

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

To: CABINET - 16 September 2013

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2013-14 - QUARTER 1**
- (2) **KEY ACTIVITY MONITORING FOR 2013-14 - QUARTER 1**
- (3) **FINANCIAL HEALTH INDICATORS 2013-14 - QUARTER 1**
- (4) **PRUDENTIAL INDICATORS 2013-14 - QUARTER 1**
- (5) **IMPACT ON REVENUE RESERVES**
- (6) **DIRECTORATE STAFFING LEVELS 2013-14 - QUARTER 1**

Classification: **Unrestricted**

1. SUMMARY

1.1 This report provides the first full quarterly budget monitoring position for 2013-14 for both revenue and capital budgets, including an update on key activity data. The report is presented in the old portfolio structure as work on the mapping of the A-Z of services from the old portfolios to the new portfolios is not yet complete.

1.2 The format of this report is:

- An executive summary which provides a high level financial summary and highlights only the most significant issues
- Appendix 1 provides an update on our Financial Health indicators
- Appendix 2 provides an update on our Prudential indicators
- There are eight annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education, Learning & Skills Directorate** incl. Education, Learning & Skills portfolio
 - **Annex 2** **Families & Social Care Directorate - Children's Services** incl. Specialist Children's Services portfolio
 - **Annex 3** **Families & Social Care Directorate - Adult Services** incl. elements of Adult Social Care & Public Health portfolio
 - **Annex 4** **Enterprise & Environment Directorate** incl. Environment, Highways & Waste portfolio and elements of Regeneration & Economic Development portfolio
 - **Annex 5** **Customer & Communities Directorate** incl. Customer & Communities portfolio
 - **Annex 6** **Business Strategy & Support Directorate - Public Health** incl. elements of Adult Social Care & Public Health portfolio

- **Annex 7 Business Strategy & Support Directorate (excl. Public Health)** incl. elements of Regeneration & Economic Development, Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios
- **Annex 8 Financing Items** incl. elements of Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the realignment of revenue budgets within the SCS portfolio as detailed in section 1.2 and 1.3 of Annex 2.
- iii) **Agree** the realignment of revenue budgets within the ASC&PH portfolio as detailed in section 1.2 and 1.3 of Annex 3.
- iv) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
- v) **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 1 and appendix 2 respectively.
- vi) **Note** the directorate staffing levels as at the end of June 2013 as provided in section 7.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined portfolio revenue budgets is an underspend of £0.498m, before management action. However, it has been agreed that funding for the Social Fund is ringfenced for the period 2013-14 to 2014-15 and therefore this changes the position to a small pressure of +£0.094m as shown in the headline table below. Management action is expected to reduce this to an underspend of -£2.006m. The annexes to this report provide the detail, which is summarised in Tables 1a and 1b below.

HEADLINE POSITION (EXCL SCHOOLS) (£'000)

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Portfolio Totals	+959,297	-498	-2,100	-2,598
Adjustments:				
- Committed roll forward		+592	-	+592
Underlying position	+959,297	+94	-2,100	-2,006

3.2 **Table 1a** Portfolio position - net revenue position **before and after** management action

Portfolio	Budget £'000	Net Variance (before mgmt action) £'000	Proposed Management Action £'000	Net Variance (after mgmt action) £'000
Education, Learning and Skills	53,430.3	-802	-	-802
Specialist Children's Services	149,202.5	+4,784	-2,100	+2,684
Specialist Children's Services - Asylum	280.0	+380	-	+380
Adult Social Care & Public Health	335,031.7	-415	-	-415
Environment, Highways & Waste	150,523.0	+2,418	-	+2,418
Customer & Communities	75,987.4	-140	-	-140
Regeneration & Economic Development	3,762.6	-1	-	-1
Finance & Business Support	128,053.7	-6,864	-	-6,864
Business Strategy, Performance & Health Reform	56,406.3	+213	-	+213
Democracy & Partnerships	6,619.5	-71	-	-71
TOTAL (excl Schools)	959,297.0	-498	-2,100	-2,598
<i>Schools (ELS Portfolio)</i>	-	+1,504	-	+1,504
TOTAL	959,297.0	+1,006	-2,100	-1,094

3.3 **Table 1b** Portfolio/Directorate position - gross revenue position **before** management action

Portfolio	Budget £'000	Variance £'000	Directorate					
			ELS	FSC	E&E	C&C	BSS	FI
			£'000	£'000	£'000	£'000	£'000	£'000
			annex 1	annexes 2&3	annex 4	annex 5	annexes 6&7	annex 8
Education, Learning and Skills	53,430.3	-802	-802					
Specialist Children's Services	149,202.5	+4,784		+4,784				
Specialist Children's Services - Asylum	280.0	+380		+380				
Adult Social Care & Public Health	335,031.7	-415		-56			-359	
Environment, Highways & Waste	150,523.0	+2,418			+2,418			
Customer & Communities	75,987.4	-140				-140		
Regeneration & Economic Development	3,762.6	-1			-		-1	
Finance & Business Support	128,053.7	-6,864					-346	-6,518
Business Strategy, Performance & Health Reform	56,406.3	+213					+213	-
Democracy & Partnerships	6,619.5	-71					-71	-
TOTAL (excl Schools)	959,297.0	-498	-802	+5,108	+2,418	-140	-564	-6,518
<i>Schools (ELS Portfolio)</i>	-	+1,504	+1,504					
TOTAL	959,297.0	+1,006	+702	+5,108	+2,418	-140	-564	-6,518

