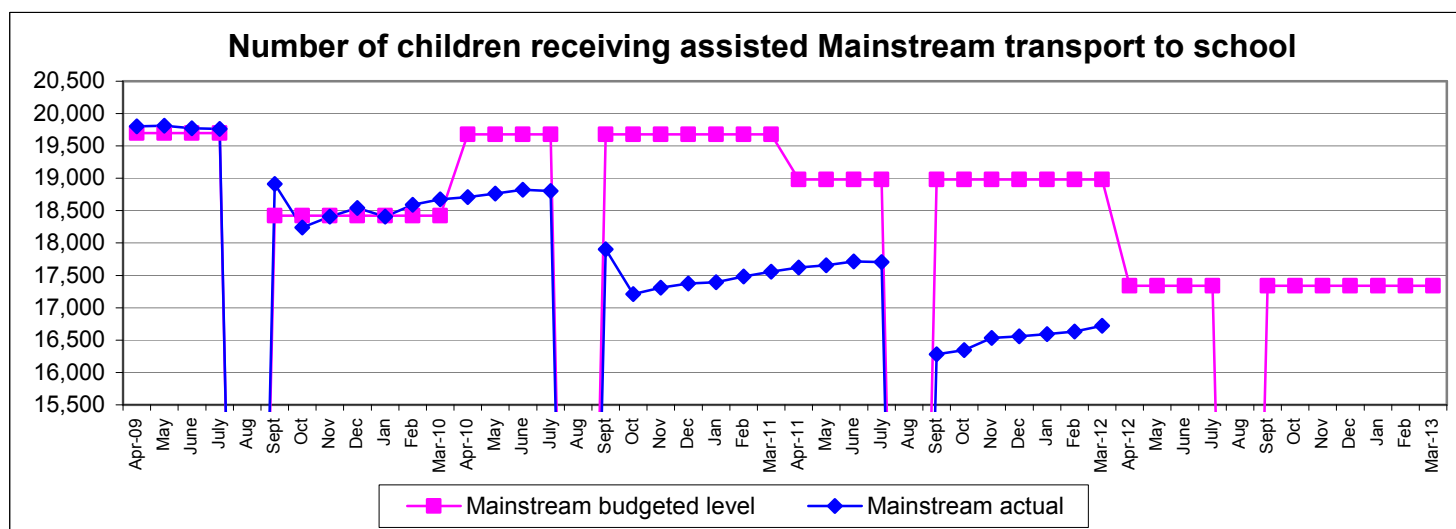
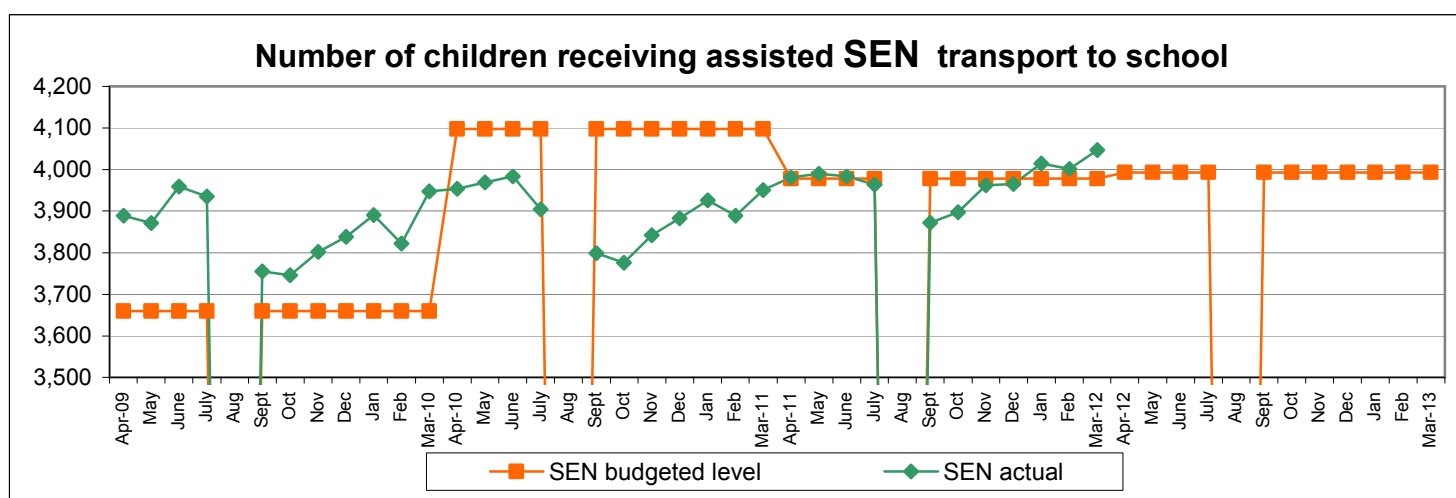
## Comments:

- KCC now has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. The Statutory team are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- The number of schools has reduced due to 41 schools (including 27 secondary schools, 13 primary schools and 1 special school) converting to academies during the year in line with the government’s decision to fast track outstanding schools to academy status.
- The increase in schools reserves of £3,898k includes -£4,361k which represents the reduction in reserves resulting from 41 schools converting to academy status during the year. The balance is made up of £6,874k increase in reserves for the remaining Kent schools and an increase of £1,385k in the schools unallocated reserve, mainly due to an increase in DSG after the schools budgets were set which has yet to be allocated by the Schools Funding Forum, and an underspend on early years placements. In addition, there were 4 schools which closed during 2011-12 and as a result there has been a transfer of £262k from the delegated schools uncommitted reserves to schools unallocated reserves.



## 1.2 Numbers of children receiving assisted SEN and Mainstream transport to school:

	2009-10				2010-11				2011-12				2012-13	
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream		SEN	Mainstream
	Budget level	actual	Budget level	Budget level	actual	Budget level	Budget level	actual	Budget level	Budget level	Budget level	actual	Budget Level	Budget Level
April	3,660	3,889	19,700	19,805	4,098	3,953	19,679	18,711	3,978	3,981	18,982	17,620	3,993	17,342
May	3,660	3,871	19,700	19,813	4,098	3,969	19,679	18,763	3,978	3,990	18,982	17,658	3,993	17,342
June	3,660	3,959	19,700	19,773	4,098	3,983	19,679	18,821	3,978	3,983	18,982	17,715	3,993	17,342
July	3,660	3,935	19,700	19,761	4,098	3,904	19,679	18,804	3,978	3,963	18,982	17,708	3,993	17,342
Aug	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sept	3,660	3,755	18,425	18,914	4,098	3,799	19,679	17,906	3,978	3,872	18,982	16,282	3,993	17,342
Oct	3,660	3,746	18,425	18,239	4,098	3,776	19,679	17,211	3,978	3,897	18,982	16,348	3,993	17,342
Nov	3,660	3,802	18,425	18,410	4,098	3,842	19,679	17,309	3,978	3,962	18,982	16,533	3,993	17,342
Dec	3,660	3,838	18,425	18,540	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993	17,342
Jan	3,660	3,890	18,425	18,407	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993	17,342
Feb	3,660	3,822	18,425	18,591	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993	17,342
Mar	3,660	3,947	18,425	18,674	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993	17,342

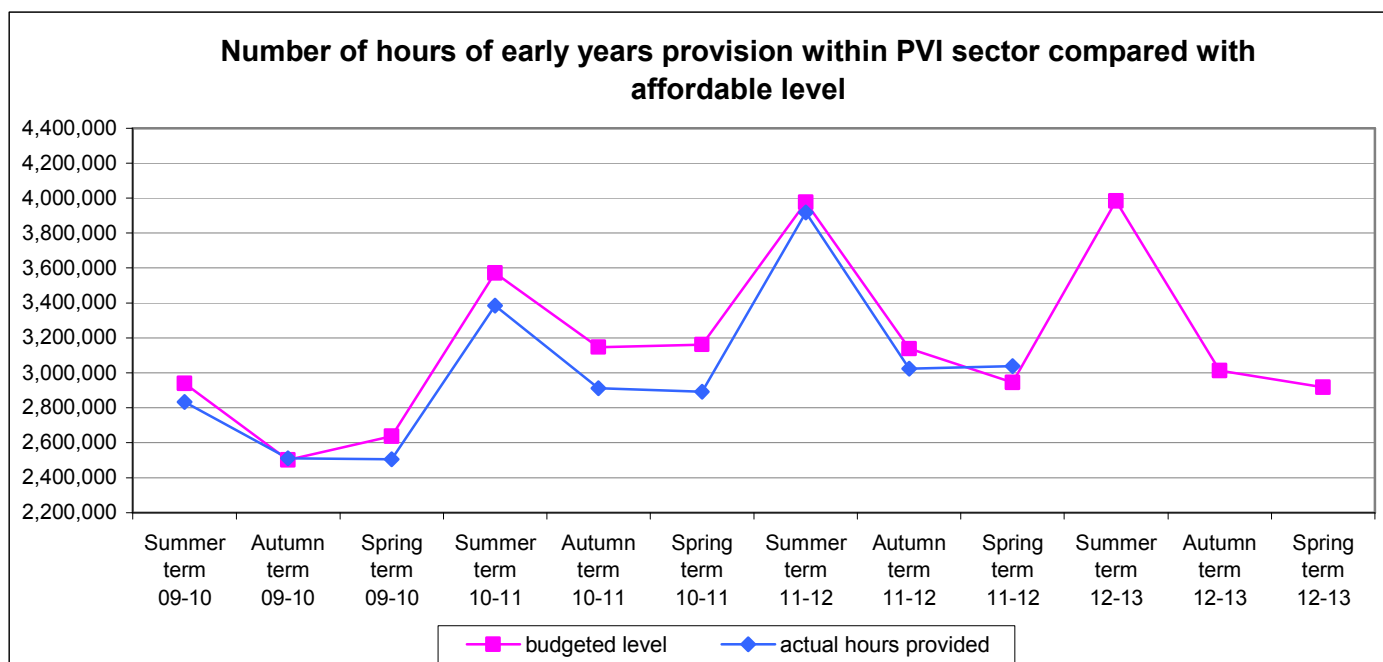


Comments:

- **SEN HTST** – The number of children is similar to the budgeted level, but there are a number of other factors which contribute to an underspend of -£127k, such as distance travelled and type of travel.
- **Mainstream HTST** – The number of children travelling is lower than the budgeted level resulting in a corresponding underspend of -£1,259k.

1.3 **Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:**

Term	2009-10		2010-11		2011-12		2012-13
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours
Summer	2,939,695	2,832,550	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605
Autumn	2,502,314	2,510,826	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602
Spring	2,637,646	2,504,512	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560
	<b>8,079,655</b>	<b>7,847,888</b>	<b>9,881,796</b>	<b>9,186,557</b>	<b>10,058,366</b>	<b>9,977,499</b>	<b>9,912,767</b>



**Comments:**

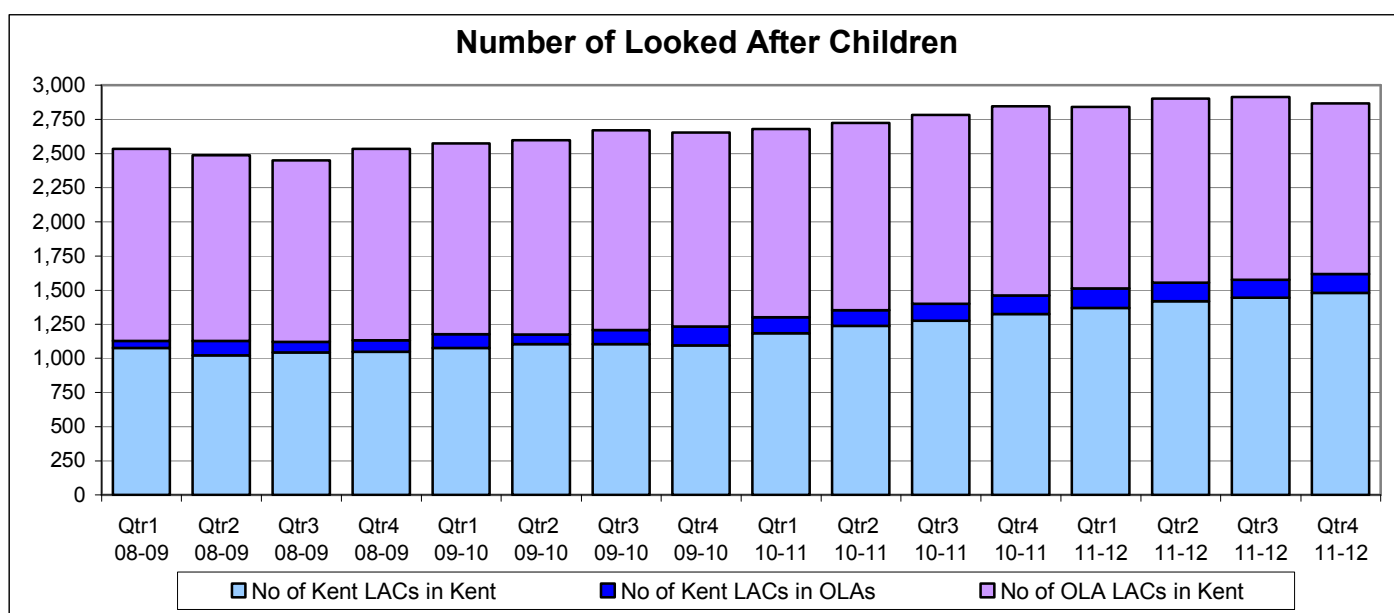
- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The phased roll-out of the increase in the number of free entitlement hours from 12.5hrs to 15 hrs per week began from September 2009 and was rolled out across the County in September 2010. The increase in the number of hours has been factored into the budgeted number of hours for 2009-10, 2010-11 and 2011-12. For 2011-12 the increase in hours is funded by Dedicated Schools Grant in the same way as the 12.5 hours per week. In 2010-11 and previous years the increase in hours was funded by a specific DFE Standards Fund grant.
- The 2011-12 activity has resulted in an underspend of £0.184m on this budget. As this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget. Therefore, this underspend has been transferred to the schools unallocated DSG reserve.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The 2011-12 budgeted number of hours has changed from what has previously been reported because the amount of DSG allocated for this service was reduced at the beginning of the financial year based on up-to-date census data, but unfortunately the budgeted number of hours was not amended accordingly.
- The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change.

## 2. FAMILIES & SOCIAL CARE DIRECTORATE

The affordable levels included for 2012-13 are based on the approved budget, however Families & Social Care will be reviewing the split of their budget across service groups in light of the outturn and any changes will be requested in the first full monitoring report for 2012-13, to be reported to Cabinet in September. The affordable levels of activity will therefore change as a result of this exercise.

### 2.1 Numbers of Looked After Children (LAC) (Excludes Asylum Seekers):

	No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NO OF KENT LAC	No of OLA LAC placed in Kent	TOTAL No of LAC in Kent
<b>2008-09</b>					
Apr – Jun	1,075	52	<b>1,127</b>	1,408	<b>2,535</b>
Jul – Sep	1,022	105	<b>1,127</b>	1,360	<b>2,487</b>
Oct – Dec	1,042	77	<b>1,119</b>	1,331	<b>2,450</b>
Jan – Mar	1,048	84	<b>1,132</b>	1,402	<b>2,534</b>
<b>2009-10</b>					
Apr – Jun	1,076	100	<b>1,176</b>	1,399	<b>2,575</b>
Jul – Sep	1,104	70	<b>1,174</b>	1,423	<b>2,597</b>
Oct – Dec	1,104	102	<b>1,206</b>	1,465	<b>2,671</b>
Jan – Mar	1,094	139	<b>1,233</b>	1,421	<b>2,654</b>
<b>2010-11</b>					
Apr – Jun	1,184	119	<b>1,303</b>	1,377	<b>2,680</b>
Jul – Sep	1,237	116	<b>1,353</b>	1,372	<b>2,725</b>
Oct – Dec	1,277	123	<b>1,400</b>	1,383	<b>2,783</b>
Jan – Mar	1,326	135	<b>1,461</b>	1,385	<b>2,846</b>
<b>2011-12</b>					
Apr – Jun	1,371	141	<b>1,512</b>	1,330	<b>2,842</b>
Jul – Sep	1,419	135	<b>1,554</b>	1,347	<b>2,901</b>
Oct – Dec	1,446	131	<b>1,577</b>	1,337	<b>2,914</b>
Jan – Mar	1,480	138	<b>1,618</b>	1,248	<b>2,866</b>



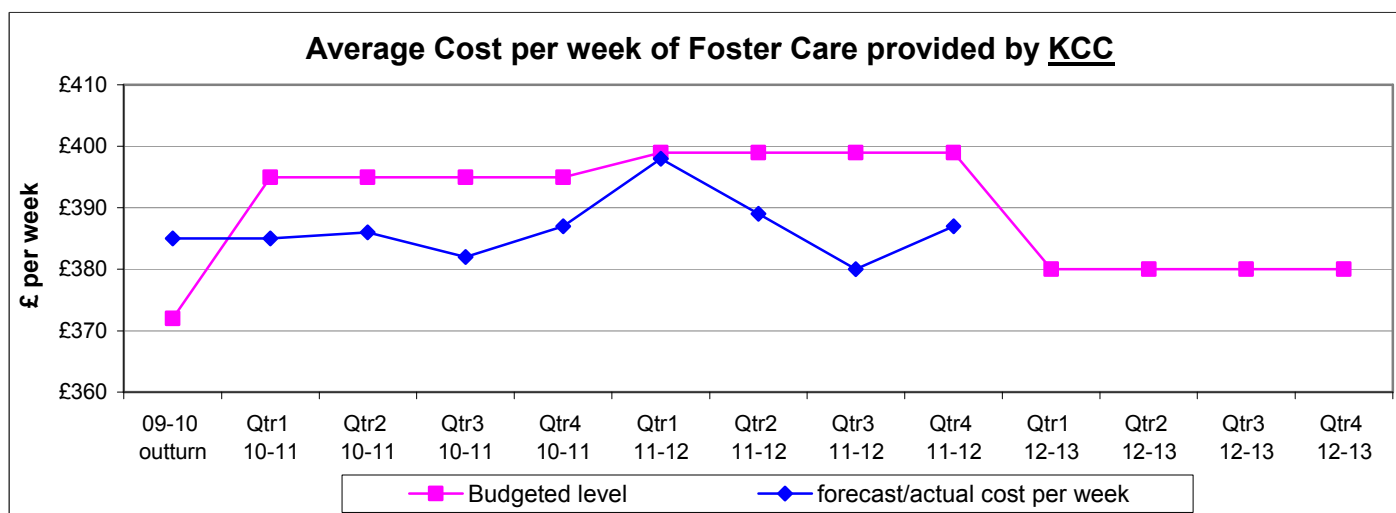
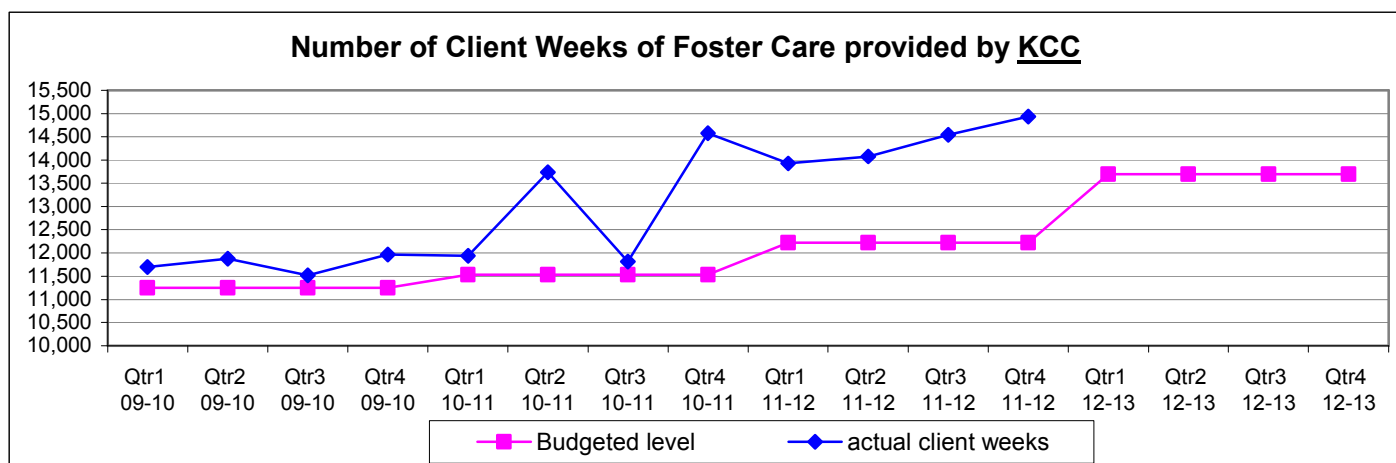
#### Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.

- The number of looked after children for each quarter represents a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of Kent looked after children has increased by 41 this quarter and 157 over the year, there could have been more during the period.
- The increase in the number of looked after children has placed additional pressure on the services for Looked After Children, including the budgets for Residential Services, Fostering Services and 16+ Services.
- The OLA LAC information has a confidence rating of 60-65% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.