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

- a) Specialist Children's Services still have significant financial pressures being highlighted in 2013-14. The net variance of £5.164m includes assumptions around significant management action being achieved and it is hoped that this pressure can be reduced further by £2.100m to £3.064m. There are pressures both in relation to agency staff and costs relating to looked after children. At this early stage of the year it is felt prudent to include the full year effect of this increase in 'new' looked after children placements, and not to assume that this trend will reverse yet (see Annex 2, section 2.1). Work is continuing to consider other management actions to reduce the overall pressure should the current level of looked after children not reduce.
- b) The position reflected in this report for Asylum is a pressure of £0.380m, however this assumes that we invoice the Home Office for £2.205m of costs deemed as ineligible against the current grant rules. If this invoice is not paid, then our pressure will increase.
- c) The ELS position includes a £1.567m forecast underspend against Mainstream Home to School Transport, however until student numbers requiring transport for the new academic year are confirmed, this remains provisional and could change.
- d) The small underspend reported for Adult Social Care of -£0.056m assumes a drawdown from the NHS Support for Social Care reserve of £6.624m to fund the ongoing impact of 2012-13 winter pressures and investment in services to deliver the transformation savings.
- e) There is a £2.2m underspend as a result of lower than budgeted waste tonnage, reflecting a continuation of the impact of the new operating policies implemented in October 2012 at Household Waste Recycling Centres to stop accepting commercial waste at sites, however this reduces to a £0.4m underspend due to other pressures on the waste budgets.
- f) The forecast currently assumes unused Public Health grant of £0.450m will be transferred to a new Public Health reserve for use in future years, in line with Government guidelines.
- g) An underspend of £0.562m is forecast against the Kent Support & Assistance Service (the Social Fund responsibilities which transferred from the DWP from 1 April 2013), which will be required to roll forward to 2014-15 in line with key decision 12/01939 which agreed that funding for this scheme should be ringfenced for the period 2013-15. This reflects initial take up of the new scheme in the first quarter which is expected to pick up.
- h) There are a number pressures against the DSG budget with a unbudgeted drawdown from the DSG reserve of £4.747m forecast for 2013-14. This will need to be addressed within the overall DSG settlement in the MTFP process, which may result in a realignment of DSG funds between directorates.
- i) The overall reported position includes £4.993m of additional Government funding announced since the budget was set (reported as an underspend within the F&BS portfolio). Cabinet agreed in July that this should be held centrally to offset any potential shortfall in meeting our savings target this year but should we achieve a balanced position without this additional funding then this should be transferred to reserves to help offset anticipated future funding cuts. The headline position shown on page 2 currently shows that should management action be delivered as anticipated, then we are currently on track to transfer £2.006m of this to reserves.

3.5 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/portfolios e.g. the transfer back to FSC from the Contact Centre of the Kent Contact & Assessment Service (KCAS) service.
- Also cash limits have been amended to reflect a breakdown of the Public Health budget into a more detailed A-Z service analysis as reflected in table 1 of annex 6. Due to the late notification of the 2013-14 Public Health grant allocation, this budget was shown as a single entry in the published A-Z, and County Council, at it's meeting on 14 February, agreed to grant delegated authority to the Cabinet Member for Finance & Business Support to make the necessary changes to the approved budget to reflect this more detailed analysis.
- In addition, the budgets within FSC directorate have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2012-13 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on the forecasts from several months earlier. This is true of both Specialist Children's Services and Adult Social Care and further details are provided in annexes 2 and 3 respectively. Some of these adjustments have impacted upon the affordable levels of activity reported in section 2 of annexes 2 and 3, which have been amended from the levels reported to Cabinet on 15 July in the outturn report. **Cabinet is asked to agree these changes to the cash limits reflected in:**
 - a) Annex 2 Children's Services and**
 - b) Annex 3 Adults Services.**

The variances reflected in this report assume that these cash limit changes are approved.

Please note that changes to cash limits to reflect the decisions made by Cabinet on 15 July regarding the roll forward of underspending from 2012-13 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

4. SUMMARISED CAPITAL MONITORING POSITION

- 4.1 The working budget for the Capital Programme 2013-14 is £319.022m. The forecast outturn against this budget is £306.016m giving a variance of -£13.006m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 Table 2 Portfolio/Directorate capital position

Portfolio	3 Year Cash Limit £'000	2013-14 Working Budget £'000	2013-14 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education, Learning and Skills	210,018	149,868	-2,705	-2,700	-5	1
Specialist Children's Services	1,325	1,325	-	-	-	2
Adult Social Care & Public Health	92,858	12,359	-179	-	-179	3
Environment, Highways & Waste	193,789	76,755	-9,285	+398	-9,683	4
Customer & Communities	11,263	6,975	+145	+145	-	5
Regeneration & Economic Development	103,407	38,306	-982	+2	-984	7
Finance & Business Support	-	-	-	-	-	N/A
Business Strategy, Performance & Health Reform	46,534	33,434	-	-	-	7
Democracy & Partnerships	-	-	-	-	-	N/A
TOTAL	659,194	319,022	-13,006	-2,155	-10,851	

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

- a) The majority of schemes are within budget and on time.
- b) £10.851m of the £13.006m variance is due to rephasing expenditure into future years. £3.4m of this relates to the highways capital programme which has rephased from 2013-14 to 2014-15 and a detailed review of the highways capital funding will be undertaken as part of the 2014-17 MTFP process. In addition, £2.55m has rephased on the Growth without Gridlock initiatives and £1.8m relates to the A28 Chart Road.
- c) The remaining £2.155m of the £13.006m variance relates to real project variances.

4.4 **Capital budget virements/changes to budgets**

All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

5. **FINANCIAL HEALTH**

5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 1**.

5.2 The latest monitoring of Prudential indicators is detailed in **Appendix 2**.

6. REVENUE RESERVES

6.1 The table below reflects the projected impact of the current forecast spend and activity for 2013-14 on our revenue reserves:

Account	Balance at 31/3/13 £m	Projected Balance at 31/3/14 £m	Movement £m
Earmarked Reserves	163.7	118.1	-45.6
General Fund balance	31.7	31.7	-
Schools Reserves *	48.1	46.6	-1.5

* Both the table above and section 2.1 of annex 1 include delegated schools reserves and unallocated schools budget.

6.2 The reduction of £45.6m in earmarked reserves includes:

- Release of previously earmarked reserves (as approved in the 2013-15 MTFP)
- Budgeted contribution to reserves (including underwriting Council Tax Support Scheme)
- Drawdown from rolling budget reserve in respect of Big Society re-phasing saving
- Budgeted drawdown from Kingshill Smoothing reserve
- Budgeted transfer to Regeneration Fund
- Use of 2011-12 uncommitted underspend held in Economic Downturn Reserve
- Use of rolling budget reserve (2012-13 underspend)
- Budgeted drawdown of Dedicated Schools Grant reserve
- Transfer to Economic Downturn reserve of uncommitted 2012-13 rolled forward underspend
- Forecast transfer to/from new Public Health reserve
- Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)
- Forecast use of NHS Support for Social Care reserve
- Forecast transfer to/from Insurance reserve
- Forecast transfer to rolling budget reserve of 2013-14 underspend
- Other forecast movements in earmarked reserves

£m
-9.0
+1.8
-1.0
-2.0
+1.0
-5.0
-16.1
-4.2
+4.9
+0.5
-4.7
-6.6
-0.8
+2.6
-7.0
-45.6

6.3 The reduction of £1.5m in the schools reserves is due to:

- An assumed 20 schools converting to academy status this financial year and taking their accumulated reserves with them

£m
-1.5
-1.5

The value of school reserves is very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once the first monitoring returns have been received from schools.

7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2013 compared to the numbers as at 31 March 2013, based on active assignments. Between 31 March 13 and 30 June 13, there has been a reduction of 651.9 FTEs, which includes a 31.11 FTE increase in schools together with a reduction of -683.01 FTEs in non-schools settings.

		Mar 13	Jun 13	Sep 13	Dec 13	Mar 14	Difference	
							Number	%
KCC	Assignment count	41,201	40,242				-959	-2.33%
	Headcount (inc. CRSS)	34,952	34,056				-896	-2.56%
	Headcount (excl. CRSS)	30,993	30,160				-833	-2.69%
	FTE	22,848.23	22,196.33				-651.90	-2.85%
KCC - Non Schools	Assignment count	13,172	12,284				-888	-6.74%
	Headcount (inc. CRSS)	12,114	11,259				-855	-7.06%
	Headcount (excl. CRSS)	10,360	9,634				-726	-7.01%
	FTE	8,874.66	8,191.65				-683.01	-7.70%
BSS	Assignment count	1,554	1,594				40	2.57%
	Headcount (inc. CRSS)	1,548	1,589				41	2.65%
	Headcount (excl. CRSS)	1,534	1,578				44	2.87%
	FTE	1,430.83	1,462.72				31.89	2.23%
ELS	Assignment count	1,569	1,136				-433	-27.60%
	Headcount (inc. CRSS)	1,514	1,124				-390	-25.76%
	Headcount (excl. CRSS)	1,224	908				-316	-25.82%
	FTE	947.37	674.00				-273.37	-28.86%
C&C	Assignment count	3,660	3,649				-11	-0.30%
	Headcount (inc. CRSS)	3,193	3,174				-19	-0.60%
	Headcount (excl. CRSS)	2,047	2,057				10	0.49%
	FTE	1,630.64	1,641.56				10.92	0.67%
E&E	Assignment count	1,164	655				-509	-43.73%
	Headcount (inc. CRSS)	1,154	648				-506	-43.85%
	Headcount (excl. CRSS)	1,048	546				-502	-47.90%
	FTE	997.75	517.66				-480.09	-48.12%
FSC	Assignment count	5,225	5,250				25	0.48%
	Headcount (inc. CRSS)	4,794	4,841				47	0.98%
	Headcount (excl. CRSS)	4,533	4,574				41	0.90%
	FTE	3,868.07	3,895.71				27.64	0.71%
Schools	Assignment count	28,029	27,958				-71	-0.25%
	Headcount (inc. CRSS)	22,966	22,942				-24	-0.10%
	Headcount (excl. CRSS)	20,688	20,587				-101	-0.49%
	FTE	13,973.57	14,004.68				31.11	0.22%

Note:

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.

CRSS = Staff on Casual Relief, Sessional or Supply contracts

8. CONCLUSIONS

- 8.1 In the context of a revenue savings requirement of around £95m and on the back of delivering £175m of revenue savings over the last two years, this is a promising position at this stage of the year. However it does assume that a significant amount of management action will be delivered within Specialist Children's Services and includes £4.993m of additional Government funding notified since the budget was set.
- 8.2 The forecasts show that the vast majority of the £95m revenue savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant directorate/portfolio will be made as appropriate. It is essential that we do not go into 2014-15 with a rolled forward overspend from the current year, in view of the anticipated funding cuts on the horizon.
- 8.3 There are however a number of emerging issues that will need to be addressed in the 2014-17 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

9. RECOMMENDATIONS

- A) **Corporate Board** is asked to consider and endorse the report prior to consideration by Cabinet.
- B) **Cabinet** is asked to:
- i) **Note** the latest monitoring position on both the revenue and capital budgets.
 - ii) **Agree** the realignment of revenue budgets within the SCS portfolio as detailed in section 1.2 and 1.3 of Annex 2.
 - iii) **Agree** the realignment of revenue budgets within the ASC&PH portfolio as detailed in section 1.2 and 1.3 of Annex 3.
 - iv) **Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.
 - v) **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 1 and appendix 2 respectively.
 - vi) **Note** the directorate staffing levels as at the end of June 2013 as provided in section 7.

10. BACKGROUND DOCUMENTS

None

11. CONTACT DETAILS

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FINANCIAL HEALTH INDICATORS

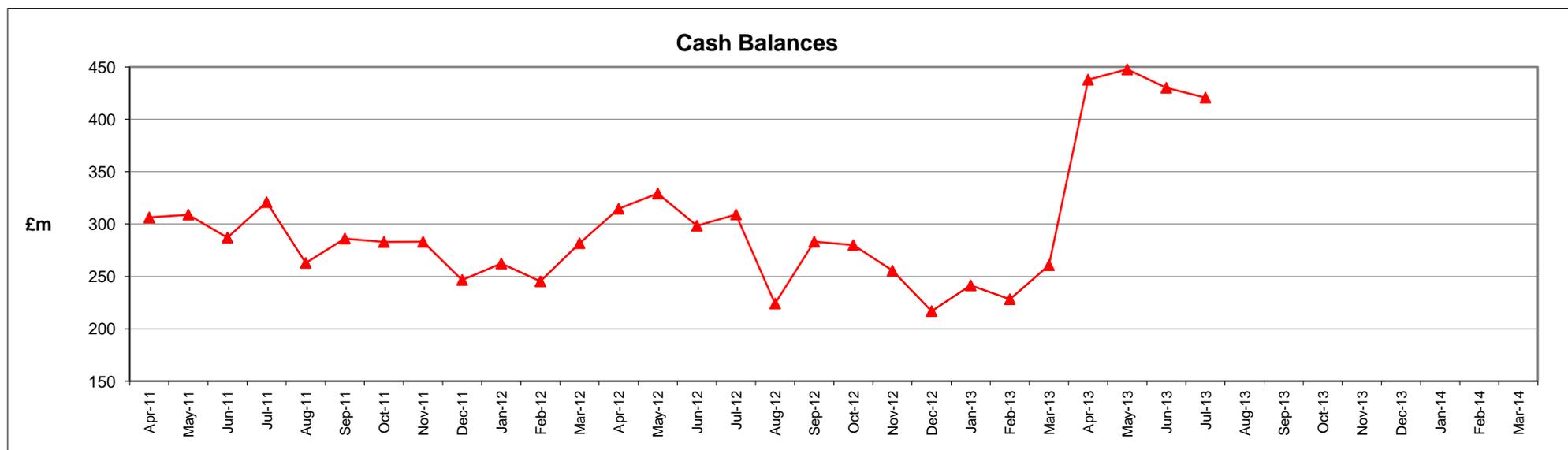
1. CASH BALANCES

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 at risk in Icelandic bank deposits (£16.34m), balances of schools in the corporate scheme (£44.2m), 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.

The dip in cash balances in August 2012 reflects the repayment of £55m of maturing PWLB loan, with a further £20m repaid in November 2012.