## 2.2.1 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	2009-10				2010-11				2011-12				2012-13	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr-June	11,249	11,695			11,532	11,937	£395	£386	12,219	13,926	£399	£398	13,695	£380
July-Sep	11,249	11,880			11,532	13,732	£395	£386	12,219	14,078	£399	£389	13,695	£380
Oct-Dec	11,249	11,518			11,532	11,818	£395	£382	12,219	14,542	£399	£380	13,695	£380
Jan-Mar	11,249	11,969			11,532	14,580	£395	£387	12,219	14,938	£399	£386	13,695	£380
	<b>44,997</b>	<b>47,062</b>	<b>£372</b>	<b>£385</b>	<b>46,128</b>	<b>52,067</b>	<b>£395</b>	<b>£387</b>	<b>48,876</b>	<b>57,484</b>	<b>£399</b>	<b>£386</b>	<b>54,780</b>	<b>£380</b>

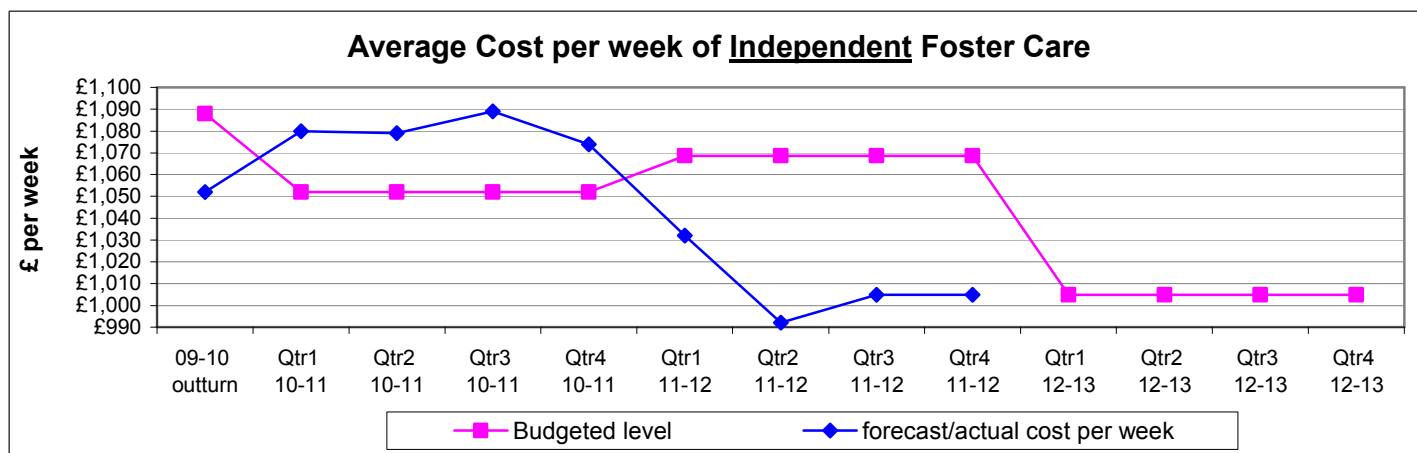
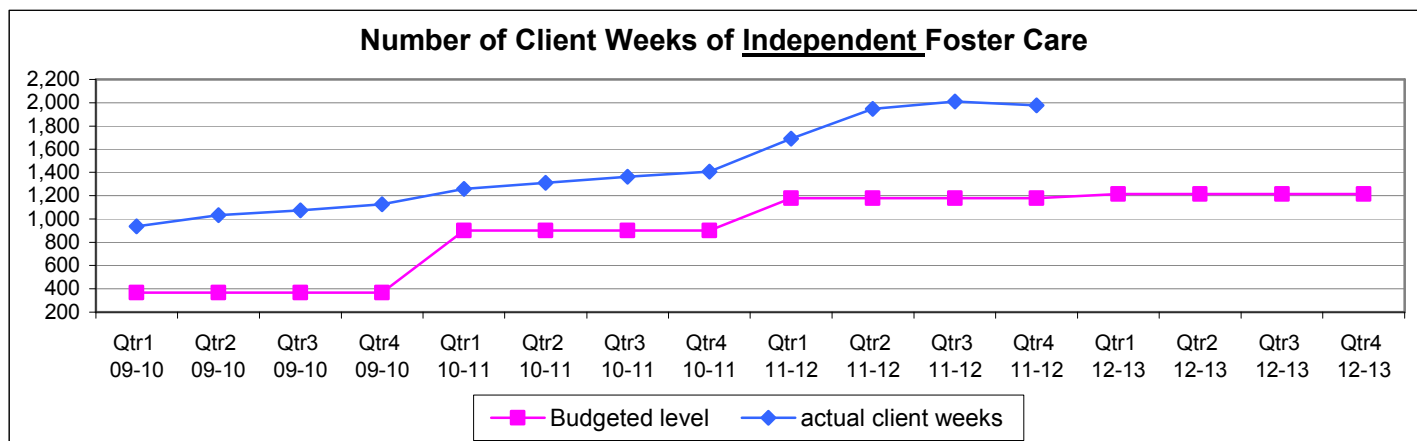


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information which may be subject to change.
- In addition, the 2011-12 budgeted level represents the level of demand as at the 3<sup>rd</sup> quarter's full monitoring report, which is the time at which the 2011-12 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- The number of weeks provided in 2011-12 was 57,484 (including 16+, but excludes asylum), which is 8,608 weeks above the affordable level. At the actual unit cost of £385.69 per week, this increase in activity added an additional £3,321k to the outturn position.
- The unit cost of £385.69, (including both fostering and 16+, but excluding Asylum), is £13.23 below the budgeted level, which provided a saving of £646k.
- Overall therefore, the combined gross pressure on this service for both under 16's (and those with a disability) and the 16+ service was +£2,675k.

2.2.2 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	2009-10				2010-11				2011-12				2012-13	
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks	Average cost per client week
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	Budget level
Apr-June	369	935			900	1,257	£1,052	£1,080	1,177	1,693	£1,068.60	£1,032	1,214	£1,005
July-Sep	369	1,032			900	1,310	£1,052	£1,079	1,178	1,948	£1,068.60	£992	1,214	£1,005
Oct-Dec	369	1,075			900	1,363	£1,052	£1,089	1,177	2,011	£1,068.60	£1,005	1,215	£1,005
Jan-Mar	369	1,126			900	1,406	£1,052	£1,074	1,178	1,977	£1,068.60	£1,005	1,215	£1,005
	<b>1,476</b>	<b>4,168</b>	<b>£1,088</b>	<b>£1,052</b>	<b>3,600</b>	<b>5,336</b>	<b>£1,052</b>	<b>£1,074</b>	<b>4,710</b>	<b>7,629</b>	<b>£1,068.60</b>	<b>£1,005</b>	<b>4,858</b>	<b>£1,005</b>

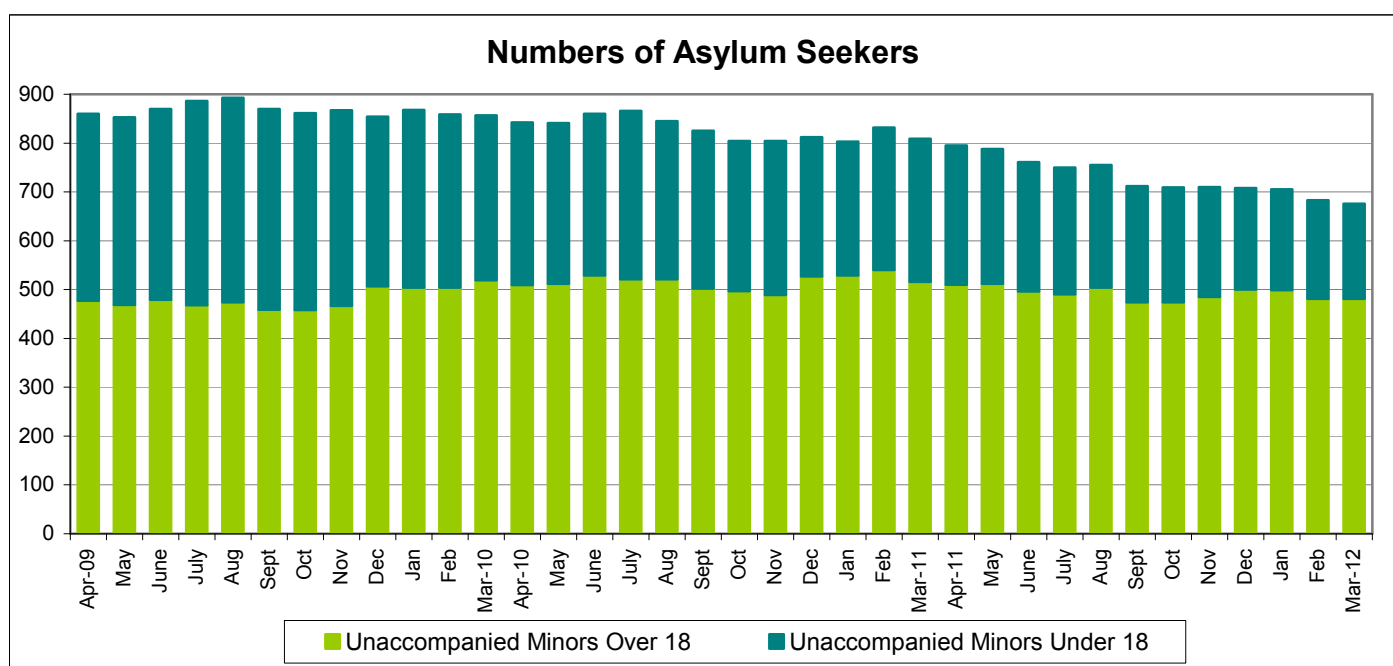


#### Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information which may be subject to change.
- The budgeted levels for 2010-11 were below the 2009-10 activity because although significant funding was made available as part of the 2010-13 MTP, this was insufficient to cover the demands for this service.
- For the 2011-12 budget further significant funding has been made available based on the actual level of demand at the 3<sup>rd</sup> quarter's monitoring position for 2010-11, the time at which the 2011-12 budget was set and approved. However, since that date the service has experienced continued demand on this service.
- The number of weeks provided in 2011-12 was 7,629 (including 16+, but excludes asylum), which is 2,919 weeks above the affordable level. This +2,919 weeks is split between Fostering (under 16's and those with a disability) and the 16+ service as follows:
  - Fostering: +2,628 weeks at a budgeted cost per client week of £1,079.50 which generated a £2,837k overspend, and
  - 16+ service: +291 weeks at a budgeted cost per client week of £1,009 which generated a £294k overspend;Therefore the additional demand on these services combined, resulted in a £3,131k overspend.
- The actual unit cost of £1,005.22 (including 16+, but excluding Asylum) is an average which includes Fostering (under 16's and those with a disability) at £1,015.59 per week and 16+ service at £937.33 per week.
  - At £1,015.59 per week, Fostering was £63.91 lower than the affordable level and when multiplied by the actual number of weeks provided of 6,618, this generated a saving of £423k.
  - At £937.33 per week, the 16+ service was £71.67 lower than the affordable level and when multiplied by the actual number of weeks provided of 1,011, this generated a saving of £73k.Therefore, when combined, the lower than budgeted unit cost on these services provided a saving of £496k.
- Overall therefore, the combined gross pressure on this service for both under 16's (and those with a disability) and the 16+ service was +£2,635k (+£3,131k increased demand and -£496k lower unit cost).
- The cost of placements made in 2011-12 are at a significantly lower level than originally forecast, and lower than those placements that have ended in the same period. As a result the 2011-12 unit cost was 6.8% lower than 2010-11 outturn

## 2.3 Numbers of Unaccompanied Asylum Seeking Children (UASC):

	2009-10			2010-11			2011-12		
	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients
April	383	477	860	333	509	842	285	510	795
May	384	469	853	329	512	841	276	512	788
June	391	479	870	331	529	860	265	496	761
July	418	468	886	345	521	866	260	490	750
August	419	474	893	324	521	845	251	504	755
September	411	459	870	323	502	825	238	474	712
October	403	458	861	307	497	804	235	474	709
November	400	467	867	315	489	804	225	485	710
December	347	507	854	285	527	812	208	500	708
January	364	504	868	274	529	803	206	499	705
February	355	504	859	292	540	932	202	481	683
March	338	519	857	293	516	809	195	481	676

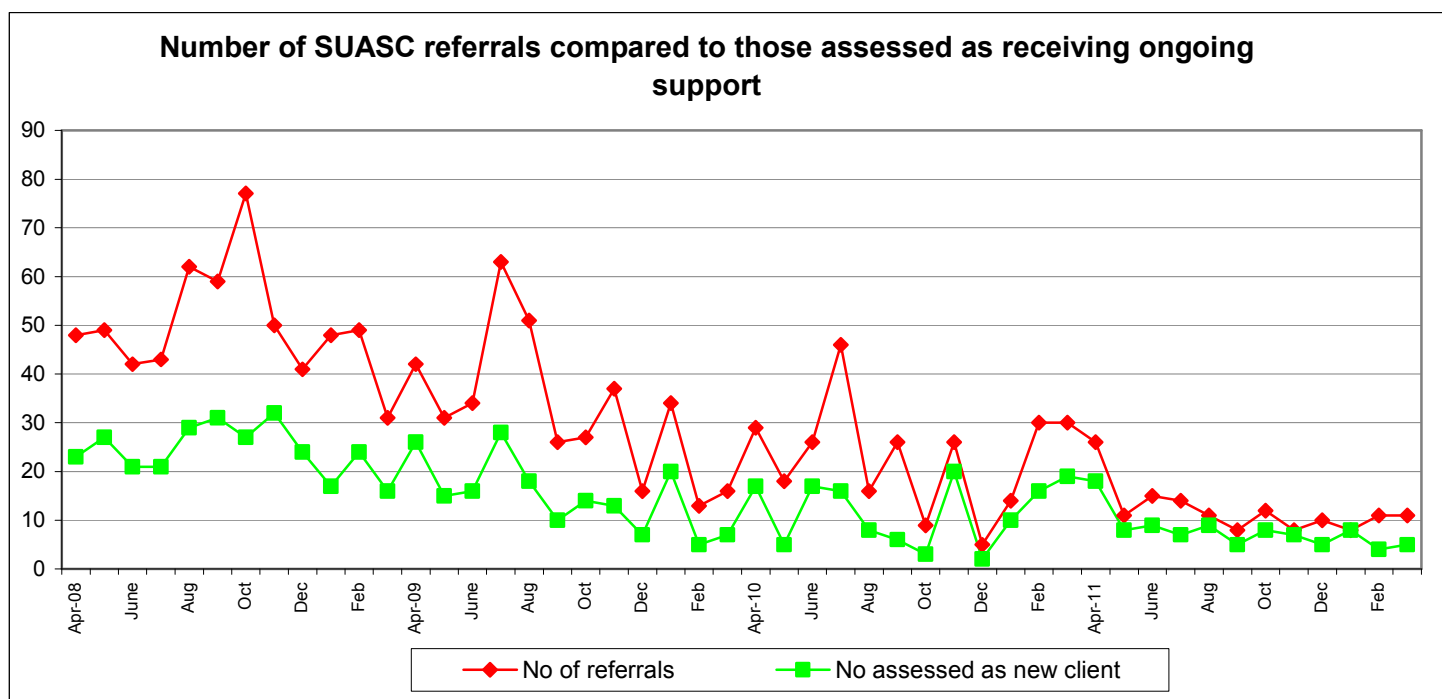


Comment:

- The overall number of children has reduced as a result of lower referrals and young people leaving the support of the service. At the end of 2011-12 the total number supported was 24 lower than the budgeted level of 700. The budgeted level for 2012-13 is 690.
- Despite improved partnership working with the UKBA, the numbers of over 18's who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of over 18s is increasing and it is this service which is experiencing the shortfall of funding. In addition the age profile of the under 18 children has reduced, with significantly higher numbers being placed in foster care.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.

2.4 **Numbers of Asylum Seeker referrals compared with the number assessed as qualifying for on-going support from Service for Unaccompanied Asylum Seeking Children (SUASC) ie new clients:**

	2008-09			2009-10			2010-11			2011-12		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April	48	23	48%	42	26	62%	29	17	59%	26	18	69%
May	49	27	55%	31	15	48%	18	5	28%	11	8	73%
June	42	21	50%	34	16	47%	26	17	65%	15	9	60%
July	43	21	49%	63	28	44%	46	16	35%	14	7	50%
August	62	29	47%	51	18	35%	16	8	50%	11	9	82%
Sept	59	31	53%	26	10	38%	26	6	23%	8	5	62%
Oct	77	27	35%	27	14	52%	9	3	33%	12	8	67%
Nov	50	32	64%	37	13	35%	26	20	77%	8	7	88%
Dec	41	24	59%	16	7	44%	5	2	40%	10	5	50%
Jan	48	17	35%	34	20	59%	14	10	71%	8	8	100%
Feb	49	24	49%	13	5	38%	30	16	53%	11	4	36%
March	31	16	52%	16	7	44%	30	19	63%	11	5	45%
	<b>599</b>	<b>292</b>	<b>49%</b>	<b>390</b>	<b>179</b>	<b>46%</b>	<b>275</b>	<b>139</b>	<b>51%</b>	<b>145</b>	<b>93</b>	<b>64%</b>



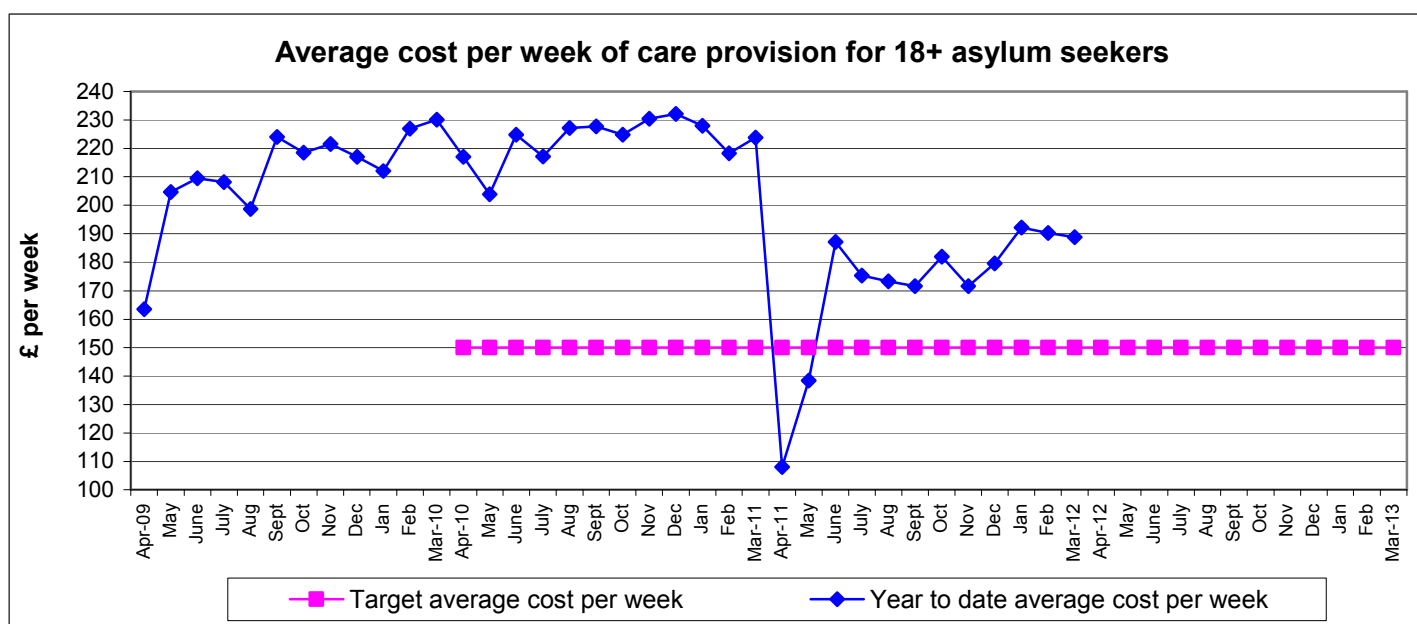
**Comments:**

- In general, referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 12, which is 40% of the budgeted number of 30 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level for 2011-12 was based on the assumption 50% of the referrals will be assessed as a new client. In 2011-12 the actual rate was 64%. The average number assessed as new clients is now 7.75, which is 48.3% lower than the original forecast of 15 new clients per month.
- The budgeted level for 2012-13 is 15 referrals per month, with 9 (60%) being assessed under 18.



2.5 Average weekly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2009-10		2010-11		2011-12		2012-13
	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10	150.00
May		204.63	150.00	203.90	150.00	138.42	150.00
June		209.50	150.00	224.86	150.00	187.17	150.00
July		208.17	150.00	217.22	150.00	175.33	150.00
August		198.69	150.00	227.24	150.00	173.32	150.00
September		224.06	150.00	227.79	150.00	171.58	150.00
October		218.53	150.00	224.83	150.00	181.94	150.00
November		221.64	150.00	230.47	150.00	171.64	150.00
December		217.10	150.00	232.17	150.00	179.58	150.00
January		211.99	150.00	227.96	150.00	192.14	150.00
February		226.96	150.00	218.30	150.00	190.25	150.00
March		230.11	150.00	223.87	150.00	188.78	150.00



Comments:

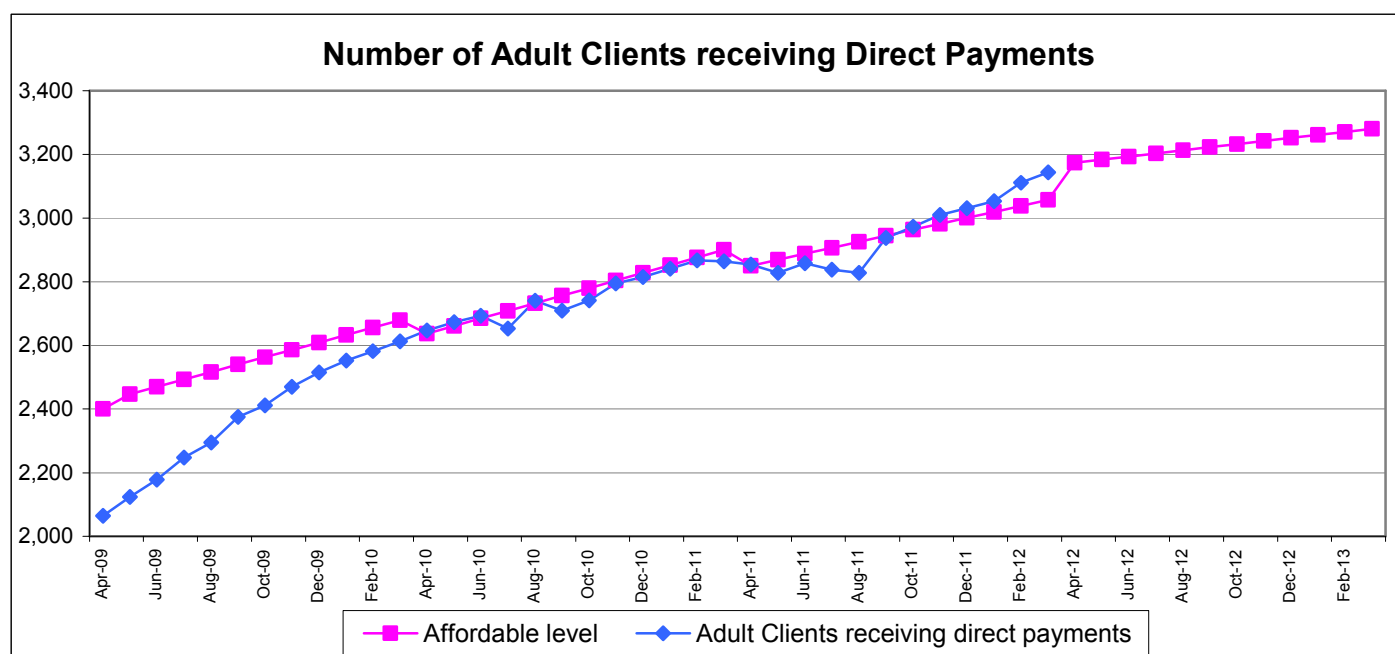
- The funding levels for the Asylum Service agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and will now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. We continue to seek legal advice regarding this change. The LA remains responsible for costs under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, all ARE UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their support discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported continues to increase. As a result our ability to achieve a balanced position on the Asylum Service becomes more difficult.
- Moving clients on to the pilot housing scheme was slower than originally anticipated, however all our young people, who it was appropriate to move to lower cost accommodation, were moved by the end of 2010-11. However there remain a number of issues:
  - For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either

medical/mental health needs or educational needs. These placements are reviewed regularly to confirm their appropriateness.

- We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January 2011, teams are exercising a greater caution when making new placements into existing properties. This is being addressed by the Accommodation Team.
- We are still receiving damages claims relating to closed properties.
- The average weekly cost at the end of 2011-12 financial year was £188.78. While this remains significantly higher than our target of £150, it should be noted that the average cost of ARE and other “Non-Eligible” young people is £215 per week, significantly higher than those young people who are “Eligible” under UKBA’s grant rules. The unit cost excluding ARE and other “Non-Eligible” young people is £176 per week compared to the £150 per week claimable under the grant rules, which added £423k to the outturn position on the asylum budget. (The average unit cost of £215 per week for ARE and other “non-eligible” young people added £1,760k to the outturn position on the asylum budget)

2.6 Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level	Adult Clients receiving Direct Payments	Affordable Level	Adult Clients receiving Direct Payments	Affordable Level	Adult Clients receiving Direct Payments	Affordable Level
April	2,400	2,065	2,637	2,647	2,850	2,854	3,174
May	2,447	2,124	2,661	2,673	2,869	2,828	3,184
June	2,470	2,179	2,685	2,693	2,888	2,858	3,193
July	2,493	2,248	2,709	2,653	2,906	2,838	3,203
August	2,516	2,295	2,733	2,741	2,925	2,828	3,213
September	2,540	2,375	2,757	2,710	2,944	2,937	3,223
October	2,563	2,411	2,780	2,742	2,963	2,972	3,232
November	2,586	2,470	2,804	2,795	2,982	3,010	3,242
December	2,609	2,515	2,828	2,815	3,001	3,031	3,252
January	2,633	2,552	2,852	2,841	3,019	3,053	3,262
February	2,656	2,582	2,876	2,867	3,038	3,111	3,271
March	2,679	2,613	2,900	2,864	3,057	3,144	3,281

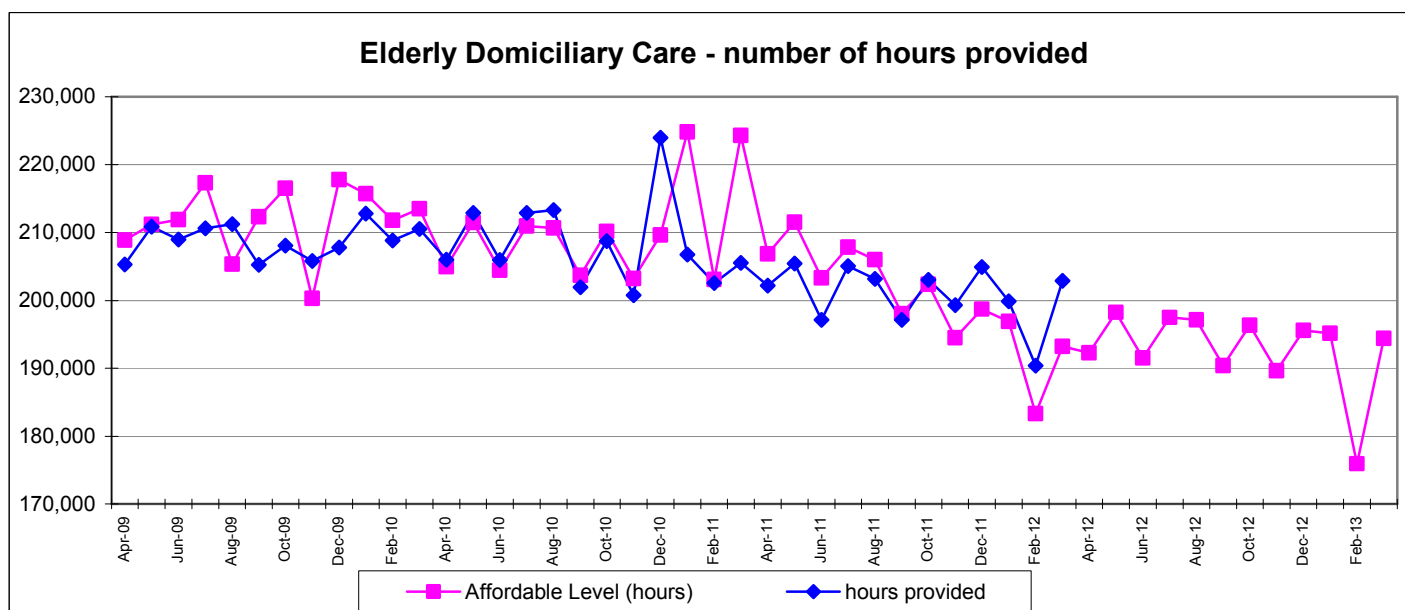
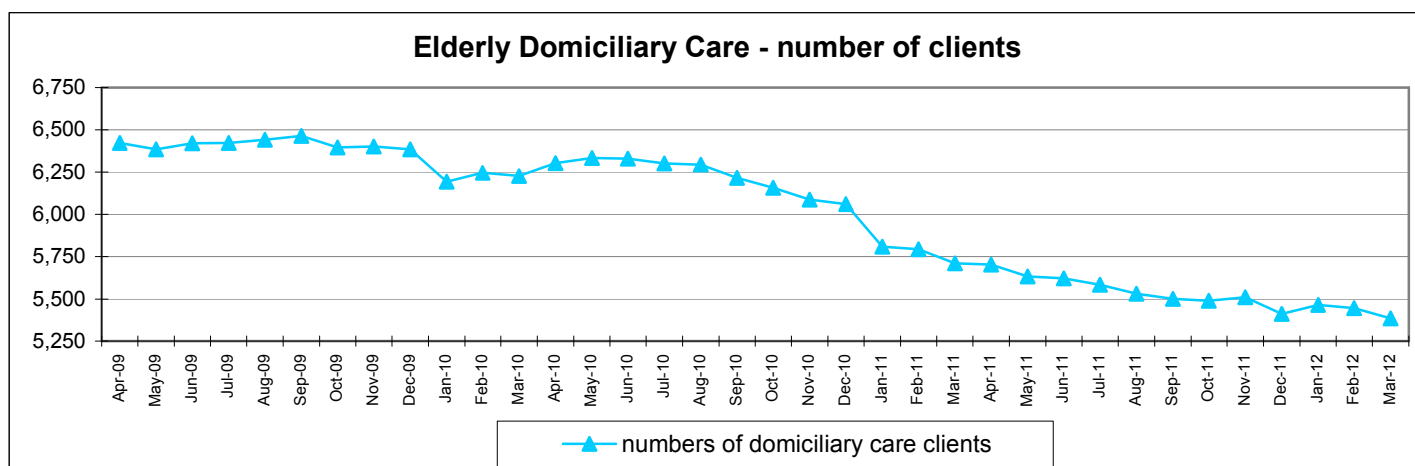


Comments:

- The activity being reported is the long term clients in receipt of direct payments as at the end of the month plus any one off payments during the year. The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. There will be other means by which people can use their personal budgets and this may impact on the take up of direct payments. The first few months of the year showed a levelling off of Direct Payments, but this has not continued in the latter part of the year, possibly as a result of drives in day care and payments to voluntary organisations, to encourage service users to take up a Direct Payment instead of traditional methods of service delivery. Whilst the overall numbers of Direct Payments has increased, the Direct Payments budgets are showing an underspend of £1.15m caused by an under-delivery when compared to the affordable weeks. This is because the figures in the table above include in excess of 1,600 one-off Direct Payments, which are excluded from the affordable and actual weeks of activity.

## 2.7.1 Elderly domiciliary care – numbers of clients and hours provided in the independent sector:

	2009-10			2010-11			2011-12			2012-13
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)
April	208,869	205,312	6,423	204,948	205,989	6,305	206,859	202,177	5,703	192,239
May	211,169	210,844	6,386	211,437	212,877	6,335	211,484	205,436	5,634	198,251
June	211,897	208,945	6,422	204,452	205,937	6,331	203,326	197,085	5,622	191,486
July	217,289	210,591	6,424	210,924	212,866	6,303	207,832	205,077	5,584	197,474
August	205,354	211,214	6,443	210,668	213,294	6,294	206,007	203,173	5,532	197,085
Sept	212,289	205,238	6,465	203,708	201,951	6,216	198,025	197,127	5,501	190,358
Oct	216,491	208,051	6,396	210,155	208,735	6,156	202,356	203,055	5,490	196,308
Nov	200,292	205,806	6,403	203,212	200,789	6,087	194,492	199,297	5,511	189,605
Dec	217,749	207,771	6,385	209,643	223,961	6,061	198,704	204,915	5,413	195,530
Jan	215,686	212,754	6,192	224,841	206,772	5,810	196,879	199,897	5,466	195,141
Feb	211,799	208,805	6,246	203,103	202,568	5,794	183,330	190,394	5,447	175,924
March	213,474	210,507	6,227	224,285	205,535	5,711	193,222	202,889	5,386	194,367
<b>TOTAL</b>	<b>2,542,358</b>	<b>2,505,838</b>		<b>2,521,376</b>	<b>2,501,274</b>		<b>2,402,516</b>	<b>2,410,522</b>		<b>2,313,768</b>



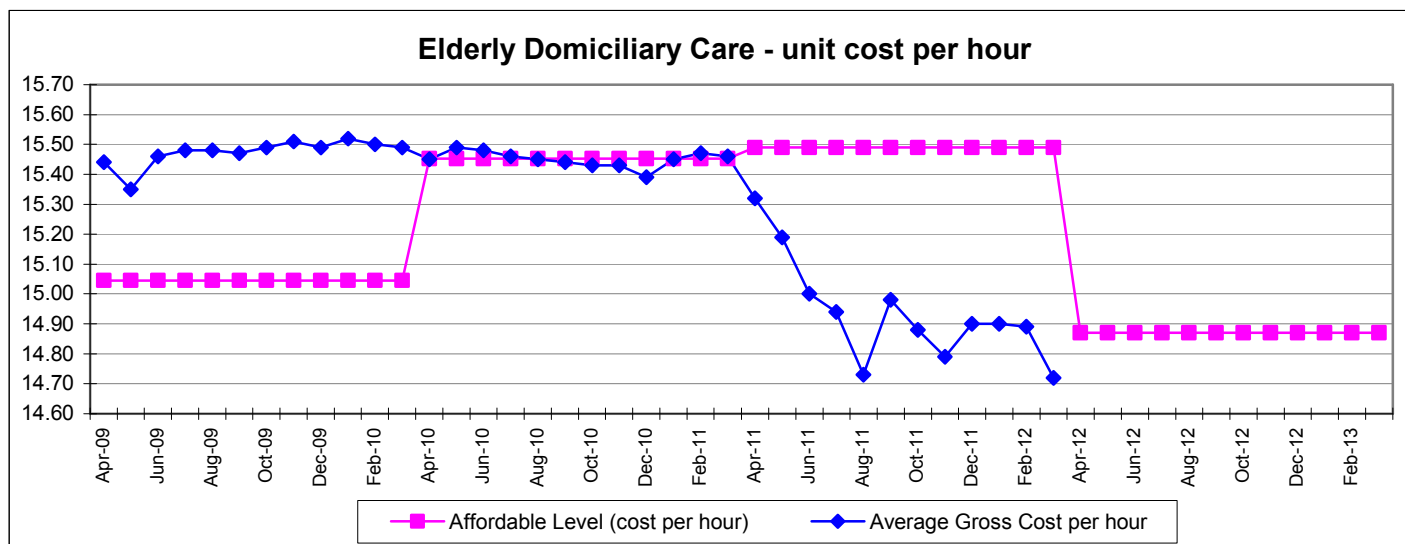
### Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Affordable levels were changed slightly in quarter 2 to include the release of a provision and some rolled forward grant funding from 2010-11 which is now being used to fund activity, and were amended again in quarter 3 to reflect the removal of SCRG transitional funding.

- At outturn, 2,410,522 hours of care had been delivered against a revised affordable level of 2,402,516, a difference of +8,006 hours. Using the actual unit cost of £14.72 this additional activity generated an overspend of £118k.
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2010-2011 average hours per client per week was 7.8, whereas the average figure for 2011-12 was 8.3.

### 2.7.2 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)
April	15.045	15.44	15.452	15.45	15.49	15.32	14.87
May	15.045	15.35	15.452	15.49	15.49	15.19	14.87
June	15.045	15.46	15.452	15.48	15.49	15.00	14.87
July	15.045	15.48	15.452	15.46	15.49	14.94	14.87
August	15.045	15.48	15.452	15.45	15.49	14.73	14.87
September	15.045	15.47	15.452	15.44	15.49	14.98	14.87
October	15.045	15.49	15.452	15.43	15.49	14.88	14.87
November	15.045	15.51	15.452	15.43	15.49	14.79	14.87
December	15.045	15.49	15.452	15.39	15.49	14.90	14.87
January	15.045	15.52	15.452	15.45	15.49	14.90	14.87
February	15.045	15.50	15.452	15.47	15.49	14.89	14.87
March	15.045	15.49	15.452	15.46	15.49	14.72	14.87

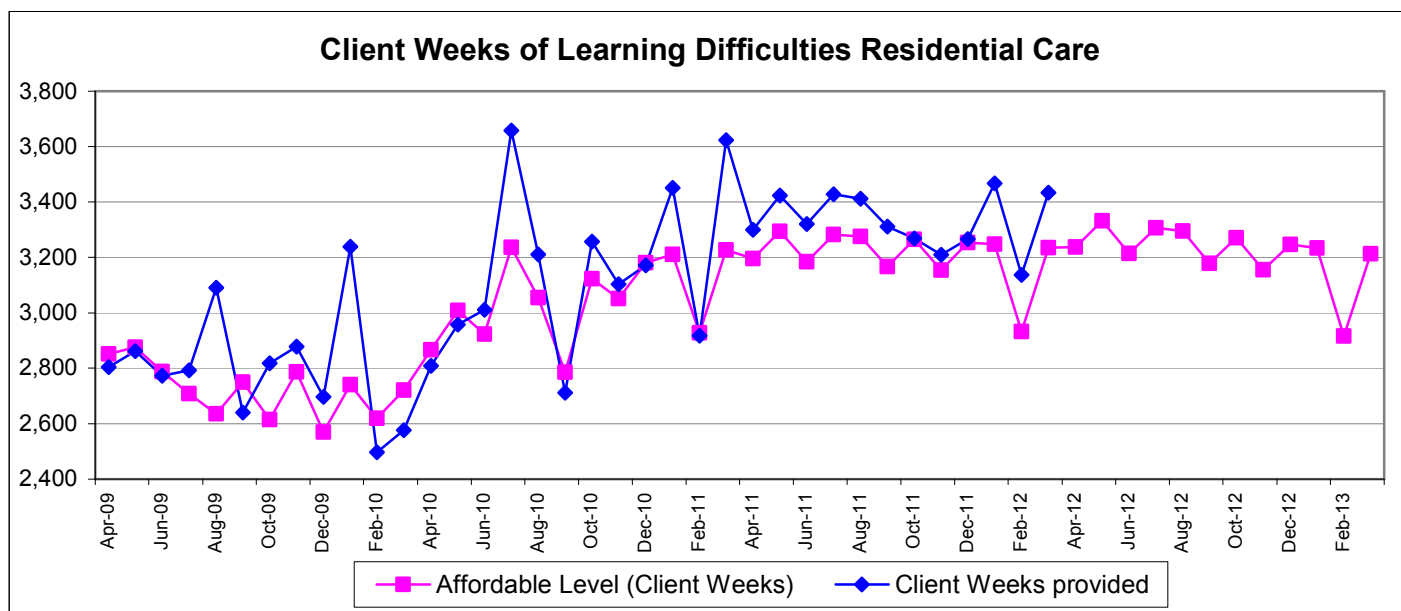


#### Comments:

- The actual unit cost of £14.72 is lower than the affordable cost of £15.49 and this difference of -£0.77 generated a saving of £1,844k when multiplied by the affordable hours in 2.7.1 above.
- The unit cost continues to be lower than the affordable because current work with providers to achieve savings requires them to provide a service at a lower cost – this is ongoing work with all homecare providers and will contribute to the domiciliary re-let. In addition, we are focussing on reducing the unit rate of care packages which are provided in ½ and ¾ hours which have traditionally been slightly more expensive.