Central Government Departments (particularly DCLG) have changed grant payment profiles for 2013-14. Revenue grant receipts have been heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2011-12	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
2012-13	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5	228.3	260.7
2013-14	437.8	447.6	430.1	420.7								



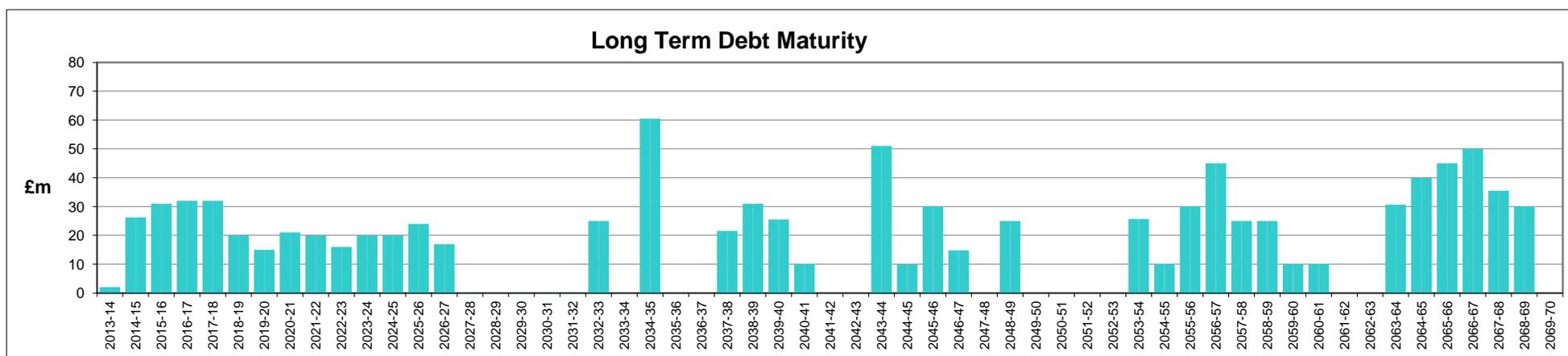
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £43m 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 (£1.76m) and Magistrates Courts (£0.745m). 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 to be repaid in 2013-14 is £2.015m, relating to equal instalment of principal loans.

	£m	Year	£m								
2013-14	2.015	2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600
2014-15	26.193	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-28	21.500	2047-48	0.000	2057-58	25.000	2067-68	35.500
2018-19	20.001	2028-29	0.001	2038-39	31.000	2048-49	25.000	2058-59	25.000	2068-69	30.000
2019-20	15.001	2029-30	0.001	2039-40	25.500	2049-50	0.000	2059-60	10.000	2069-70	0.000
2020-21	21.001	2030-31	0.001	2040-41	10.000	2050-51	0.000	2060-61	10.000		
2021-22	20.001	2031-32	0.000	2041-42	0.000	2051-52	0.000	2061-62	0.000		
2022-23	16.001	2032-33	25.000	2042-43	0.000	2052-53	0.000	2062-63	0.000	TOTAL	1,012.288



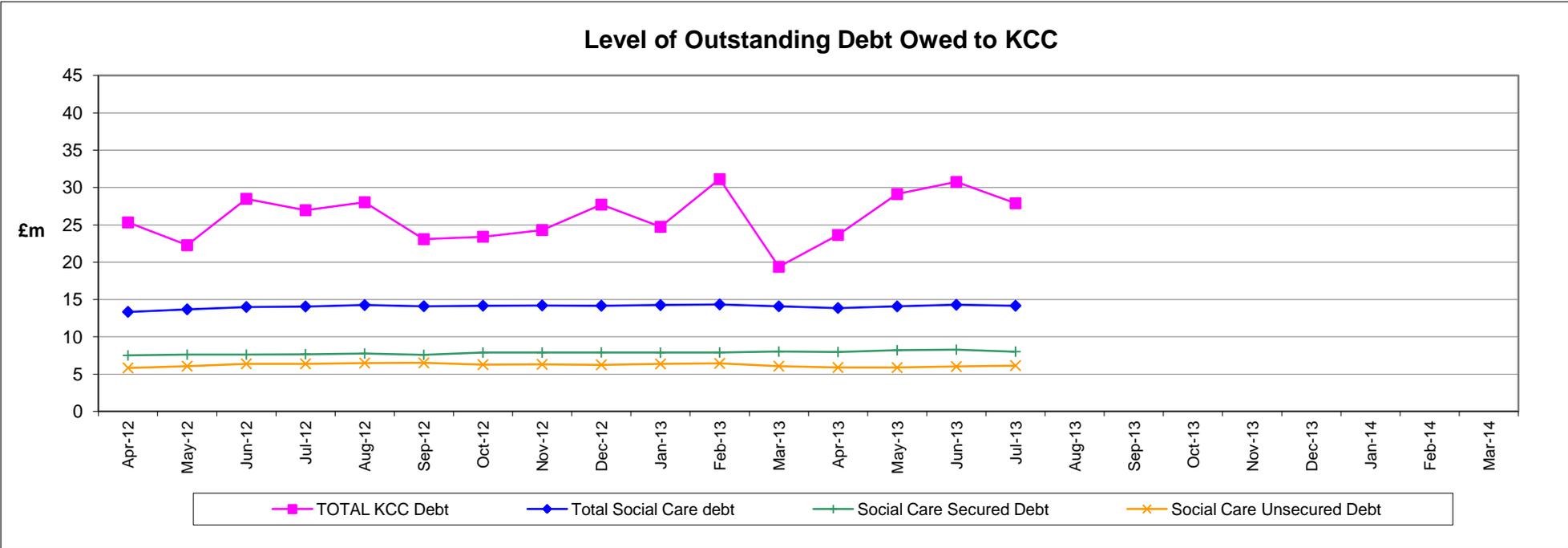
3. OUTSTANDING DEBT OWED TO KCC

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 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	TOTAL FSC Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 12 #	7.509	5.836	13.345	6.530	19.875	5.445	25.320
May 12 #	7.615	6.068	13.683	4.445	18.128	4.146	22.274
Jun 12 #	7.615	6.384	13.999	4.133	18.132	10.353	28.485
Jul 12 #	7.674	6.392	14.066	4.750	18.816	8.145	26.961
Aug 12	7.762	6.491	14.253	5.321	19.574	8.452	28.026
Sep 12	7.593	6.506	14.099	3.002	17.101	5.974	23.075
Oct 12	7.893	6.280	14.173	2.574	16.747	6.653	23.400
Nov 12	7.896	6.310	14.206	3.193	17.399	6.894	24.293
Dec 12	7.914	6.253	14.167	3.829	17.996	9.713	27.709
Jan 13	7.885	6.369	14.254	3.711	17.965	6.762	24.727
Feb 13	7.903	6.436	14.339	12.153	26.492	4.632	31.124
Mar 13	8.025	6.066	14.091	1.895	15.986	3.392	19.378
Apr 13	7.969	5.895	13.864	4.995	18.859	4.771	23.630
May 13	8.197	5.879	14.076	5.713	19.789	9.331	29.120
Jun 13	8.277	6.017	14.294	7.662	21.956	8.787	30.743
Jul 13	8.015	6.153	14.168	6.978	21.146	6.746	27.892
Aug 13			0.000		0.000		0.000
Sep 13			0.000		0.000		0.000
Oct 13			0.000		0.000		0.000
Nov 13			0.000		0.000		0.000
Dec 13			0.000		0.000		0.000
Jan 14			0.000		0.000		0.000
Feb 14			0.000		0.000		0.000
Mar 14			0.000		0.000		0.000

Note:

The previously reported secured and unsecured social care debt figures for April to July 2012 have been amended slightly following a reassessment of some old debts between secured and unsecured.