2.8.1 Number of client weeks of learning difficulties residential care provided compared with affordable level (non preserved rights clients):

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)
April	2,851	2,804	2,866	2,808	3,196	3,300	3,237
May	2,875	2,861	3,009	2,957	3,294	3,423	3,332
June	2,787	2,772	2,922	3,011	3,184	3,320	3,214
July	2,708	2,792	3,236	3,658	3,282	3,428	3,307
August	2,635	3,091	3,055	3,211	3,275	3,411	3,295
September	2,750	2,640	2,785	2,711	3,167	3,311	3,178
October	2,615	2,818	3,123	3,257	3,265	3,268	3,271
November	2,786	2,877	3,051	3,104	3,154	3,210	3,155
December	2,569	2,696	3,181	3,171	3,253	3,266	3,246
January	2,740	3,238	3,211	3,451	3,248	3,467	3,234
February	2,619	2,497	2,927	2,917	2,932	3,137	2,915
March	2,721	2,576	3,227	3,624	3,235	3,433	3,213
<b>TOTAL</b>	<b>32,656</b>	<b>33,662</b>	<b>36,593</b>	<b>37,880</b>	<b>38,485</b>	<b>39,974</b>	<b>38,597</b>

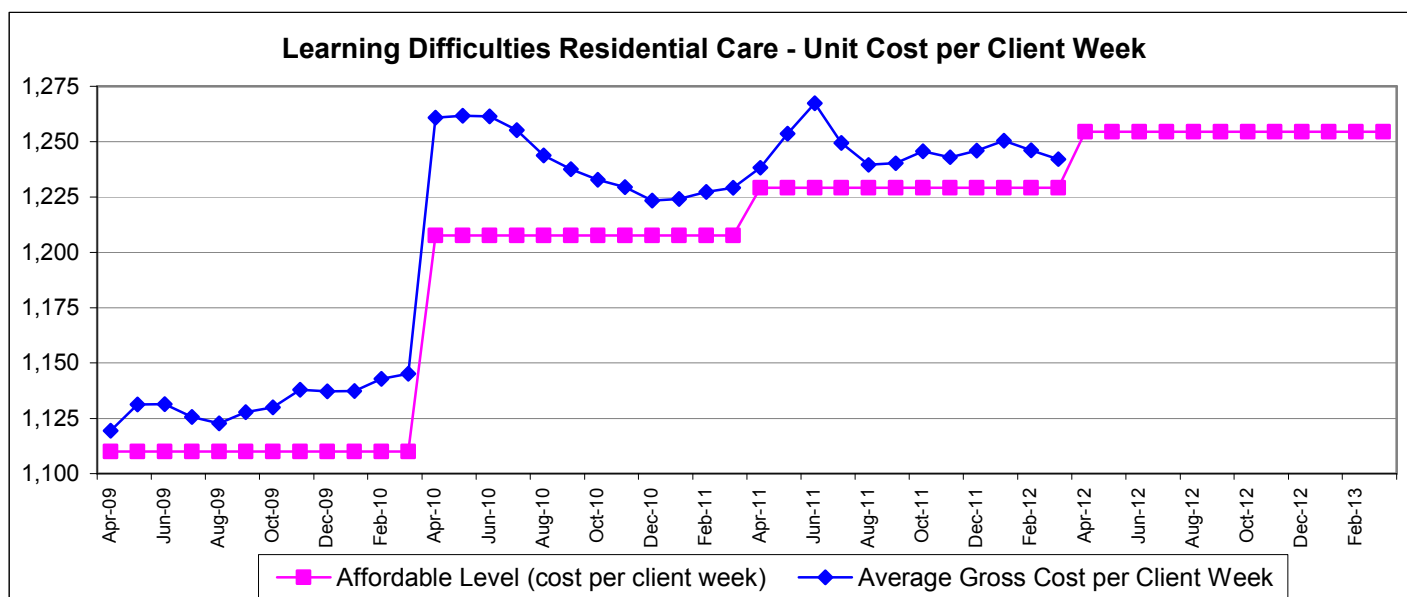


Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2009-10 was 632, at the end of 2010-11 it was 713 and at the end of December 2011 it was 748 including any ongoing transfers as part of the S256 agreement, transitions, provisions and Ordinary Residence. By the end of 2011-12 the number had decreased to 746.
- The outturn is 39,974 weeks of care against an affordable level of 38,485, a difference of 1,489 weeks. Using the actual unit cost of £1,242.08 this additional activity added £1,849k to the outturn position.

2.8.2 Average gross cost per client week of Learning Difficulties residential care compared with affordable level (non preserved rights clients):

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	1,110.15	1,119.42	1,207.58	1,260.82	1,229.19	1,238.24	1,254.52
May	1,110.15	1,131.28	1,207.58	1,261.67	1,229.19	1,253.68	1,254.52
June	1,110.15	1,131.43	1,207.58	1,261.46	1,229.19	1,267.40	1,254.52
July	1,110.15	1,125.65	1,207.58	1,255.21	1,229.19	1,249.41	1,254.52
August	1,110.15	1,122.81	1,207.58	1,243.87	1,229.19	1,239.50	1,254.52
September	1,110.15	1,127.79	1,207.58	1,237.49	1,229.19	1,240.17	1,254.52
October	1,110.15	1,130.07	1,207.58	1,232.68	1,229.19	1,245.76	1,254.52
November	1,110.15	1,137.95	1,207.58	1,229.44	1,229.19	1,242.97	1,254.52
December	1,110.15	1,137.28	1,207.58	1,223.31	1,229.19	1,246.05	1,254.52
January	1,110.15	1,137.41	1,207.58	1,224.03	1,229.19	1,250.44	1,254.52
February	1,110.15	1,142.82	1,207.58	1,227.26	1,229.19	1,246.11	1,254.52
March	1,110.15	1,145.12	1,207.58	1,229.19	1,229.19	1,242.08	1,254.52

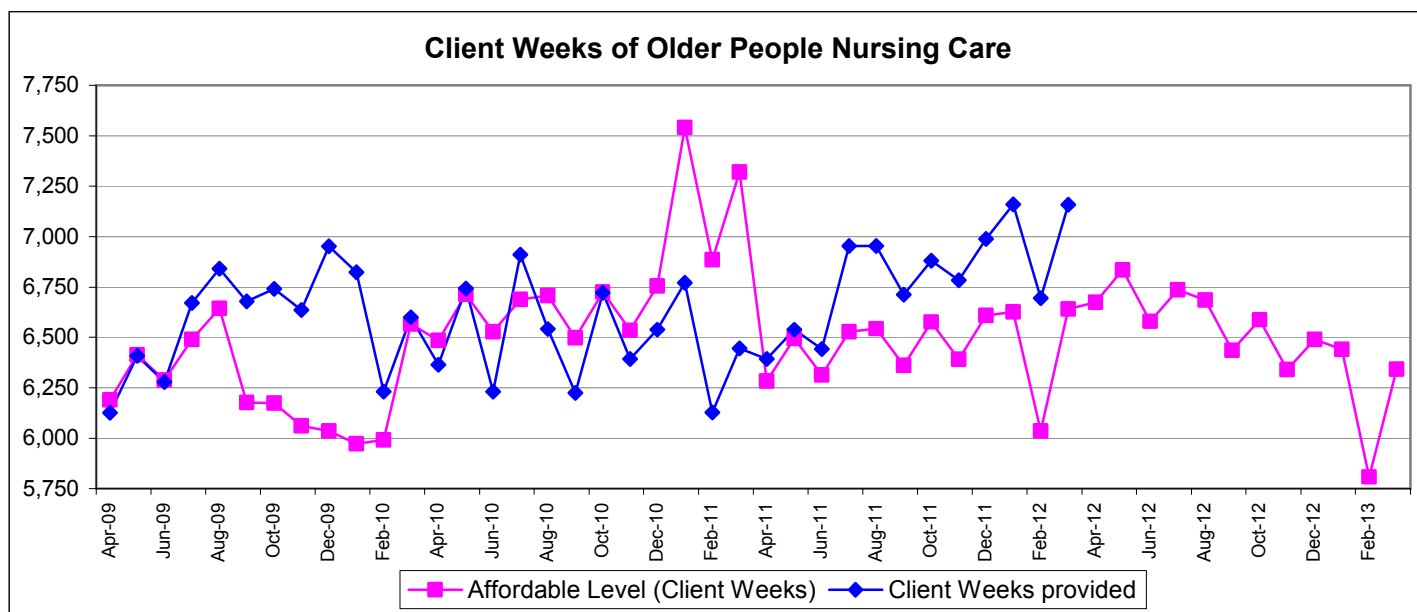


Comments:

- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The unit cost of £1,242.08 is higher than the affordable cost of £1,229.19 and this difference of +£12.89 added £496k to the outturn position when multiplied by the affordable weeks in 2.8.1 above.

## 2.9.1 Number of client weeks of older people nursing care provided compared with affordable level:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)
April	6,191	6,127	6,485	6,365	6,283	6,393	6,675
May	6,413	6,408	6,715	6,743	6,495	6,538	6,835
June	6,288	6,279	6,527	6,231	6,313	6,442	6,579
July	6,489	6,671	6,689	6,911	6,527	6,953	6,736
August	6,644	6,841	6,708	6,541	6,544	6,954	6,686
September	6,178	6,680	6,497	6,225	6,361	6,713	6,436
October	6,175	6,741	6,726	6,722	6,576	6,881	6,587
November	6,062	6,637	6,535	6,393	6,391	6,784	6,340
December	6,037	6,952	6,755	6,539	6,610	6,988	6,489
January	5,973	6,824	7,541	6,772	6,628	7,159	6,440
February	5,992	6,231	6,885	6,129	6,036	6,696	5,809
March	6,566	6,601	7,319	6,445	6,641	7,158	6,343
<b>TOTAL</b>	<b>75,008</b>	<b>78,992</b>	<b>81,382</b>	<b>78,016</b>	<b>77,405</b>	<b>81,659</b>	<b>77,955</b>



### Comment:

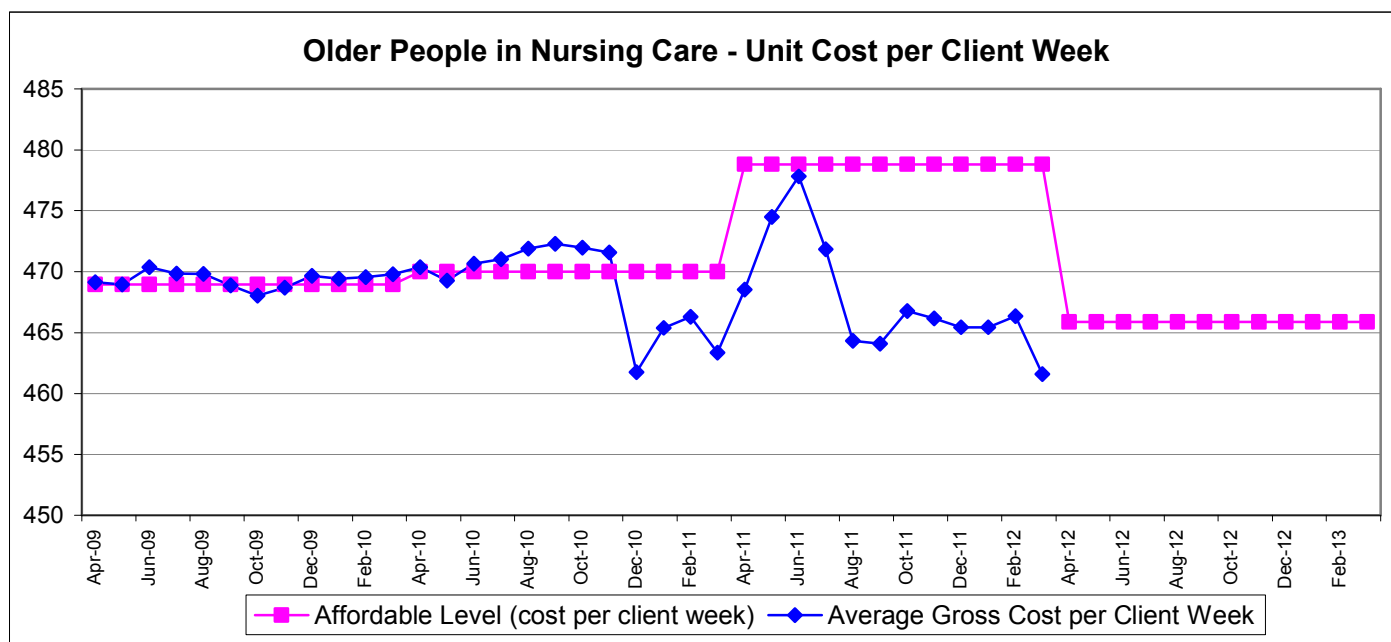
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2009-10 was 1,374, at the end of 2010-11 it was 1,379, at the end of December 2011 it was 1,508 but by the end of 2011-12 it was 1,479.
- The increase in activity in the last quarter of 2011-12 was due to the impact of the new short term bed contract, which provides non permanent care to assist hospital discharges and other recuperative and enabling support. Short term volumes are included in the client weeks shown in the graph above, but do not affect the numbers of long term clients.
- The overturn position is 81,659 weeks of care against an affordable level of 77,405, a difference of +4,254 weeks. Using the actual unit cost of £461.58, this increased level of activity produced an overspend of £1,964k.
- There are always pressures in permanent nursing care, which may occur for many reasons. Increasingly, older people are entering nursing care only when other ways of support have been explored. This means that the most dependent are those that enter nursing care and consequently are more likely to have dementia. There is not the same distinction between clients with dementia in nursing care as with residential care as the difference in intensity of care for nursing care and nursing care with dementia is not as significant as it is for residential care. In addition, there will always be pressures which the directorate face, for example the knock on effect of minimising



delayed transfers of care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing nursing care.

**2.9.2 Average gross cost per client week of older people nursing care compared with affordable level:**

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	468.95	469.15	470.01	470.36	478.80	468.54	465.89
May	468.95	468.95	470.01	469.27	478.80	474.48	465.89
June	468.95	470.37	470.01	470.67	478.80	477.82	465.89
July	468.95	469.84	470.01	471.03	478.80	471.84	465.89
August	468.95	469.82	470.01	471.90	478.80	464.32	465.89
September	468.95	468.88	470.01	472.28	478.80	464.09	465.89
October	468.95	468.04	470.01	471.97	478.80	466.78	465.89
November	468.95	468.69	470.01	471.58	478.80	466.17	465.89
December	468.95	469.67	470.01	461.75	478.80	465.44	465.89
January	468.95	469.42	470.01	465.40	478.80	465.44	465.89
February	468.95	469.55	470.01	466.32	478.80	466.36	465.89
March	468.95	469.80	470.01	463.34	478.80	461.58	465.89

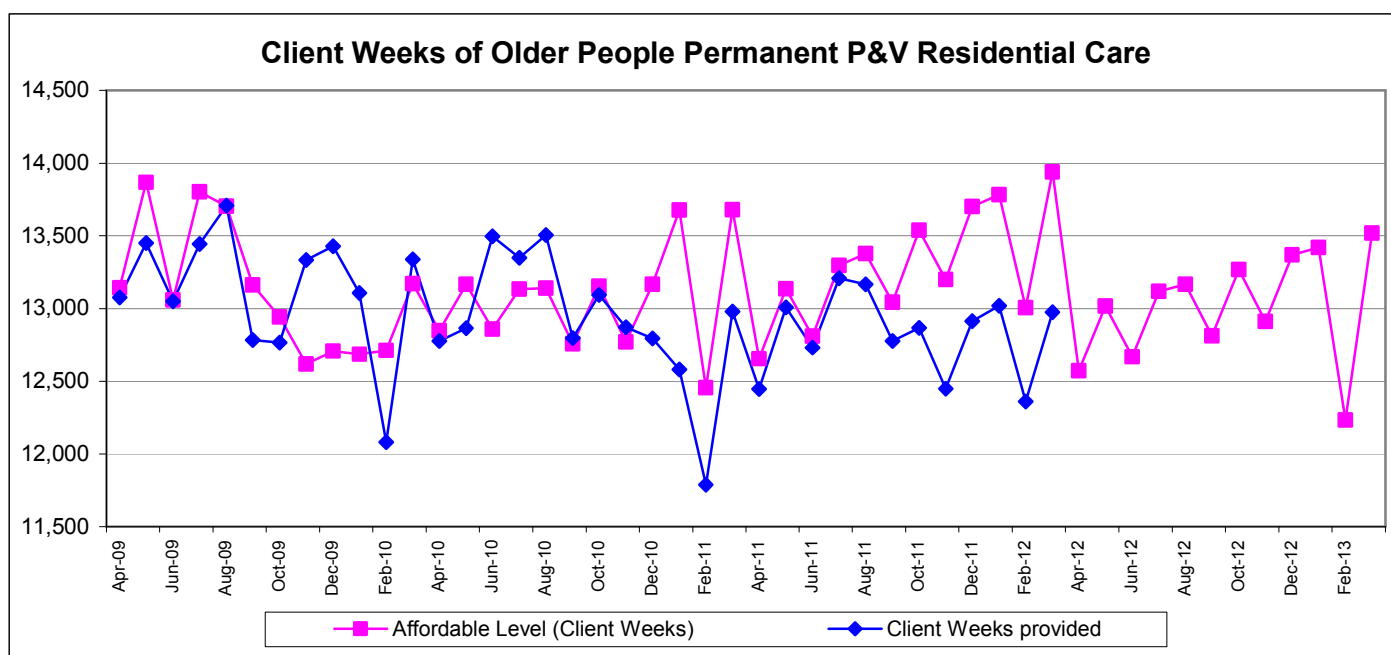


**Comments:**

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile.
- The unit cost of £461.58 is below the affordable cost of £478.80 and this difference in of -£17.22 produced a saving of £1,333k when multiplied by the affordable weeks in 2.9.1 above.

2.10.1 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)
April	13,142	13,076	12,848	12,778	12,655	12,446	12,572
May	13,867	13,451	13,168	12,867	13,136	13,009	13,018
June	13,059	13,050	12,860	13,497	12,811	12,731	12,669
July	13,802	13,443	13,135	13,349	13,297	13,208	13,118
August	13,703	13,707	13,141	13,505	13,377	13,167	13,168
September	13,162	12,784	12,758	12,799	13,044	12,779	12,814
October	12,943	12,768	13,154	13,094	13,538	12,868	13,269
November	12,618	13,333	12,771	12,873	13,200	12,448	12,912
December	12,707	13,429	13,167	12,796	13,700	12,914	13,369
January	12,685	13,107	13,677	12,581	13,782	13,019	13,419
February	12,712	12,082	12,455	11,790	13,007	12,361	12,234
March	13,172	13,338	13,678	12,980	13,940	12,975	13,518
<b>TOTAL</b>	<b>157,572</b>	<b>157,568</b>	<b>156,812</b>	<b>154,909</b>	<b>159,487</b>	<b>153,925</b>	<b>156,080</b>

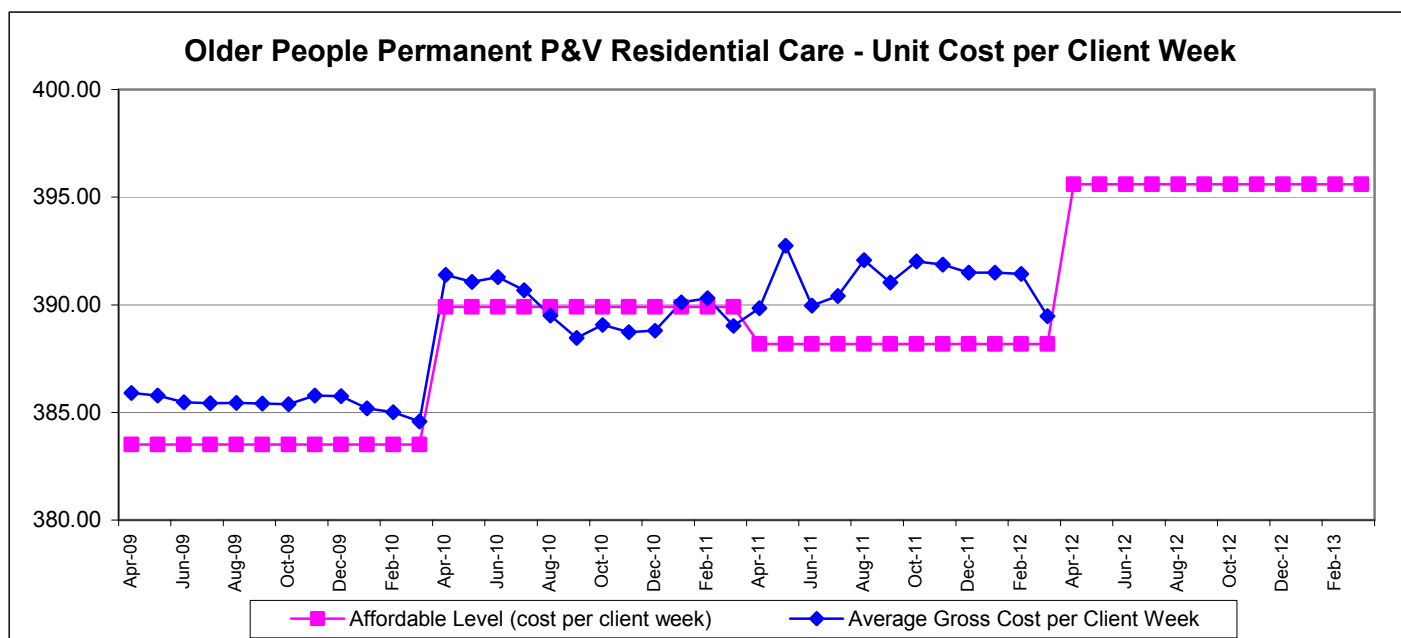


Comments:

- Affordable levels were changed slightly in quarter 2 to include the release of a provision and some rolled forward grant funding from 2010-11 which is now being used to fund activity, and were amended again in quarter 3 to reflect the removal of SCRG transitional funding.
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2009-10 was 2,751, at the end of 2010-11 it was 2,787 by the end of December 2011 it was 2,764 and at the end of 2011-12 it was 2,736. It is evident that there are ongoing pressures relating to clients with dementia. Of the 2,751 clients in older people nursing care at the end of March 2010, 1,209 had Dementia (i.e. 43.9%) but as at 31 March 2012 this percentage had increased to 45.1% (i.e. 1,235 of the 2,736 total clients).
- The outturn position is 153,925 weeks of care against an affordable level of 159,487, a difference of -5,562 weeks. Using the actual unit cost of £389.48, this lower level of activity generated an underspend of £2,166k.

2.10.2 Average gross cost per client week of older people permanent P&V residential care compared with affordable level:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	383.52	385.90	389.91	391.40	388.18	389.85	395.60
May	383.52	385.78	389.91	391.07	388.18	392.74	395.60
June	383.52	385.47	389.91	391.29	388.18	389.97	395.60
July	383.52	385.43	389.91	390.68	388.18	390.41	395.60
August	383.52	385.44	389.91	389.51	388.18	392.07	395.60
September	383.52	385.42	389.91	388.46	388.18	391.04	395.60
October	383.52	385.39	389.91	389.06	388.18	392.02	395.60
November	383.52	385.79	389.91	388.72	388.18	391.87	395.60
December	383.52	385.76	389.91	388.80	388.18	391.50	395.60
January	383.52	385.20	389.91	390.12	388.18	391.50	395.60
February	383.52	385.01	389.91	390.31	388.18	391.44	395.60
March	383.52	384.59	389.91	389.02	388.18	389.48	395.60

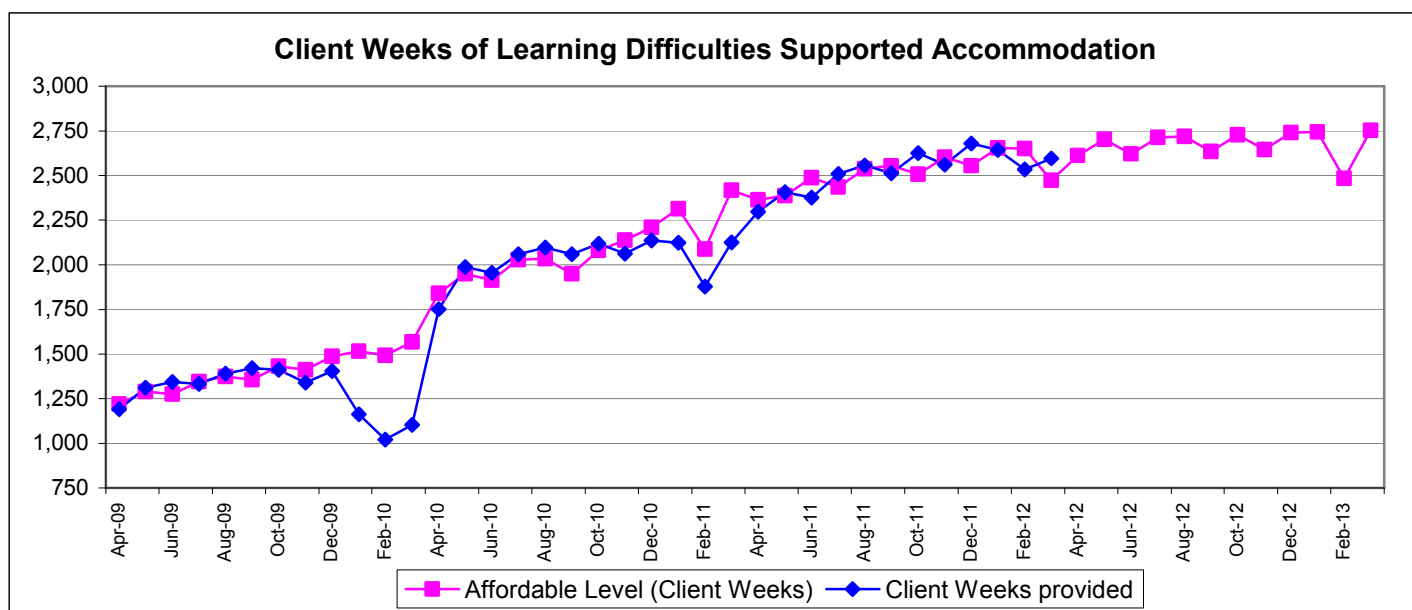


Comments:

- The 2011-12 affordable unit cost was marginally increased in the quarter 3 report because it includes the unit cost for both regular Older People (OP) residential care & Older People Mental Health (OPMH) residential care, which are averaged to produce the unit cost reported here. The removal of SCRG transitional funding in quarter 3 altered the weighting towards OPMH which is slightly more expensive.
- Average unit cost per week has increased above the affordable level as a reflection of the increasing numbers of clients with dementia.
- The unit cost of £389.48 is higher than the affordable cost of £388.18 and this difference of +£1.30 created a pressure of £207k when multiplied by the affordable weeks in section 2.10.1 above.

2.11.1 Number of client weeks of learning difficulties supported accommodation provided compared with affordable level:

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)
April	1,221	1,192	1,841	1,752	2,363	2,297	2,611
May	1,290	1,311	1,951	1,988	2,387	2,406	2,703
June	1,276	1,344	1,914	1,956	2,486	2,376	2,621
July	1,346	1,333	2,029	2,060	2,435	2,508	2,714
August	1,375	1,391	2,034	2,096	2,536	2,557	2,719
September	1,357	1,421	1,951	2,059	2,555	2,512	2,636
October	1,431	1,412	2,080	2,119	2,506	2,626	2,729
November	1,412	1,340	2,138	2,063	2,603	2,560	2,646
December	1,487	1,405	2,210	2,137	2,554	2,680	2,740
January	1,515	1,163	2,314	2,123	2,655	2,644	2,745
February	1,493	1,021	2,088	1,878	2,652	2,534	2,483
March	1,567	1,105	2,417	2,125	2,472	2,595	2,754
<b>TOTAL</b>	<b>16,770</b>	<b>15,438</b>	<b>24,967</b>	<b>24,356</b>	<b>30,204</b>	<b>30,295</b>	<b>32,101</b>

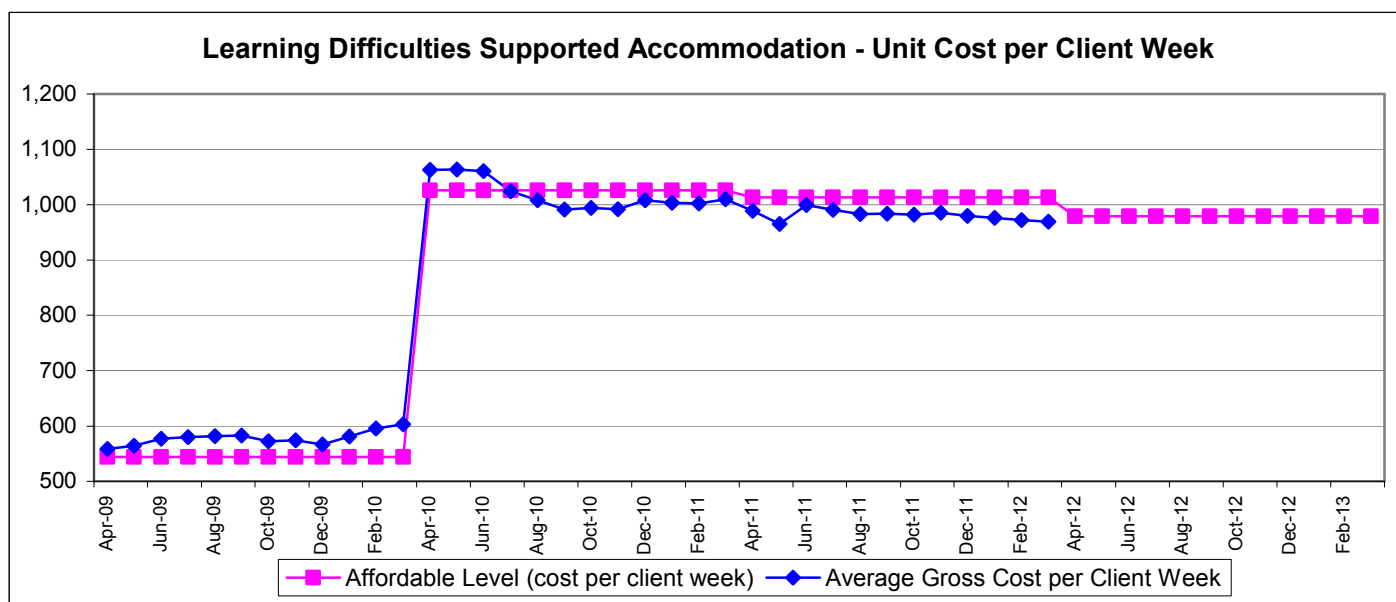


Comments:

- The above graph reflects the number of client weeks of service provided. The actual number of clients in LD supported accommodation at the end of 2009-10 was 309, at the end of 2010-11 it was 491, of which 131 were S256 clients, at the end of December 2011 it was 612 and by the end of 2011-12 the number had decreased to 607, of which 156 were S256 clients.
- The outturn position is 30,295 weeks of care against an affordable level of 30,204, a difference of +91 weeks. Using the final unit cost of £969.09 this additional activity produced an overspend of £88k.
- Like residential care for people with a learning disability, every case is unique and varies in cost, depending on the individual circumstances. Although the quality of life will be better for these people, it is not always significantly cheaper. The focus to enable as many people as possible to move from residential care into supported accommodation means that more and increasingly complex and unique cases will be successfully supported to live independently.

**2.11.2 Average gross cost per client week of Learning Difficulties supported accommodation compared with affordable level (non preserved rights clients):**

	2009-10		2010-11		2011-12		2012-13
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)
April	544.31	558.65	1,025.67	1,062.38	1,013.18	988.73	978.78
May	544.31	564.49	1,025.67	1,063.22	1,013.18	964.95	978.78
June	544.31	577.33	1,025.67	1,060.59	1,013.18	999.24	978.78
July	544.31	580.27	1,025.67	1,023.90	1,013.18	990.45	978.78
August	544.31	581.76	1,025.67	1,007.58	1,013.18	983.09	978.78
September	544.31	583.26	1,025.67	991.20	1,013.18	983.85	978.78
October	544.31	572.59	1,025.67	993.92	1,013.18	981.78	978.78
November	544.31	574.24	1,025.67	991.56	1,013.18	985.45	978.78
December	544.31	566.87	1,025.67	1,007.95	1,013.18	979.83	978.78
January	544.31	581.53	1,025.67	1,003.21	1,013.18	975.90	978.78
February	544.31	595.89	1,025.67	1,001.98	1,013.18	971.85	978.78
March	544.31	603.08	1,025.67	1,009.82	1,013.18	969.09	978.78



**Comments:**

- The actual unit cost of £969.09 is lower than the affordable cost of £1,013.18 and this difference of -£44.09 generated a saving of £1,332k when multiplied by the affordable weeks in section 2.11.1 above.
- There are three distinct groups of clients: Section 256 clients, Ordinary Residence clients and other clients. Each group has a very different average unit cost, which are combined to provide an overall average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.

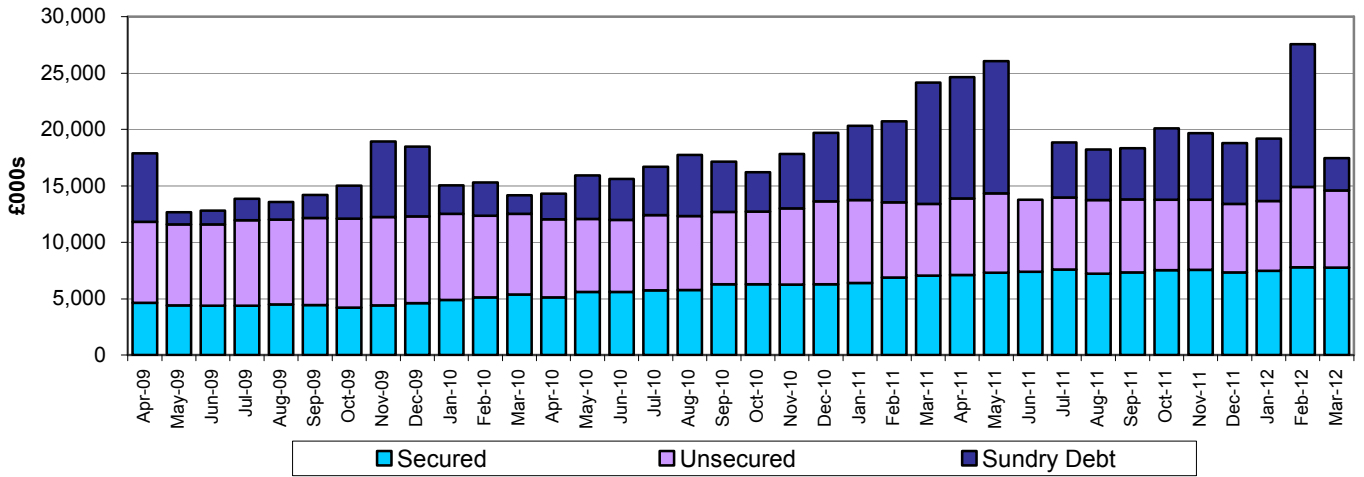
## 2.12 SOCIAL CARE OUTSTANDING DEBT

The outstanding due debt as at the end of March 2012 was £17.464m compared with January's figure of £19.180m (reported to Cabinet in March) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.881m of sundry debt compared to £5.518m at the end of January. The amount of sundry debt can fluctuate for large invoices to health. Also within the outstanding debt is £14.583m relating to Social Care (client) debt which is an increase of £0.921m from the last reported position to Cabinet in March (January position). The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year.

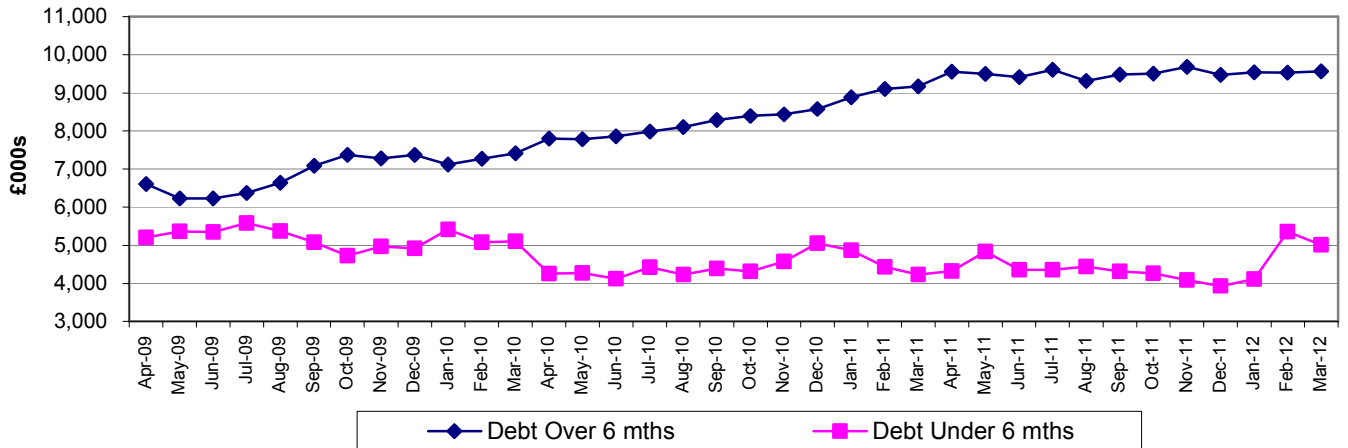
\* It should be noted that the Sundry debt reports were not successful in June, and hence no figure can be reported, the problem was rectified in time for the July report, but reports are unable to be run retrospectively.

<b>Debt Month</b>	<b>Total Due Debt (Social Care &amp; Sundry Debt) £000s</b>	<b>Sundry Debt £000s</b>	<b>Total Social Care Due Debt £000s</b>	<b>Debt Over 6 mths £000s</b>	<b>Debt Under 6 mths £000s</b>	<b>Secured £000s</b>	<b>Unsecured £000s</b>
Apr-09	17,874	6,056	11,818	6,609	5,209	4,657	7,161
May-09	12,671	1,078	11,593	6,232	5,361	4,387	7,206
Jun-09	12,799	1,221	11,578	6,226	5,352	4,369	7,209
Jul-09	13,862	1,909	11,953	6,367	5,586	4,366	7,587
Aug-09	13,559	1,545	12,014	6,643	5,371	4,481	7,533
Sep-09	14,182	2,024	12,158	7,080	5,078	4,420	7,738
Oct-09	15,017	2,922	12,095	7,367	4,728	4,185	7,910
Nov-09	18,927	6,682	12,245	7,273	4,972	4,386	7,859
Dec-09	18,470	6,175	12,295	7,373	4,922	4,618	7,677
Jan-10	15,054	2,521	12,533	7,121	5,412	4,906	7,627
Feb-10	15,305	2,956	12,349	7,266	5,083	5,128	7,221
Mar-10	14,157	1,643	12,514	7,411	5,103	5,387	7,127
Apr-10	14,294	2,243	12,051	7,794	4,257	5,132	6,919
May-10	15,930	3,873	12,057	7,784	4,273	5,619	6,438
Jun-10	15,600	3,621	11,979	7,858	4,121	5,611	6,368
Jul-10	16,689	4,285	12,404	7,982	4,422	5,752	6,652
Aug-10	17,734	5,400	12,334	8,101	4,233	5,785	6,549
Sep-10	17,128	4,450	12,678	8,284	4,394	6,289	6,389
Oct-10	16,200	3,489	12,711	8,392	4,319	6,290	6,421
Nov-10	17,828	4,813	13,015	8,438	4,577	6,273	6,742
Dec-10	19,694	6,063	13,631	8,577	5,054	6,285	7,346
Jan-11	20,313	6,560	13,753	8,883	4,870	6,410	7,343
Feb-11	20,716	7,179	13,537	9,107	4,430	6,879	6,658
Mar-11	24,178	10,776	13,402	9,168	4,234	7,045	6,357
Apr-11	24,659	10,776	13,883	9,556	4,327	7,124	6,759
May-11	26,069	11,737	14,332	9,496	4,836	7,309	7,023
Jun-11	13,780	*	13,780	9,418	4,362	7,399	6,381
Jul-11	18,829	4,860	13,969	9,609	4,361	7,584	6,385
Aug-11	18,201	4,448	13,753	9,315	4,438	7,222	6,531
Sep-11	18,332	4,527	13,805	9,486	4,319	7,338	6,467
Oct-11	20,078	6,304	13,774	9,510	4,264	7,533	6,241
Nov-11	19,656	5,886	13,770	9,681	4,089	7,555	6,215
Dec-11	18,788	5,380	13,408	9,473	3,935	7,345	6,063
Jan-12	19,180	5,518	13,662	9,545	4,117	7,477	6,185
Feb-12	27,552	12,661	14,891	9,536	5,355	7,788	7,103
Mar-12	17,464	2,881	14,583	9,567	5,016	7,751	6,832

### Families & Social Care Outstanding debt (£000s)



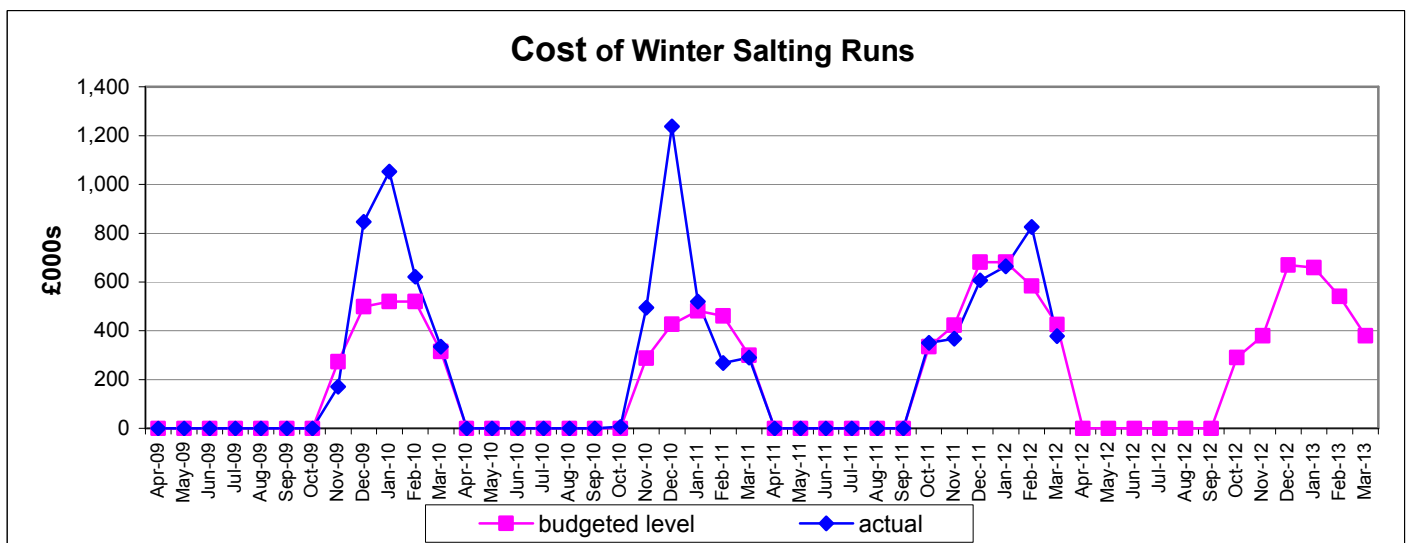
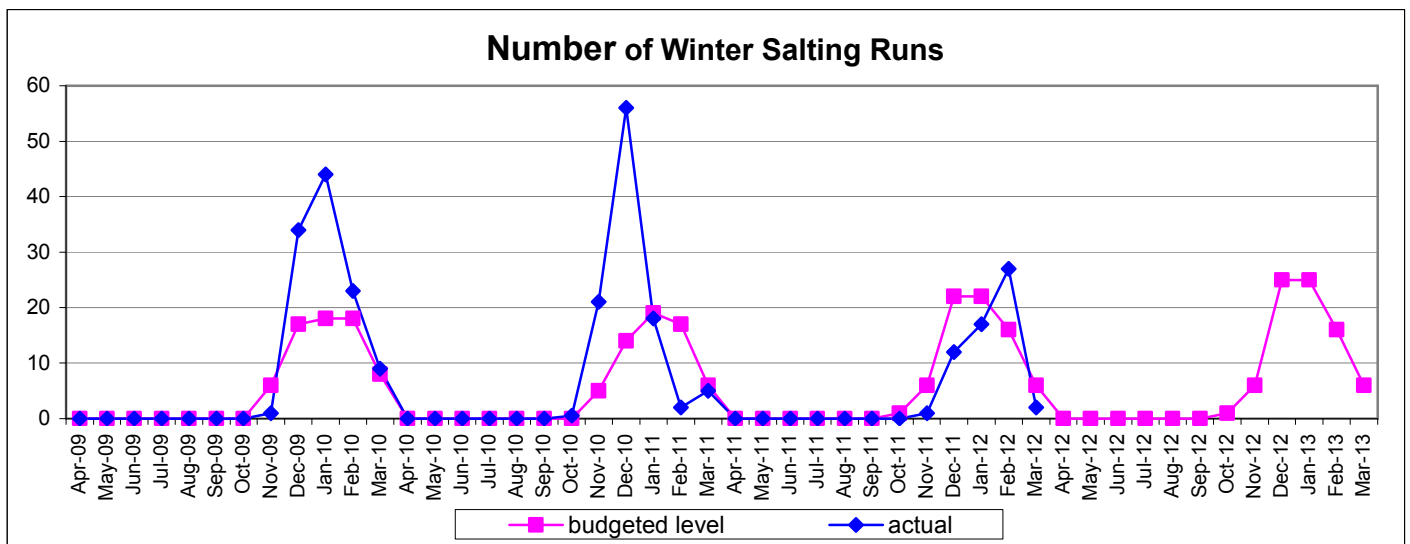
### Social Care Debt Age Profile