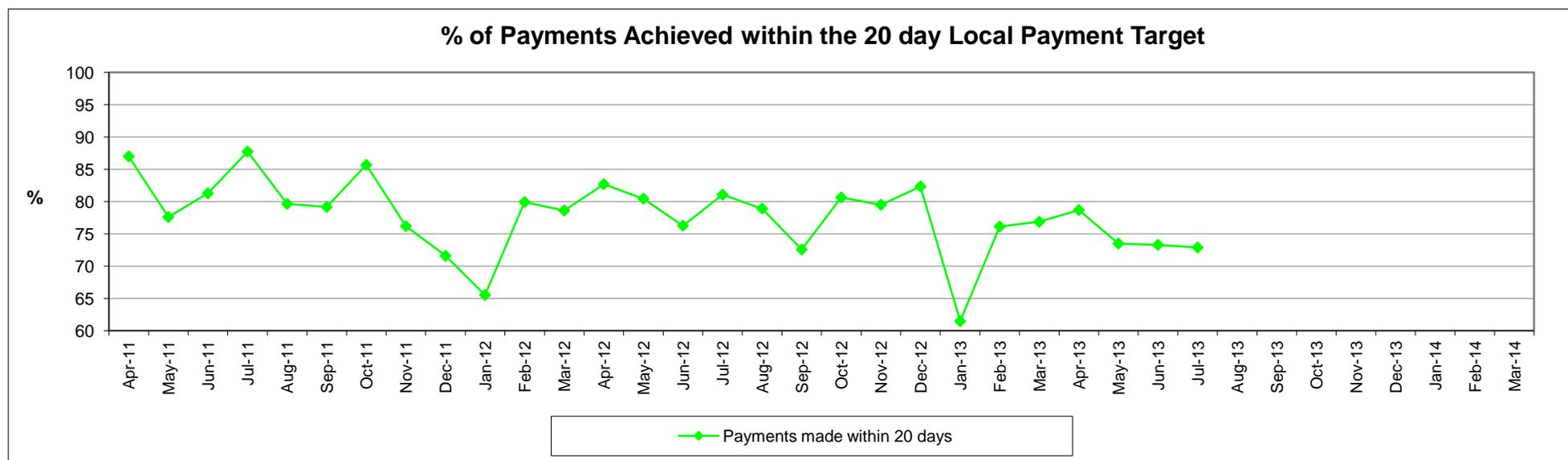
4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

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. We focus on paying local and small firms as a priority. The table below shows our performance against this 20 day payment target.

	2011-12	2012-13	2013-14
	%	%	%
Apr	87.0	82.7	78.7
May	77.6	80.5	73.5
Jun	81.3	76.3	73.3
Jul	87.7	81.1	72.9
Aug	79.7	78.9	
Sep	79.2	72.6	
Oct	85.7	80.6	
Nov	76.2	79.5	
Dec	71.6	82.3	
Jan	65.5	61.5	
Feb	79.9	76.1	
Mar	78.6	76.9	

The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow. The 2013-14 year to date figure for invoices paid within 20 days is 74.8%. This compares to overall performance in previous years as follows:

	20 days
	%
2011-12	79.2
2012-13	77.3
2013-14 to date	74.8

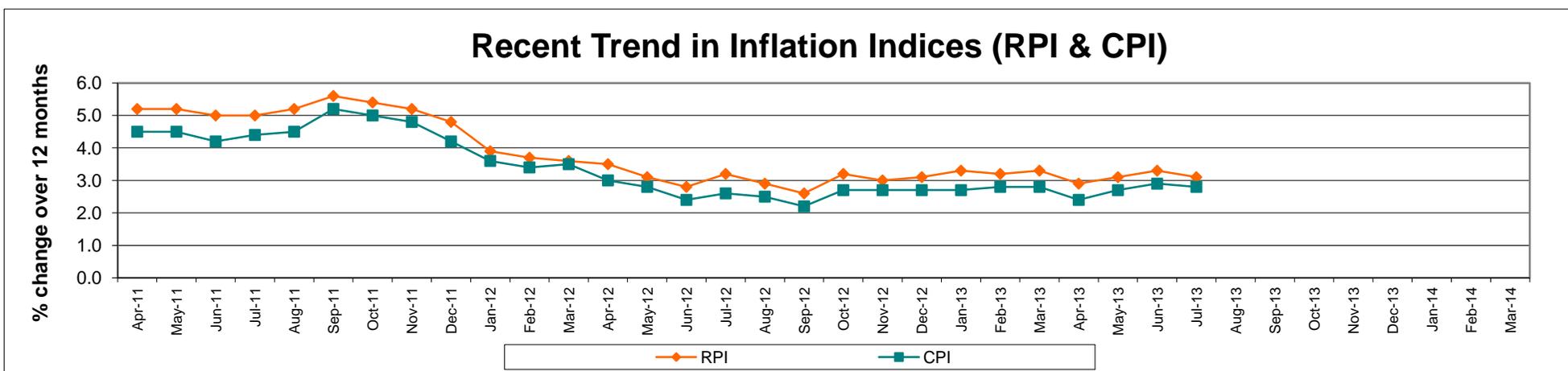


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

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.

Percentage Change over 12 months

	2011-12		2012-13		2013-14	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	5.2	4.5	3.5	3.0	2.9	2.4
May	5.2	4.5	3.1	2.8	3.1	2.7
Jun	5.0	4.2	2.8	2.4	3.3	2.9
Jul	5.0	4.4	3.2	2.6	3.1	2.8
Aug	5.2	4.5	2.9	2.5		
Sep	5.6	5.2	2.6	2.2		
Oct	5.4	5.0	3.2	2.7		
Nov	5.2	4.8	3.0	2.7		
Dec	4.8	4.2	3.1	2.7		
Jan	3.9	3.6	3.3	2.7		
Feb	3.7	3.4	3.2	2.8		
Mar	3.6	3.5	3.3	2.8		



2013-14 QTR 1 MONITORING OF PRUDENTIAL INDICATORS**1. Estimate of Capital Expenditure (excluding PFI)**

Actuals 2012-13	£181.229m	
Original estimate 2013-14	£286.571m	
Revised estimate 2013-14	£317.894m	(this includes the rolled forward re-phasing from 2012-13)

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

	2012-13	2013-14	2013-14	2014-15	2015-16
	Actual	Original	Forecast as	Forecast as	Forecast as
	£m	Estimate	at 30-06-13	at 30-06-13	at 30-06-13
	£m	£m	£m	£m	£m
Capital Financing requirement	1,464.961	1,483.590	1,483.590	1,461.349	1,410.452
Annual increase/reduction in underlying need to borrow	-30.912	-2.825	18.629	-22.241	-50.897

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

Actuals 2012-13	14.55%
Original estimate 2013-14	13.42%
Revised estimate 2013-14	13.28%

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 2013-14.

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

	Prudential Indicator £m	Position as at 30.06.13 £m
Borrowing	993	969
Other Long Term Liabilities	<u>1,134</u>	<u>1,155</u>
	2,127	2,124

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

	Prudential Indicator £m	Position as at 30.06.13 £m
Borrowing	1,040	1,012
Other Long Term Liabilities	<u>1,134</u>	<u>1,155</u>
	2,174	2,167

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 Council. The revised limits for 2013-14 are:

	Authorised limit for debt relating to KCC assets and activities £m	Position as at 30.06.13 £m	Authorised limit for total debt managed by KCC £m	Position as at 30.06.13 £m
Borrowing	1,033	969	1,080	1,012
Other long term liabilities	<u>1,134</u>	<u>1,155</u>	<u>1,134</u>	<u>1,155</u>
	2,167	2,124	2,214	2,167

6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Sector

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 2013-14

Fixed interest rate exposure	100%
Variable rate exposure	30%

These limits have been complied with in 2013-14

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 30.06.13
	%	%	%
Upper 12 months	10	0	0.1
12 months and within 24 months	10	0	0.2
24 months and within 5 years	15	0	8.8
5 years and within 10 years	15	0	10.7
10 years and within 20 years	15	5	12.0
20 years and within 30 years	20	5	14.7
30 years and within 40 years	20	10	12.9
40 years and within 50 years	25	10	17.8
50 years and within 60 years	30	10	22.8

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

Indicator	£30m
Actual	£0m

EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (excl Schools) (£k)	+53,430	-802	-	-802
	Schools (£k)	-	+1,504	-	+1,504
	Directorate Total (£k)	+53,430	+702	-	+702

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Education, Learning & Skills portfolio						
Delegated Budget:						
Schools Delegated Budgets	711,038.1	-711,038.1	0.0	+1,504	+1,504	Drawdown from school reserves for 20 expected academy converters and 2 school closures
TOTAL DELEGATED	711,038.1	-711,038.1	0.0	+1,504		
Non Delegated Budget:						
Strategic Management & Directorate Support budgets	8,643.3	-9,171.9	-528.6	+132	+398	New Kent Integrated Adolescent Support Service managed by ELS but covering services across directorates
					-213	<i>DSG variances over a number of headings, all less than £100k in value</i>
					-53	Other minor variances
Children's Services - Education & Personal						
- 14 - 19 year olds	2,665.0	-1,335.8	1,329.2	+20		
- Attendance & Behaviour	3,833.9	-2,671.4	1,162.5	+20		
- Connexions	5,774.8	0.0	5,774.8	0		
- Early Years & Childcare	7,156.6	-5,841.6	1,315.0	-159	-114	<i>DSG variance - Quality and Outcomes part year vacancies and reduced non staffing spend</i>
					-45	Other minor variances

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Early Years Education	51,050.0	-51,050.0	0.0	+1,214	+1,214	<i>DSG variance - additional week of provision for 3 & 4 year olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement.</i>	
					+1,764	<i>DSG variance - greater than budgeted number of hours being provided for 3 & 4 year olds due to increased parental demand</i>	
					-1,764	<i>DSG variance - reduced demand for 2 year old placements</i>	
- Education Psychology Service	3,004.4	-400.0	2,604.4	-299	-179	Traded income from schools for non statutory psychology services	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
					-83	Staff vacancies	
					-37	Other minor variances	
- Individual Learner Support	8,642.4	-7,579.0	1,063.4	-327	-108	Minority Community Achievement Service (MCAS) income from schools in excess of costs	
					-149	Portage staff vacancies and non staff savings offset by the write off of old debts <i>(includes a DSG variance of -£104k)</i>	
					-70	Other minor variances	
- Statemented Pupils	5,491.1	-5,491.1	0.0	0			
	87,618.2	-74,368.9	13,249.3	+469			
<u>School Budgets:</u>							
- Independent Special School Placements	14,924.0	-14,924.0	0.0	+3,944	+3,944	<i>DSG variance - Increased number of pupils in independent and non maintained special school placements</i>	This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process
- PFI Schools Schemes	23,810.0	-23,810.0	0.0	0			
- Pupil Referral Units	16,142.4	-16,142.4	0.0	0			
	54,876.4	-54,876.4	0.0	+3,944			
<u>Schools Services:</u>							
- Non Delegated Staff Costs	2,644.0	-2,541.0	103.0	+19			
- Other Schools Services	7,595.1	-7,189.8	405.3	-7			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Redundancy Costs	1,188.7	-1,188.7	0.0	0			
- School Improvement	8,521.4	-6,135.8	2,385.6	-3			
- Teachers & Education Staff Pension Costs	7,954.0	-2,684.0	5,270.0	+136	+136	Increase in annual capitalization payments	
	27,903.2	-19,739.3	8,163.9	+145			
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,174.2	-1,720.0	1,454.2	-500	+230	SEN pupils receiving Home to College transport	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
					-730	Income from the 16+ card in excess of costs	This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP
- Mainstream HTST	11,517.3	-20.0	11,497.3	-1,567	-1,567	Lower than budgeted numbers of pupils travelling and the full year impact of transport policy changes, (although this forecast remains an estimate until the pupil numbers for the new academic year are available)	This saving is expected to be ongoing & will be reflected in the 2014-17 MTFP
- SEN HTST	17,207.5	0.0	17,207.5	+1,322	+1,322	Higher than budgeted numbers of pupils travelling with overall costs also influenced by other factors	This pressure is expected to be ongoing & will be addressed in the 2014-17 MTFP
	31,899.0	-1,740.0	30,159.0	-745			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	7,319.1	-4,932.4	2,386.7	0			
TOTAL NON DELEGATED	218,259.2	-164,828.9	53,430.3	+3,945			
- <i>Transfer to(+)/from(-) DSG reserve</i>				-4,747	-4,747	<i>drawdown from DSG reserve to offset +£4,727k of DSG variances explained above & other smaller DSG variances</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	218,259.2	-164,828.9	53,430.3	-802			
Total ELS portfolio	929,297.3	-875,867.0	53,430.3	+702			