### 3. ENTERPRISE & ENVIRONMENT DIRECTORATE

#### 3.1 Number and Cost of winter salting runs:

	2009-10				2010-11				2011-12				2012-13	
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		No of salting runs	Cost of salting runs
	Actual	Budget Level	Actual £000s	Budget Level £000s	Actual	Budget Level	Actual £000s	Budget Level £000s	Actual	Budget level	Actual £000s	Budget Level £000s	Budget Level	Budget Level £000s
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sept	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oct	-	-	-	-	0.5	-	6	-	0	1	351	335	1	291
Nov	1	6	171	273	21	5	494	288	1	6	368	423	6	379
Dec	34	17	847	499	56	14	1,238	427	12	22	607	682	25	670
Jan	44	18	1,052	519	18	19	519	482	17	22	665	682	25	660
Feb	23	18	622	519	2	17	268	461	27	16	825	584	16	540
Mar	9	8	335	315	5	6	291	299	2	6	378	425	6	379
<b>TOTAL</b>	<b>111</b>	<b>67</b>	<b>3,027</b>	<b>2,125</b>	<b>102.5</b>	<b>61</b>	<b>2,816</b>	<b>1,957</b>	<b>59</b>	<b>73</b>	<b>3,194</b>	<b>3,131</b>	<b>79</b>	<b>2,919</b>



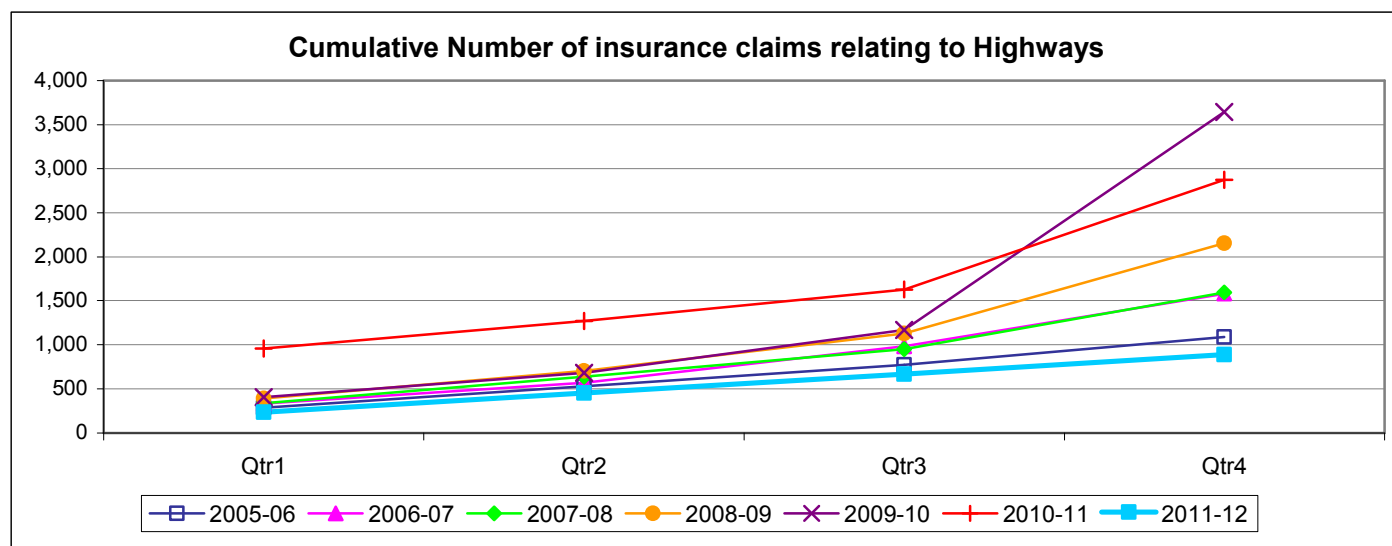


Comments:

- Under the Ringway contract, local and specific overheads and depot charges were dealt with separately and were consequently excluded, whereas the new Enterprise contract is for an all inclusive price so these costs are now included, hence the increase in the budgeted cost in 2011-12 and 2012-13 compared to previous years.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and in 2012-13 the full year efficiency savings will be realised, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs have been incurred as part of the new Winter Policy for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, giving a variance of +£0.063m, despite the number of salting runs being below the budgeted level. In addition, the Directorate incurred £0.621m of costs related to snow clearance, and £0.342m of other costs related to adverse weather such as maintenance costs of farmer's ploughs, salt bins, a loss on revaluation of salt stocks prior to sale to Enterprise and weather forecasting and ice prediction costs, which all resulted in a variance of +£1.026m on the Adverse Weather budget.

3.2 **Number of insurance claims arising related to Highways with accident dates during these periods:**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April-June	286	335	337	393	405	956	237
July-Sept	530	570	640	704	680	1,269	455
Oct-Dec	771	982	950	1,128	1,169	1,629	666
Jan- Mar	1,087	1,581	1,595	2,155	3,643	2,873	889

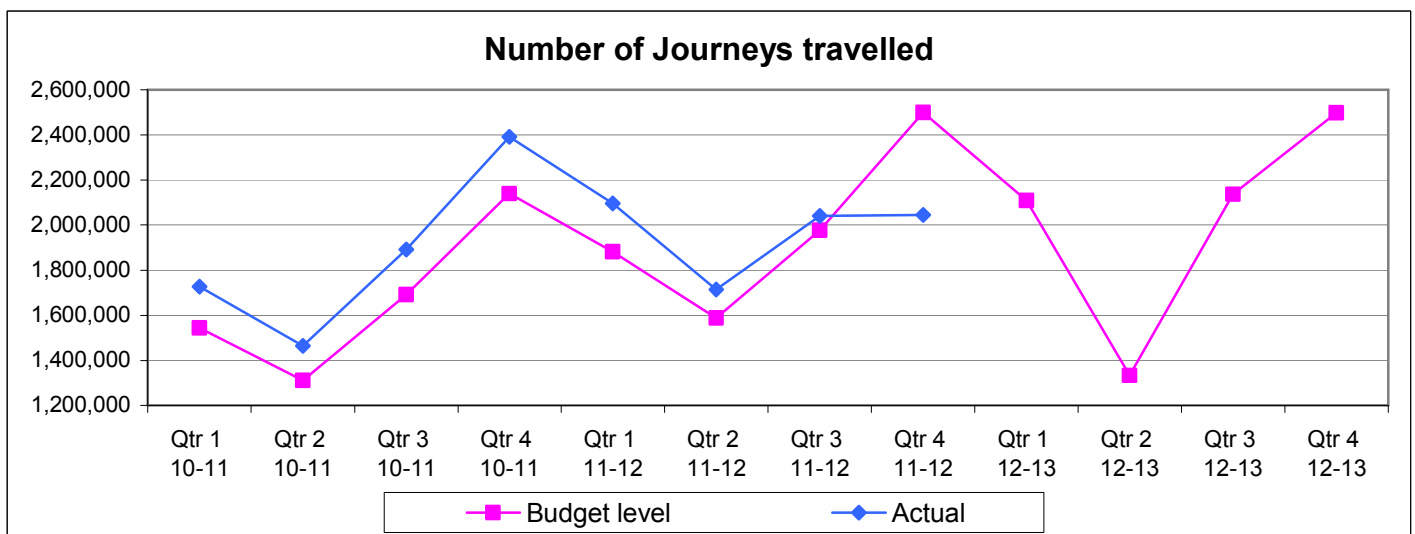
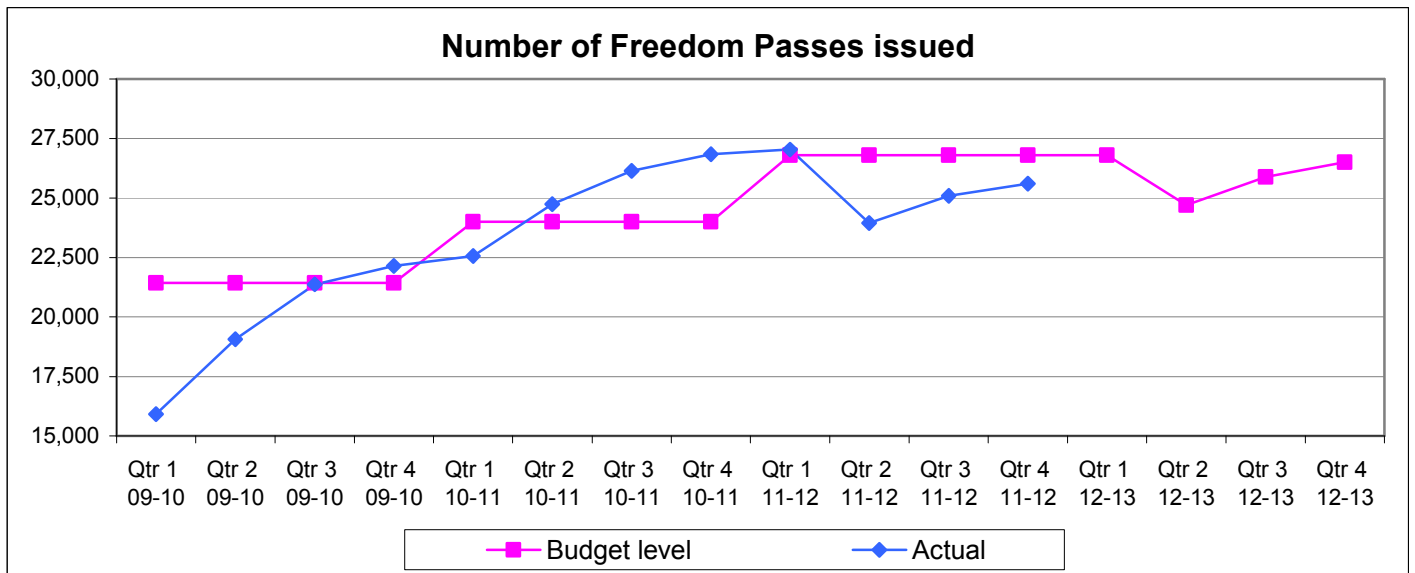


**Comments:**

- Numbers of claims will continually change as new claims are received relating to accidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 1 May 2012.
- Claims were high in each of the last three years largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- The Insurance section continues to work closely with Highways to try to reduce the number of successful claims and currently the Authority is managing to achieve a rejection rate on 2011-12 claims where it is considered that we do not have any liability, of about 87%.
- Claims were lower in 2011-12 than in recent years. This could be due to many factors including a milder winter, an improved state of the highway following the find and fix programmes of repair and an increased rejection rate on claims. Also, it is likely that these claim numbers will increase as new claims are received relating to accidents occurring in previous quarters as explained in the first bullet point above.

### 3.3 Freedom Pass - Number of Passes in circulation and Journeys travelled:

	2009-10				2010-11				2011-12				2012-13	
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled		Passes	Journeys Travelled
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget Level	Budget Level
<b>Qtr 1</b> April - June	21,434	15,923			24,000	22,565	1,544,389	1,726,884	26,800	27,031	1,882,098	2,095,980	26,800	2,108,385
<b>Qtr 2</b> July - Sept	21,434	19,060			24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703	1,332,935
<b>Qtr 3</b> Oct - Dec	21,434	21,369			24,000	26,136	1,691,828	1,891,746	26,800	25,092	1,976,884	2,040,713	25,877	2,136,769
<b>Qtr 4</b> Jan - Mar	21,434	22,157			24,000	26,836	2,139,053	2,391,818	26,800	25,593	2,499,462	2,045,000	26,500	2,497,561
							6,686,046	7,476,114			7,947,060	7,896,008		8,075,650



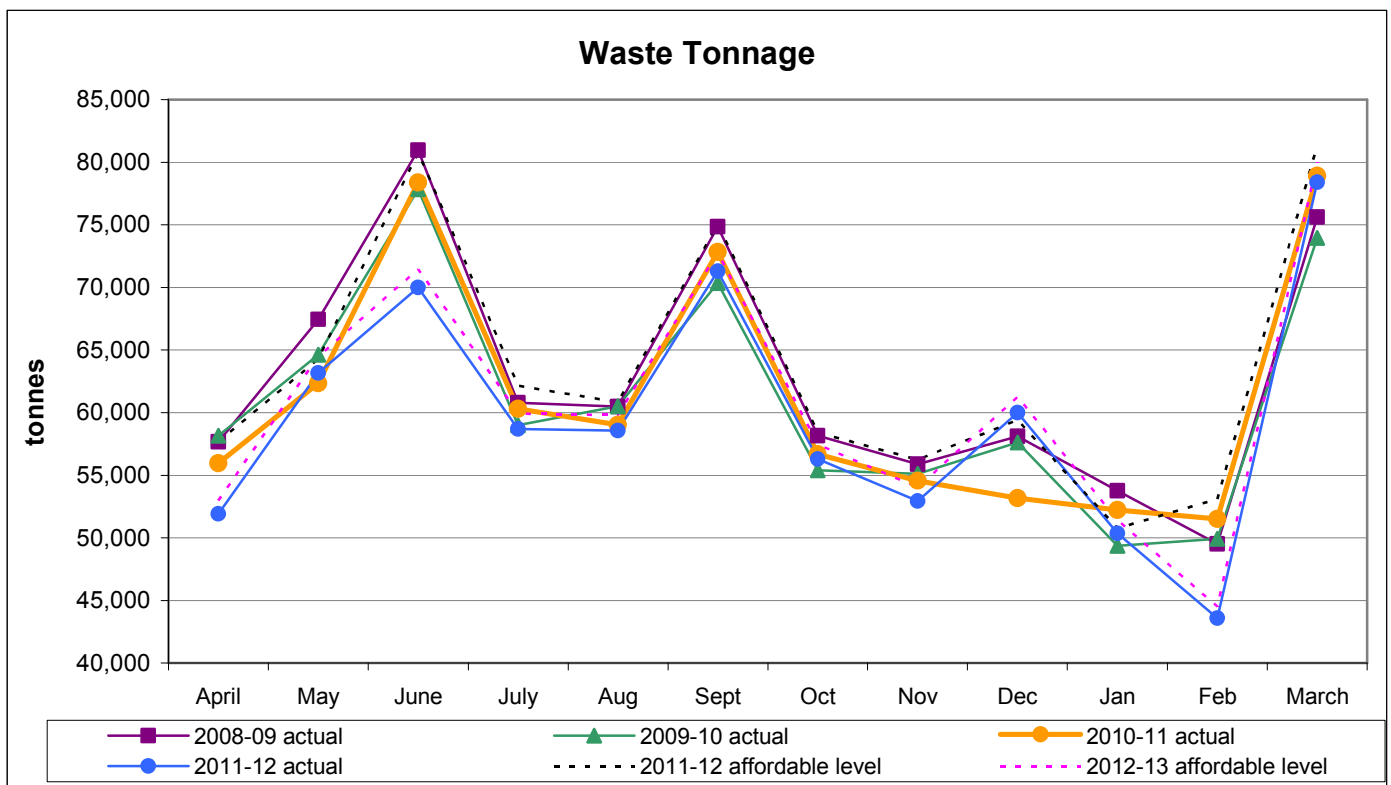
#### Comments:

- The figures above for journeys travelled represent the number of passenger journeys which directly or indirectly give rise to reimbursement to the bus operator under the Kent Freedom Pass scheme. It was anticipated that the increase in the cost of the pass from £50 to £100 in 2011-12 would limit the increases in demand that have been experienced since the introduction of the pass and this is reflected in the number of passes in circulation. However, the number of journeys may not change in line with pass numbers as those students who are more likely not to take up a pass because of the increased cost, will be those travelling the least number of journeys, whilst those who do continue to take out the pass may increase journeys to gain maximum value from the pass. The lower number of passes in circulation has translated into lower than budgeted journeys in the second half of the year, which has resulted in an underspend of £0.558m against the Freedom Pass budget.
- The above figures do not include journeys travelled relating to home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.
- Comparable figures for 2009-10 journeys travelled are not available because the scheme was still being rolled out and was changing radically year on year and we do not have the data in order to split out the home to school transport journeys.

### 3.4 Waste Tonnage:

	2008-09	2009-10	2010-11	2011-12		2012-13
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level	Affordable Level
April	57,688	58,164	55,975	51,901	57,687	52,969
May	67,452	64,618	62,354	63,168	64,261	64,467
June	80,970	77,842	78,375	70,006	80,772	71,446
July	60,802	59,012	60,310	58,711	62,154	59,919
August	60,575	60,522	59,042	58,581	60,847	59,787
September	74,642	70,367	72,831	71,296	75,058	72,763
October	58,060	55,401	56,690	56,296	58,423	57,454
November	55,789	55,138	54,576	52,942	56,246	54,031
December	58,012	57,615	53,151	60,009	59,378	61,244
January	53,628	49,368	52,211	50,366	50,766	51,403
February	49,376	49,930	51,517	43,607	53,093	44,504
March	76,551	73,959	78,902	78,400	81,315	80,013
<b>TOTAL</b>	<b>753,545</b>	<b>731,936</b>	<b>735,934</b>	<b>715,283</b>	<b>760,000</b>	<b>730,000</b>

\* Note: waste tonnages are subject to slight variations between quarterly reports as figures are refined and confirmed with Districts



#### Comments:

- These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- The cumulative total amount of waste managed for 2011-12 was 44,717 tonnes less than the affordable level and a 2.8% reduction on tonnage levels for 2010-11 which has contributed to an underspend of £4.986m on the Waste budgets..
- A reduction of 30,000 tonnes has been reflected in the 2012-13 budget, therefore it is likely that if the recent trend of reduced waste tonnage continues, there will be an underspend in 2012-13.