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Assumed Mgmt Action							
- ELS portfolio				0			
Total Forecast <u>after</u> mgmt action	929,297.3	-875,867.0	53,430.3	+702			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of schools with deficit budgets compared with the total number of schools:

	2010-11	2011-12	2012-13	2013-14
	as at 31-3-11	as at 31-3-12	as at 31-3-13	projection
Total number of schools	538	497	463	442
Total value of school reserves	£55,190k	£59,088k	£48,124k	£46,620k
Number of deficit schools	17	7	8	3
Total value of deficits	£2,002k	£833k	£364k	£2,126k

Comments:

- The information on deficit schools for 2013-14 has been obtained from the schools 3 year plans completed in spring/early summer 2013 and show 3 schools predicting a deficit at the end of year 1. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. School's Financial Services have been working with these 3 schools to reduce the risk of a deficit in 2013-14 and 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.
- KCC 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 number of schools is based on the assumption that 20 schools (including 3 secondary schools and 17 primary schools) will convert to academies before the 31st March 2014. In addition, 2 schools are closing and 1 new school is opening.
- The estimated drawdown from schools reserves of £1,504k assumes 20 schools convert to academy status and 2 schools close. The value of school reserves and deficits are very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from schools.

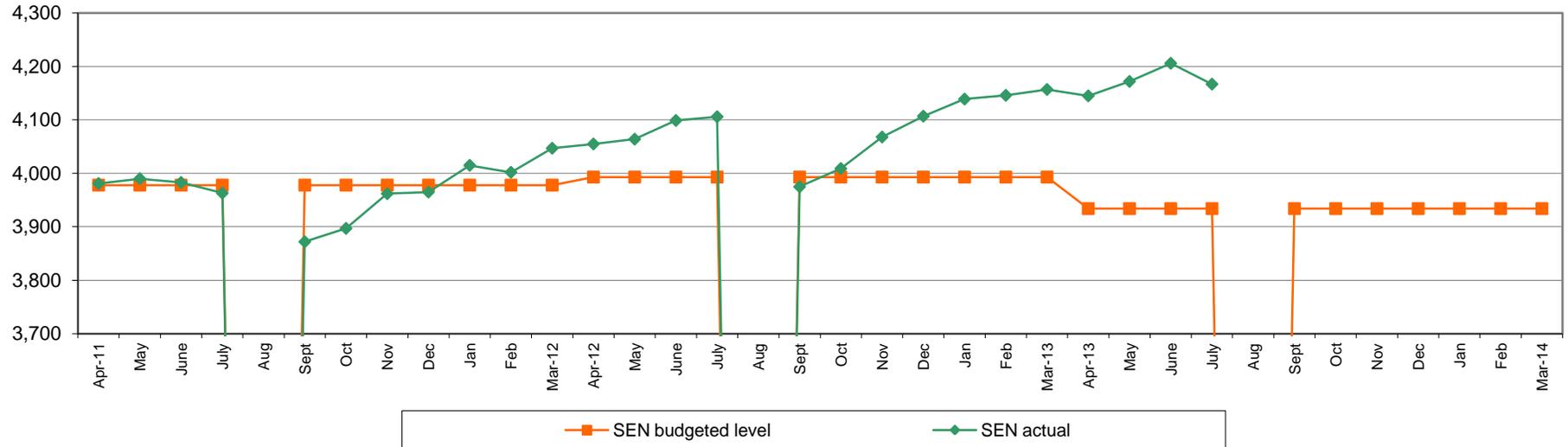
2.2 Number of children receiving assisted SEN and Mainstream transport to schools

	2011-12				2012-13				2013-14			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual										
Apr	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119
May	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119
Jun	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106
Jul	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,978	3,872	18,982	16,282	3,993	3,975	17,342	13,698	3,934	0	14,667	0
Oct	3,978	3,897	18,982	16,348	3,993	4,009	17,342	13,844	3,934	0	14,667	0
Nov	3,978	3,962	18,982	16,553	3,993	4,068	17,342	13,925	3,934	0	14,667	0
Dec	3,978	3,965	18,982	16,556	3,993	4,107	17,342	13,960	3,934	0	14,667	0
Jan	3,978	4,015	18,982	16,593	3,993	4,139	17,342	13,985	3,934	0	14,667	0
Feb	3,978	4,002	18,982	16,632	3,993	4,146	17,342	14,029	3,934	0	14,667	0
Mar	3,978	4,047	18,982	16,720	3,993	4,157	17,342	14,051	3,934	0	14,667	0

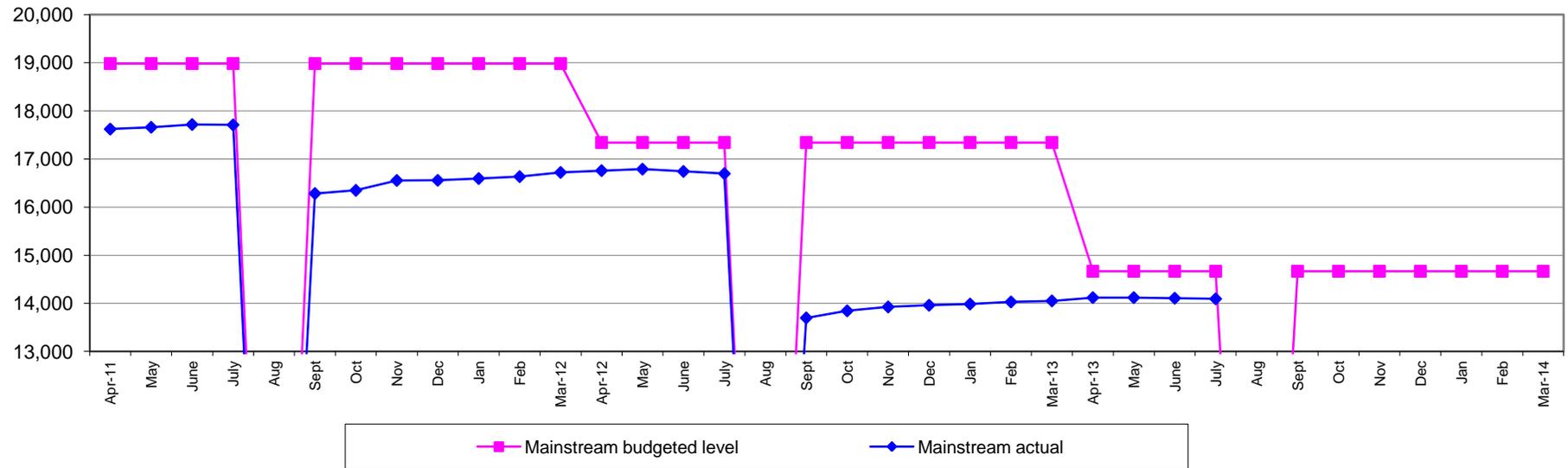
Comments:

- **SEN HTST** – The number of children travelling is higher than the budgeted level and there are also a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. A gross pressure of +£1,322k is therefore reported in table 1.
- **Mainstream HTST** – The number of children receiving transport is lower than the budgeted level, therefore a gross underspend of £1,567k is reported in table 1, but as the numbers requiring transport for the 2013-14 academic year are still to be confirmed, this position could change.