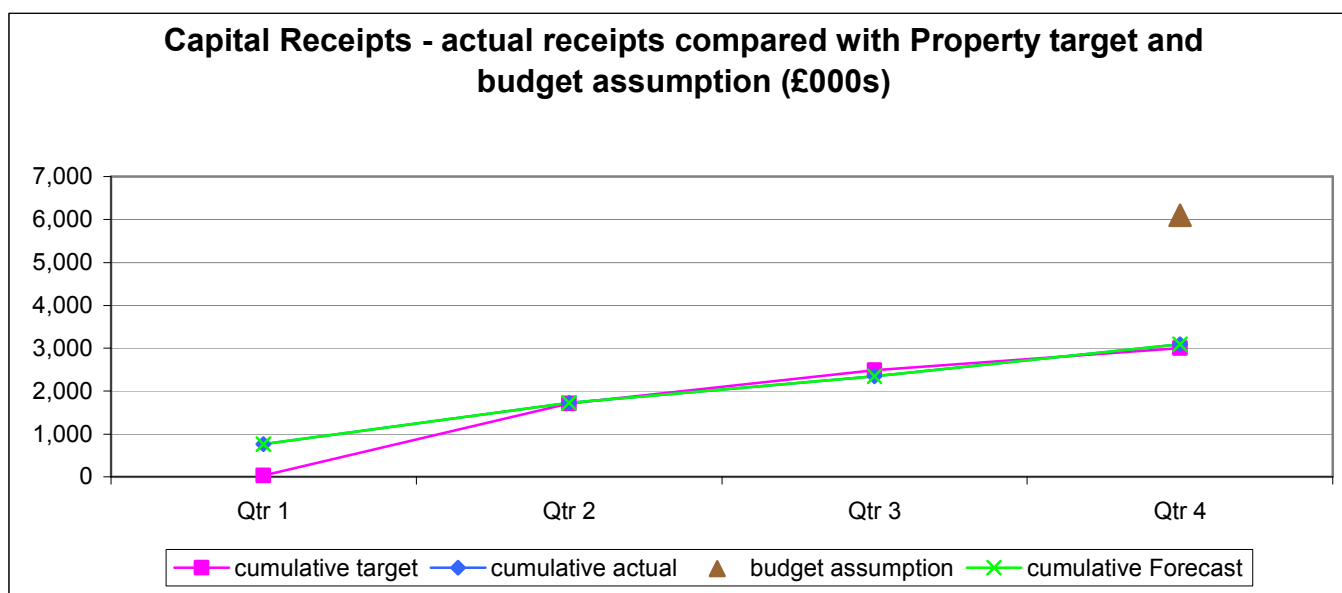
#### 4. BUSINESS STRATEGY & SUPPORT DIRECTORATE

##### 4.1 Capital Receipts – actual receipts compared to budget profile:

	2011-12			
	Budget funding assumption £000s	Cumulative Target Profile £000s	Cumulative Actual Receipts £000s	Cumulative Forecast receipts £000s
April - June		30	769	769
July - September		1,710	1,725	1,725
October - December		2,490	2,345	2,345
January - March		3,000	3,093	2,665
<b>TOTAL</b>	<b>6,102</b>	<b>3,000</b>	<b>3,093</b>	<b>2,665</b>

Budget funding assumption has been updated to reflect the 2012-15 MTFP agreed at County Council on 9<sup>th</sup> February.

The cumulative target profile shows the anticipated receipts at the start of the year totalled £3.0m. The difference between this and the budget funding assumption is mainly attributable to timing differences between when the receipts are anticipated to come in and when the spend in the capital programme will occur. There are banked receipts achieved in prior years which were not required to be used for funding until 2011-12.



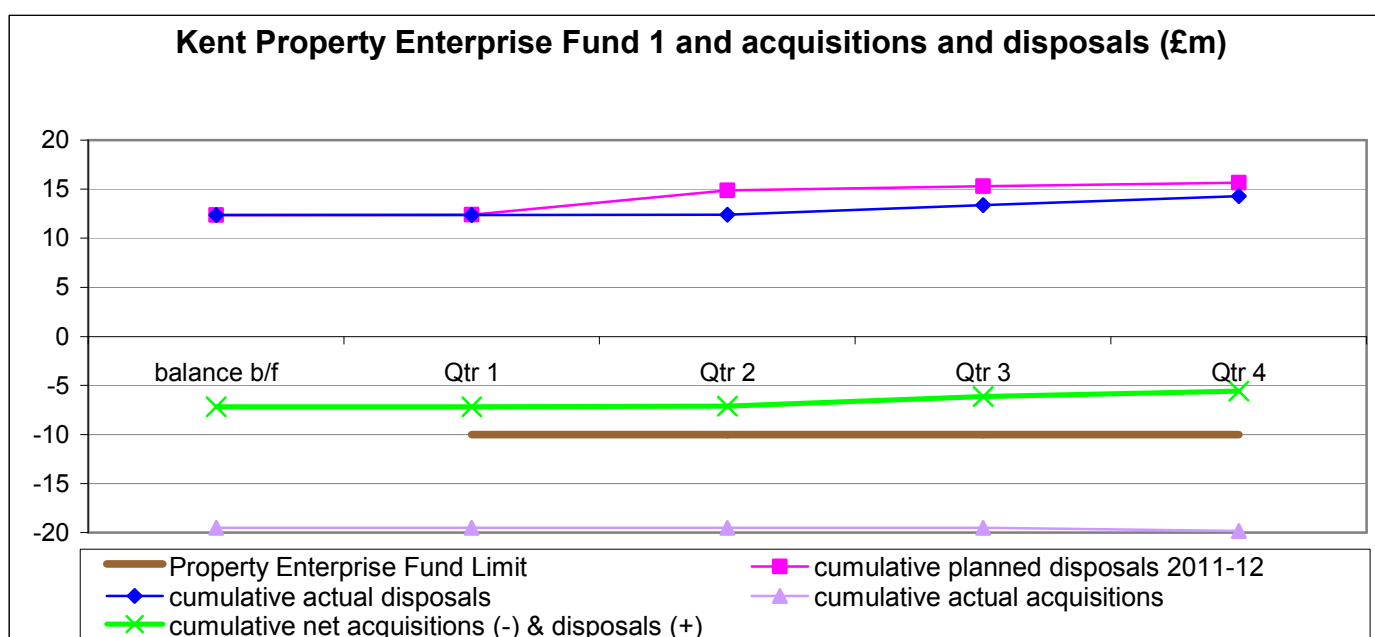
##### Comments:

- The table below compares the capital receipt funding required per the capital programme this year, with the expected receipts available to fund this.
- Property Group forecast a total of £2.665m to come in from capital receipts during the year. Taking into consideration the receipts banked in previous years and receipts from other sources there is a surplus of £1.307m in 2011-12. This is due to receipts being forecast to be achieved during 2011-12 which are held to fund spend in future years of the programme.

	2011-12 £'000
Capital receipt funding per revised 2012-15 MTFP	6,102
Property Groups' actual (forecast for 11-12) receipts	2,665
Receipts banked in previous years for use	3,288
Capital receipts from other sources	1,456
<b>Potential Surplus Receipts</b>	<b>1,307</b>

## 5.2 Capital Receipts – Kent Property Enterprise Fund 1:

	2011-12				
	<i>Kent Property Enterprise Fund Limit</i> £m	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions (-) £m	Cumulative Net Acquisitions (-) & Disposals (+) £m
Balance b/f		12.342	12.342	-19.504	-7.162
April - June	-10	12.377	12.342	-19.504	-7.162
July - September	-10	14.862	12.393	-19.504	-7.111
October - December	-10	15.282	13.373	-19.504	-6.131
January - March	-10	15.638	14.258	-19.825	-5.567



### Background:

- County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:
  - the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
  - the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

Any temporary deficit will be offset as the disposal of assets are realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

### Comments:

The balance brought forward from 2010-11 on PEF1 was **-£7.162m**.

As at the 31 March 2012 there have been four disposals generating a receipt of £1.916m.

The fund has been earmarked to provide **£0.197m** for Gateways and **£0.300m** for improvements to Maidstone High Street in this financial year.

There has been a **£0.212m** repayment towards the £5.304m owed by East Kent Opportunities for the Spine Road, Manston.

At present there are no committed acquisitions to report, except costs of disposals (staff and fees) was **£0.037m..**

Forecast Outturn

Taking all the above into consideration, the Fund is in a deficit position of £5.581m at the end of 2011-12.

<b>Opening Balance – 01-04-11</b>	<b>-£7.162m</b>
Planned Receipts (Risk adjusted)	£1.916m
Costs	-£0.037m
Acquisitions	-
Other Funding:	
- Gateways	-£0.197m
- Improvements to Maidstone High Street	-£0.300m
Repayment of Spine Road, Manston	£0.212m
<b>Closing Balance – 31-03-12</b>	<b>-£5.568m</b>

Revenue Implications

In 2011-12 the fund is currently forecasting £0.015m of low value revenue receipts but, with the need to fund both costs of borrowing (£0.549m) against the overdraft facility and the cost of managing properties held for disposal (net £0.191m), the PEF1 is forecasting a £2.327m deficit on revenue which will be rolled forward to be met from future income streams.



### 5.3 Capital Receipts – Kent Property Enterprise Fund 2 (PEF2):

County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

#### Overall forecast position on the fund

	2011-12 Forecast
	£m
<b>Capital:</b>	
Opening balance	-22.209
Properties to be agreed into PEF2	-2.720
Forecast sale of PEF2 properties	10.772
Disposal costs	-0.039
Closing balance	-14.196
<b>Revenue:</b>	
Opening balance	-3.417
Interest on borrowing	-0.780
Holding costs	-0.035
Closing balance	-4.232
Overall closing balance	-18.428

The closing balance for PEF2 is -£18.428m, this is within the overdraft limit of £85m.

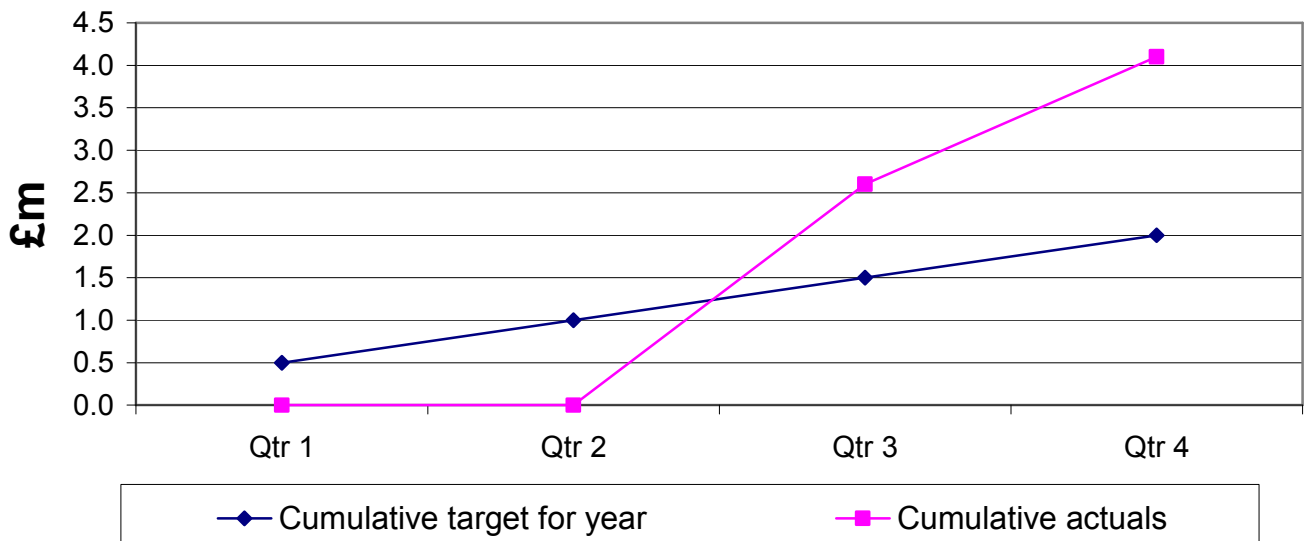
The target receipts to be accepted into PEF2 during 2011-12 equate to the PEF2 funding requirement in the 2012-15 budget book, and achievement against this is shown below:

	2011-12	
	Cumulative target for year	Cumulative actuals
	£m	£m
Qtr 1	0.5	0
Qtr 2	1.0	0
Qtr 3	1.5	2.6
Qtr 4	2.0	4.1

#### Comments:

- The above table shows a £2.0m target is required, this is a net figure based the PEF2 funding required of £4.766m as per the 2012-15 MTFP less £2.757m of PEF2 achieved in previous years by FSC and E&E that was not required until later years.
- Two properties have been transferred into PEF2.

## PEF2 target accepted into fund



### PEF2 Disposals

To date nine PEF2 properties have been sold. The cumulative profit on disposal to date is £1.065m. Large profits or losses are not anticipated over the lifetime of the fund.

### Interest costs

At the start of the year interest costs on the borrowing of the fund for 2011-12 were expected to total £0.878m.

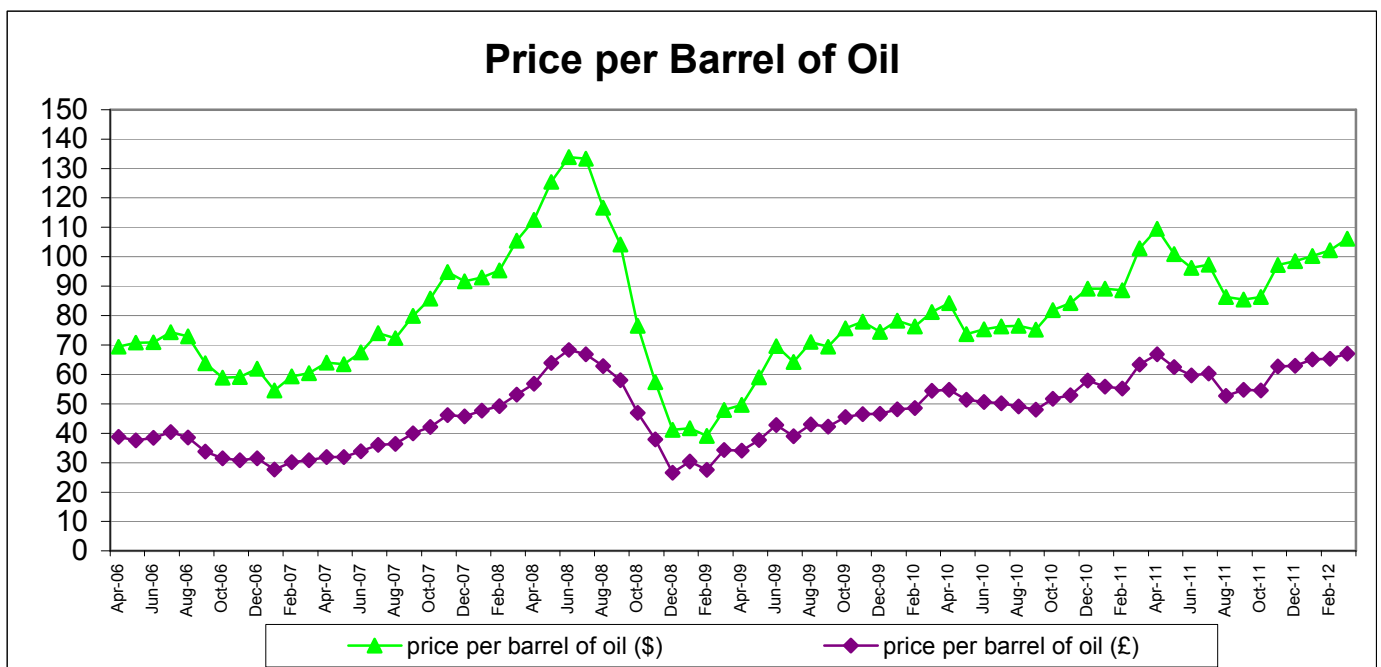
Interest costs were £0.780m, a decrease of £0.098m. This is due to a lower level of properties being required to transfer into PEF2 to fund the capital programme during 2011-12.

Interest costs on the fund are calculated at a rate of 4%.

## 5. FINANCING ITEMS

### 5.1 Price per Barrel of Oil - average monthly price in dollars since April 2006:

	Price per Barrel of Oil					
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	\$	\$	\$	\$	\$	\$
April	69.44	63.98	112.58	49.65	84.29	109.53
May	70.84	63.45	125.40	59.03	73.74	100.90
June	70.95	67.49	133.88	69.64	75.34	96.26
July	74.41	74.12	133.37	64.15	76.32	97.30
August	73.04	72.36	116.67	71.05	76.60	86.33
September	63.80	79.91	104.11	69.41	75.24	85.52
October	58.89	85.80	76.61	75.72	81.89	86.32
November	59.08	94.77	57.31	77.99	84.25	97.16
December	61.96	91.69	41.12	74.47	89.15	98.56
January	54.51	92.97	41.71	78.33	89.17	100.27
February	59.28	95.39	39.09	76.39	88.58	102.20
March	60.44	105.45	47.94	81.20	102.86	106.16



#### Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UKtradeinfo website.

## FINANCIAL HEALTH INDICATORS

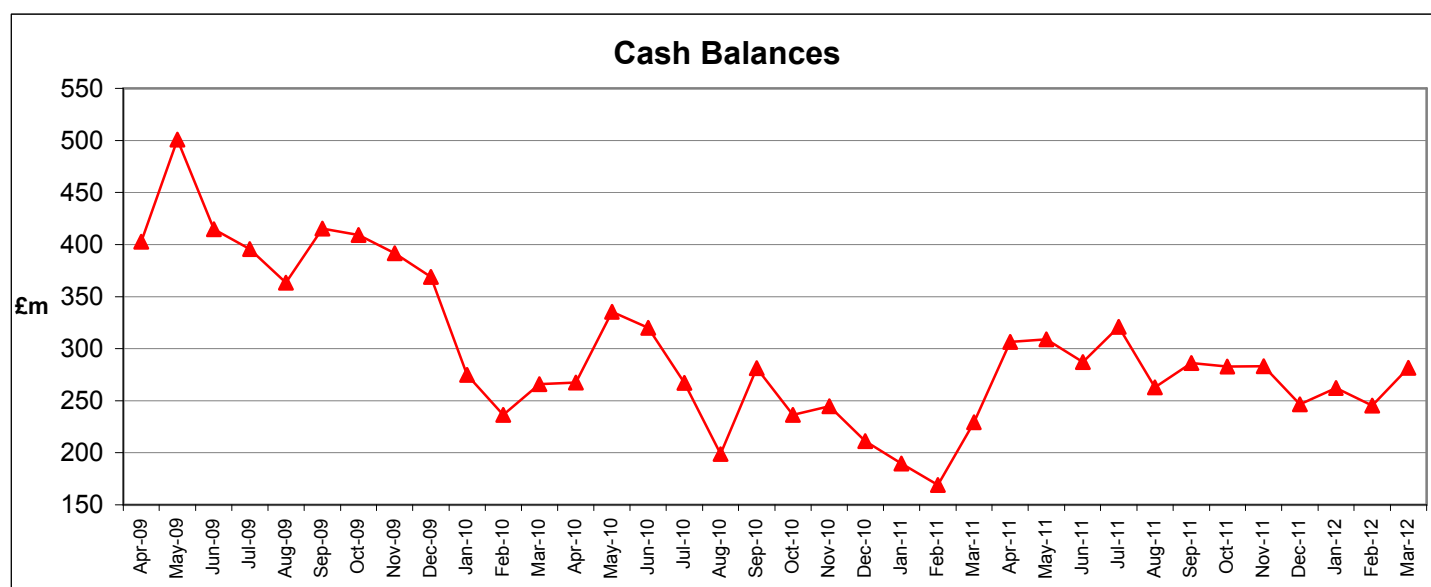
### 1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently held in Icelandic bank deposits (£21.13m), balances of schools in the corporate scheme (£48.8m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Pension Fund cash balances were removed from KCC Funds on 1 July 2010 and are now being handled separately.

The overall general downward trend in the cash balance since September 2009 reflects the Council's policy of deferring borrowing and using available cash balances to fund new capital expenditure (i.e. internalising the debt).

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
<b>2009-10</b>	402.7	500.9	414.6	395.7	363.6	415.4	409.1	391.7	369.1	275.0	236.7	265.8
<b>2010-11</b>	267.4	335.2	319.8	267.2	198.7	281.3	236.4	244.9	211.5	189.5	169.1	229.5
<b>2011-12</b>	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7



### 2. LONG TERM DEBT MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £45.283m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£2.6m), Magistrates Courts (£1.4m) and the Probation Service (£0.24m). These bodies make regular payments of principal and interest to KCC to service this debt.

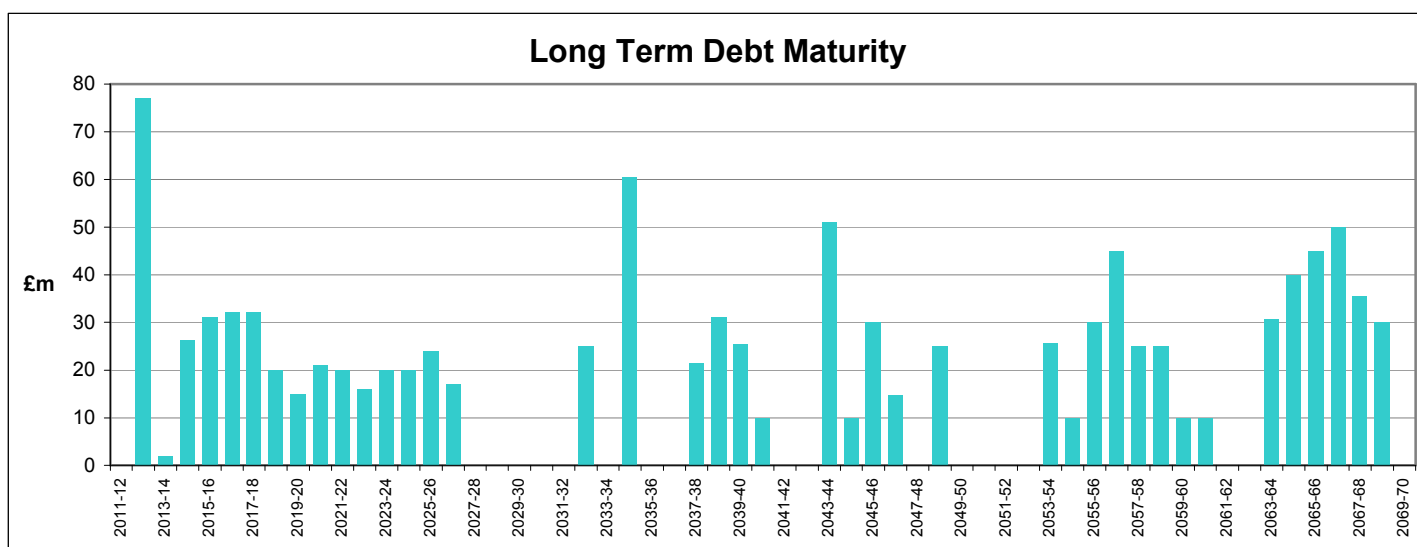
The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

The total debt principal repaid in 2011-12 was £57.024m, £55m maturity loan and £2.024m relating to small annuity and equal instalment of principal loans.

£5m PWLB maturity loan was repaid in May from cash balances, £50m PWLB maturity loan principal was repaid in August financed by the advance of two new LOBO loans of £25m each and £2.024m relating to equal instalment loans has been repaid from cash balances.

The two new LOBO loans taken out in August will mature in August 2057 and August 2058.

Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2011-12	0.000	2024-25	20.001	2037-38	21.500	2050-51	0.000	2063-64	30.600
2012-13	77.021	2025-26	24.001	2038-39	31.000	2051-52	0.000	2064-65	40.000
2013-14	2.015	2026-27	17.001	2039-40	25.500	2052-53	0.000	2065-66	45.000
2014-15	26.193	2027-28	0.001	2040-41	10.000	2053-54	25.700	2066-67	50.000
2015-16	31.001	2028-29	0.001	2041-42	0.000	2054-55	10.000	2067-68	35.500
2016-17	32.001	2029-30	0.001	2042-43	0.000	2055-56	30.000	2068-69	30.000
2017-18	32.001	2030-31	0.001	2043-44	51.000	2056-57	45.000	2069-70	0.000
2018-19	20.001	2031-32	0.000	2044-45	10.000	2057-58	25.000		
2019-20	15.001	2032-33	25.000	2045-46	30.000	2058-59	25.000		
2020-21	21.001	2033-34	0.000	2046-47	14.800	2059-60	10.000		
2021-22	20.001	2034-35	60.470	2047-48	0.000	2060-61	10.000	<b>TOTAL</b>	<b>1,089.309</b>
2022-23	16.001	2035-36	0.000	2048-49	25.000	2061-62	0.000		
2023-24	20.001	2036-37	0.000	2049-50	0.000	2062-63	0.000		



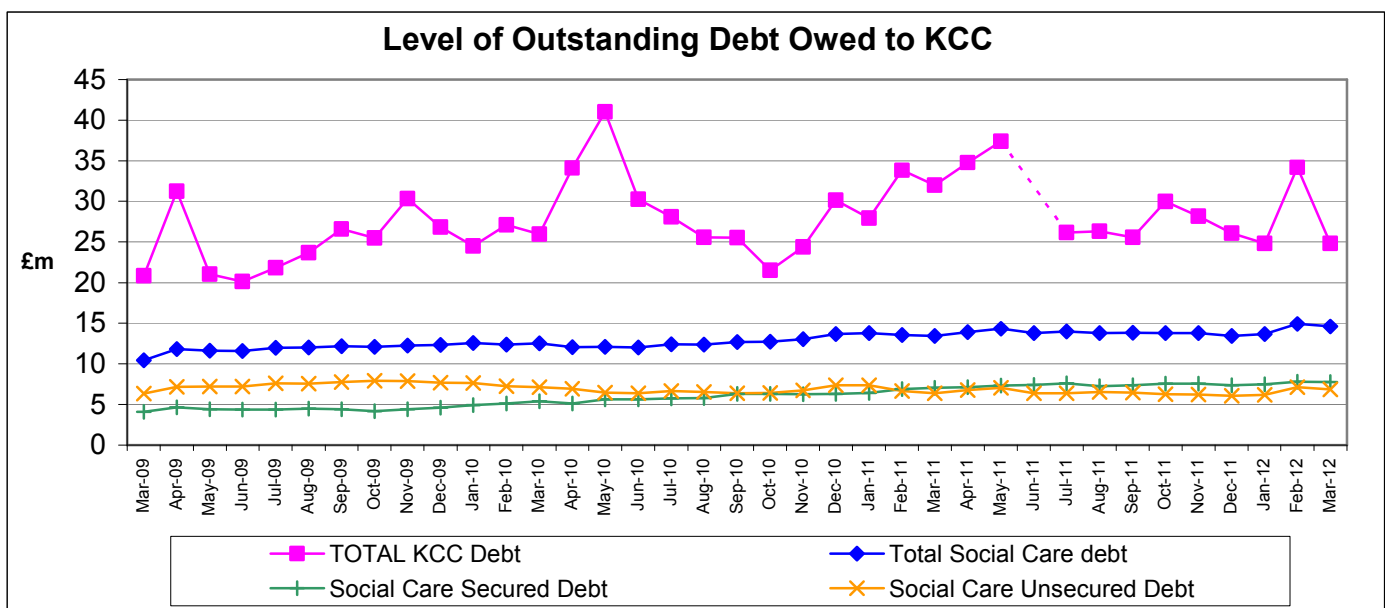
### 3. OUTSTANDING DEBT OWED TO KCC

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 28 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	<b>TOTAL FSC debt £m</b>	All Other Directorates Debt £m	<b>TOTAL KCC Debt £m</b>
March 09	4.100	6.326	10.426	1.850	<b>12.276</b>	8.578	<b>20.854</b>
April 09	4.657	7.161	11.818	6.056	<b>17.874</b>	13.353	<b>31.227</b>
May 09	4.387	7.206	11.593	1.078	<b>12.671</b>	8.383	<b>21.054</b>
June 09	4.369	7.209	11.578	1.221	<b>12.799</b>	7.323	<b>20.122</b>
July 09	4.366	7.587	11.953	1.909	<b>13.862</b>	7.951	<b>21.813</b>
Aug 09	4.481	7.533	12.014	1.545	<b>13.559</b>	10.126	<b>23.685</b>
Sept 09	4.420	7.738	12.158	2.024	<b>14.182</b>	12.391	<b>26.573</b>
Oct 09	4.185	7.910	12.095	2.922	<b>15.017</b>	10.477	<b>25.494</b>
Nov 09	4.386	7.859	12.245	6.682	<b>18.927</b>	11.382	<b>30.309</b>

	Social Care Secured Debt	Social Care Unsecured Debt	Total Social Care debt	FSC Sundry debt	TOTAL FSC debt	All Other Directorates Debt	TOTAL KCC Debt
	£m	£m	£m	£m	£m	£m	£m
Dec 09	4.618	7.677	12.295	6.175	<b>18.470</b>	8.376	<b>26.846</b>
Jan 10	4.906	7.627	12.533	2.521	<b>15.054</b>	9.445	<b>24.499</b>
Feb 10	5.128	7.221	12.349	2.956	<b>15.305</b>	11.801	<b>27.106</b>
March 10	5.387	7.127	12.514	1.643	<b>14.157</b>	11.818	<b>25.975</b>
April 10	5.132	6.919	12.051	2.243	<b>14.294</b>	19.809	<b>34.103</b>
May 10	5.619	6.438	12.057	3.873	<b>15.930</b>	25.088	<b>41.018</b>
June 10	5.611	6.368	11.979	3.621	<b>15.600</b>	14.648	<b>30.248</b>
July 10	5.752	6.652	12.404	4.285	<b>16.689</b>	11.388	<b>28.077</b>
Aug 10	5.785	6.549	12.334	5.400	<b>17.734</b>	7.815	<b>25.549</b>
Sept 10	6.289	6.389	12.678	4.450	<b>17.128</b>	8.388	<b>25.516</b>
Oct 10	6.290	6.421	12.711	3.489	<b>16.200</b>	5.307	<b>21.507</b>
Nov 10	6.273	6.742	13.015	4.813	<b>17.828</b>	6.569	<b>24.397</b>
Dec 10	6.285	7.346	13.631	6.063	<b>19.694</b>	10.432	<b>30.126</b>
Jan 11	6.410	7.343	13.753	6.560	<b>20.313</b>	7.624	<b>27.937</b>
Feb 11	6.879	6.658	13.537	7.179	<b>20.716</b>	13.124	<b>33.840</b>
March 11	7.045	6.357	13.402	11.011	<b>24.413</b>	7.586	<b>31.999</b>
April 11	7.124	6.759	13.883	10.776	<b>24.659</b>	10.131	<b>34.790</b>
May 11	7.309	7.023	14.332	11.737	<b>26.069</b>	11.338	<b>37.407</b>
June 11	7.399	6.381	13.780	*	<b>13.780</b>	*	<b>13.780</b>
July 11	7.584	6.385	13.969	4.860	<b>18.829</b>	7.315	<b>26.144</b>
Aug 11	7.222	6.531	13.753	4.448	<b>18.201</b>	8.097	<b>26.298</b>
Sept 11	7.338	6.467	13.805	4.527	<b>18.332</b>	7.225	<b>25.557</b>
Oct 11	7.533	6.241	13.774	6.304	<b>20.078</b>	9.900	<b>29.978</b>
Nov 11	7.555	6.215	13.770	5.886	<b>19.656</b>	8.528	<b>28.184</b>
Dec 11	7.345	6.063	13.408	5.380	<b>18.788</b>	7.286	<b>26.074</b>
Jan 12	7.477	6.185	13.662	5.518	<b>19.180</b>	5.654	<b>24.834</b>
Feb 12	7.788	7.103	14.891	12.661	<b>27.552</b>	6.630	<b>34.182</b>
March 12	7.751	6.832	14.583	2.881	<b>17.464</b>	7.370	<b>24.834</b>

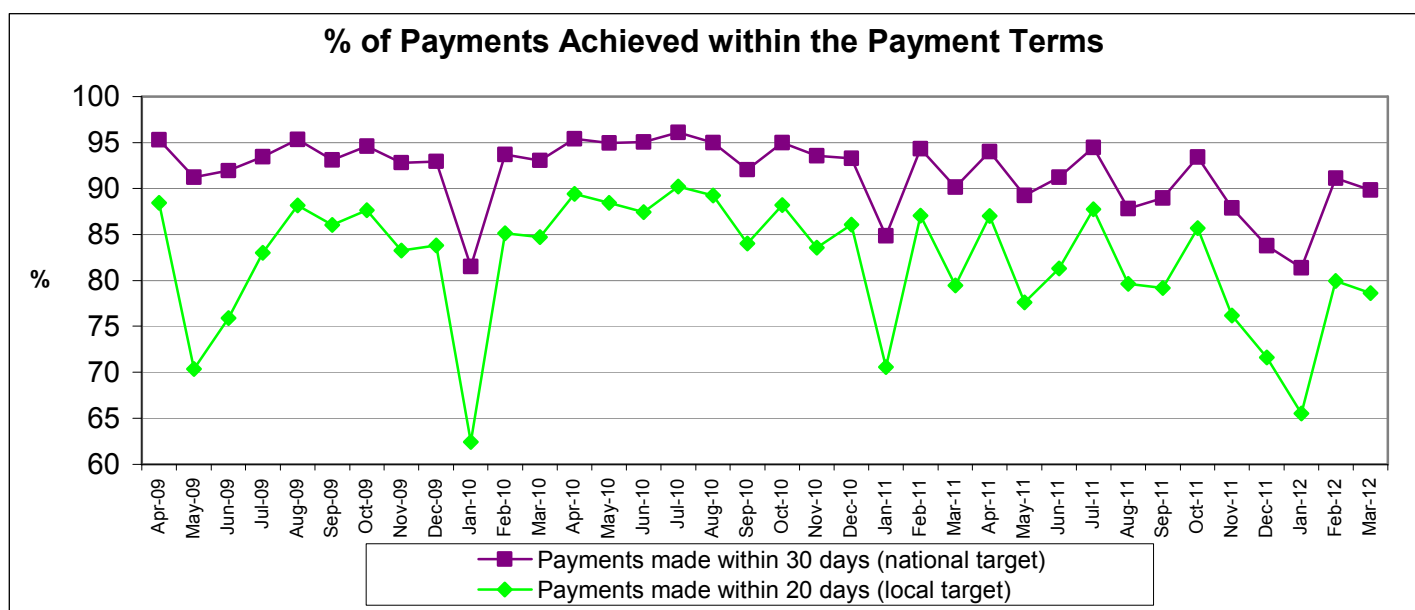
\* The June sundry debt figures are not available due to a system failure, which meant that the debt reports could not be run and as these reports provide a snapshot position at the end of the month, they cannot be run retrospectively.



#### 4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions.

	2009-10		2010-11		2010-11	
	Paid within 30 days %	Paid within 30 days %	Paid within 30 days %	Paid within 20 days %	Paid within 30 days %	Paid within 20 days %
April	95.3	88.4	95.4	89.4	94.0	87.0
May	91.2	70.4	95.0	88.4	89.2	77.6
June	91.9	75.9	95.1	87.4	91.2	81.3
July	93.5	83.0	96.1	90.2	94.5	87.7
August	95.3	88.2	95.0	89.2	87.8	79.7
September	93.1	86.0	92.0	84.0	89.0	79.2
October	94.6	87.6	95.0	88.2	93.4	85.7
November	92.8	83.3	93.6	83.6	87.9	76.2
December	92.9	83.8	93.3	86.1	83.8	71.6
January	81.5	62.4	84.8	70.6	81.4	65.5
February	93.7	85.1	94.3	87.0	91.1	79.9
March	93.0	84.7	90.1	79.5	89.8	78.6

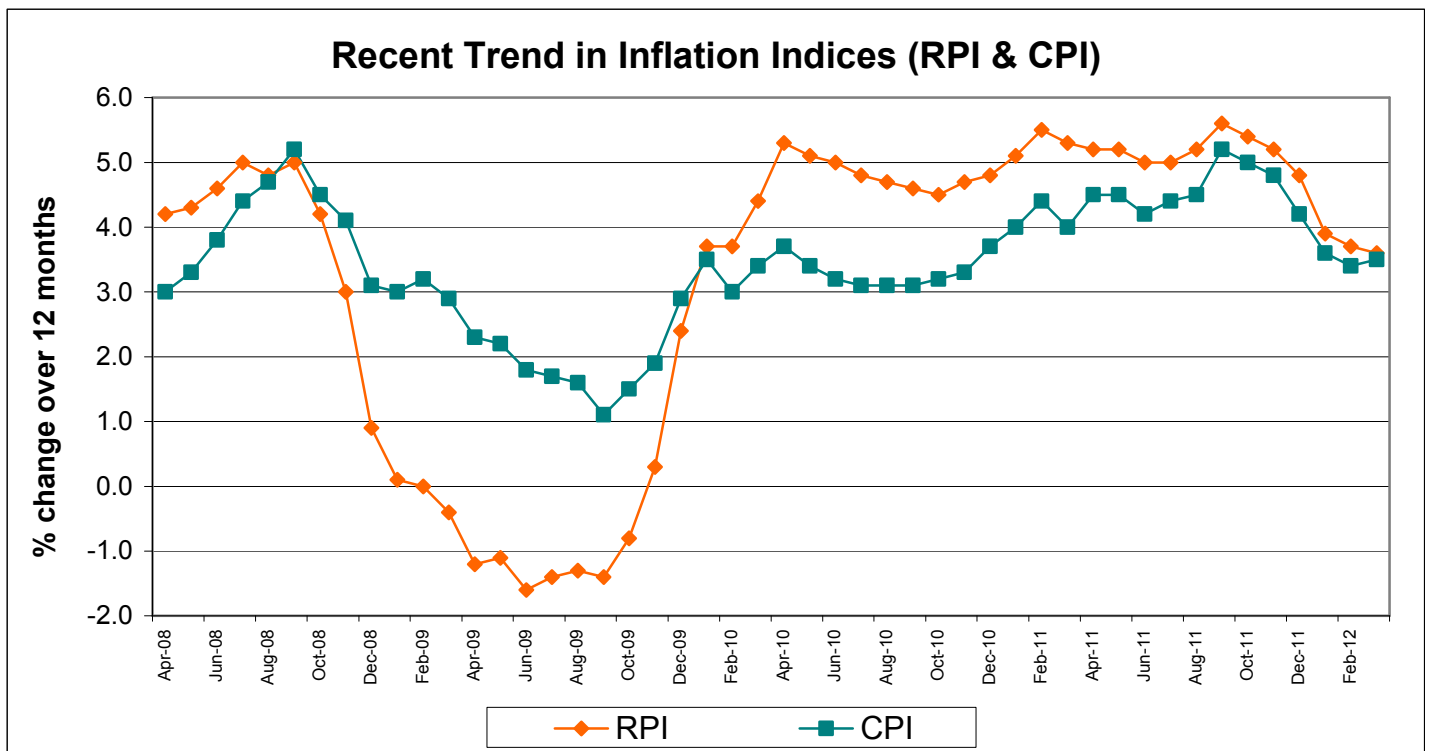


The percentages achieved for January were lower than other months due to the Christmas break. This is evident in 2009-10, 2010-11 and 2011-12. This position was exacerbated in 2009-10 due to snow. The 2011-12 overall performance for invoices paid within 20 days is 79.2%, and for 30 days is 89.4%. This compares to overall performance in 2009-10 of 81.9% and 92.6% respectively and 2010-11 of 85.4% and 93.4% respectively. The Corporate Management Team and Directorate Management Teams are currently reviewing processes across the Council with a view to improving performance in this area.

## 5. RECENT TREND IN INFLATION INDICES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments. The CPI and RPI measure a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

	2008-09		2009-10		2010-11		2011-12	
	Percentage Change over 12 months							
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
April	4.2	3.0	-1.2	2.3	5.3	3.7	5.2	4.5
May	4.3	3.3	-1.1	2.2	5.1	3.4	5.2	4.5
June	4.6	3.8	-1.6	1.8	5.0	3.2	5.0	4.2
July	5.0	4.4	-1.4	1.7	4.8	3.1	5.0	4.4
August	4.8	4.7	-1.3	1.6	4.7	3.1	5.2	4.5
September	5.0	5.2	-1.4	1.1	4.6	3.1	5.6	5.2
October	4.2	4.5	-0.8	1.5	4.5	3.2	5.4	5.0
November	3.0	4.1	0.3	1.9	4.7	3.3	5.2	4.8
December	0.9	3.1	2.4	2.9	4.8	3.7	4.8	4.2
January	0.1	3.0	3.7	3.5	5.1	4.0	3.9	3.6
February	0.0	3.2	3.7	3.0	5.5	4.4	3.7	3.4
March	-0.4	2.9	4.4	3.4	5.3	4.0	3.6	3.5





## 2011-12 Final Monitoring of Prudential Indicators

### 1. Estimate of capital expenditure (excluding PFI)

Actual 2010-11	£377.147m
Original estimate 2011-12	£305.448m
Revised estimate 2011-12	£265.761m

### 2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2010-11 Actual	2011-12 Original Estimate	2011-12 Outturn as at 31.03.12
	£m	£m	£m
Capital Financing Requirement	1,411.489	1,518.146	1,495.873
Annual increase in underlying need to borrow	36.902	35.527	-22.273

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

### 3. Estimate of ratio of financing costs to net revenue stream

Actual 2010-11	12.85%
Original estimate 2011-12	11.77%
Actual 2011-12	13.89%

The actual 2010-11 and 2011-12 includes PFI Finance Lease costs but these costs were not included in the original estimate calculation.

### 4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management.

The operational boundary for debt will not be exceeded in 2011-12

#### (a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator 2011-12 £m	Position as at 31.03.12 £m
Borrowing	1,158	1,044
Other Long Term Liabilities	0	0
	1,158	1,044

- (b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

	<b>Prudential Indicator</b>	<b>Position as at</b>
	<b>2011-12</b>	<b>31.03.12</b>
	<b>£m</b>	<b>£m</b>
Borrowing	1,204	1,089
Other Long Term Liabilities	0	0
	1,204	1,089

## 5. **Authorised Limit for external debt**

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The revised limits for 2011-12 are:

- a) Authorised limit for debt relating to KCC assets and activities

	£m
Borrowing	1,198
Other long term liabilities	0
	1,198

- (b) Authorised limit for total debt managed by KCC including that relating to Medway Council etc

	£m
Borrowing	1,204
Other long term liabilities	0
	1,204

The additional allowance over and above the operational boundary has not needed to be utilised and external debt, has and will be maintained well within the authorised limit.

## 6. **Compliance with CIPFA Code of Practice for Treasury Management in the Public Services**

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

## 7. **Upper limits of fixed interest rate and variable rate exposures**

The Council has determined the following upper limits for 2011-12

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2011-12.

**8. Upper limits for maturity structure of borrowings**

	<b>Upper limit</b>	<b>Lower limit</b>	<b>As at 31.03.12</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Under 12 months	25	0	0
12 months and within 24 months	40	0	7.07
24 months and within 5 years	60	0	5.44
5 years and within 10 years	80	0	11.02
10 years and within 20 years	25	10	10.74
20 years and within 30 years	25	5	15.92
30 years and within 40 years	25	5	12.01
40 years and within 50 years	25	10	16.59
50 years and within 60 years	30	10	21.21

**9. Upper limit for principal sums invested for periods longer than 364 days**

<b>Indicator £50m</b>	<b>Actual £10m</b>
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