Number of children receiving assisted SEN transport to school



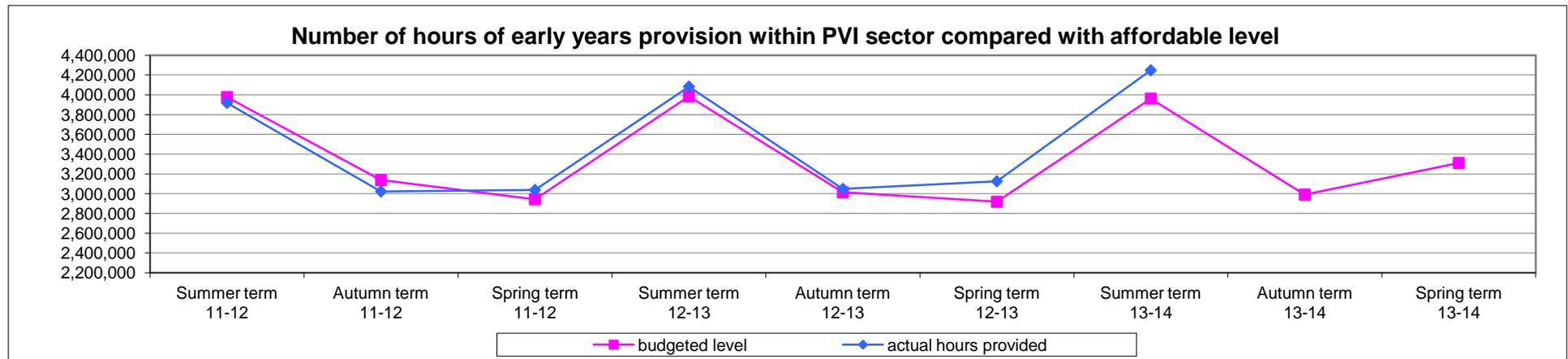
Number of children receiving assisted Mainstream transport to school



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

	2011-12		2012-13		2013-14	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,976,344	3,917,710	3,982,605	4,082,870	3,961,155	4,247,445
Autumn term	3,138,583	3,022,381	3,012,602	3,048,035	2,990,107	
Spring term	2,943,439	3,037,408	2,917,560	3,125,343	3,310,417	
TOTAL	10,058,366	9,977,499	9,912,767	10,256,248	10,261,679	4,247,445

* The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change



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 current activity suggests a pressure of £2.978m, which is due to an additional week of provision for 3 and 4 years olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement and additional hours as a result of increased parental demand. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore this pressure will be transferred to the schools unallocated DSG reserve at year end, as reflected in table 1 of this annex.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education, Learning & Skills Directorate has a working budget (excluding schools) for 2013-14 of £149,868k. The forecast outturn against the 2013-14 budget is £147,163k giving a variance of - £2,705k.

3.2 **Table 2** below details the ELS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Annual Planned Enhancement Programme	24,255	12,718					Green		
Devolved Formula Capital Grants for Pupil Referral Units	537	442					Green		
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Future Basic Need Schemes	43,506	36,801					Green		
Dunton Green	800	800					Green		
Goat Lees Primary School, Ashford	2,194	2,951					Green		
Repton Park Primary School, Ashford	19	210					Green		
Ryarsh Primary School, Ryarsh	169	169					Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Wrotham	8	4					Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Modernisation Programme - Future Years	5,992	2,087	-1,875	-1,875	Real - DfE grant	Halfway House to be funded from Priority Schools Building Programme	Green		
St Johns / Kingsmead Primary School, Canterbury	1,544	2,405					Green		
Special Schools Review - major projects supporting the special schools review									
Special Schools Review phase 1	24	663					Green		
Special Schools Review phase 2	40,330	9,362					Green		
The Wyvern School, Ashford (Buxford Site)	1	1					Green		
Primary Improvement Programme	85	237					Green		
Academy Projects:									
Academies Unit Costs	778	1,183					Green		
Maidstone New Build, New Line Learning	0	31					Green		
Longfield New Build	0	358					Green		
Maidstone New Build, Cornwallis	0	67					Green		
Spires New Build	0	2					Green		
Marsh Academy, New Romney	888	887					Green		
The John Wallis C of E Academy	7,615	7,387					Green		
The Knowle Academy	13,557	14,735					Green		
Dover Christ Church	10,119	7,791					Green		
Astor of Hever	9,236	11,199					Green		
Duke of York	21,816	16,968					Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Wilmington Enterprise College	7,387	7,289					Green		
Isle of Sheppey Academy	6,108	3,610					Green		
Skidders Kent Academy, Tunbridge Wells	489	1,611					Green		
Building Schools for the Future Projects:									
BSF Wave 3 Build Costs	2,104	905					Green		
BSF Unit Costs (including SecTT)	0	669					Green		
Other Projects:									
Nursery Provision for Two Year Olds	2,468	2,468					Green		
Schools Self Funded projects - Quarryfield / Aldington Eco Centre	0	32					Green		
Specialist Schools	0	325					Green		
Platt CEPS	0	91					Green		
One-off Schools Revenue to Capital	1,881	1,999					Green		
Unit Review	1,108	1,263	-830	-825	Real - Prudential -5 Rephasing	Good design and cost management reduced overall project costs	Green		
Vocational Education Centre Programme	0	148					Green		
Sevenoaks Grammar Schools annexe	5,000	0					Green		
Total	210,018	149,868	-2,705	-2,705					

¹ Project Status: Green = on time and within budget, Amber = either delayed completion date or over budget, Red = both delayed and over budget

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY
CHILDREN'S SERVICES SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+149,203	+4,784	-2,100	+2,684
Asylum (£k)	+280	+380	-	+380
Total (£k)	+149,483	+5,164	-2,100	+3,064

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The reallocation of 2013-14 approved pressures and savings between A-Z service lines which have been reallocated in light of the 2012-13 outturn expenditure and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£4,524k gross and -£4,524k income. Significant changes included within this are:

- The inclusion of the Adoption Reform Grant of (+£3,646k gross and +£3,646k income).
- Adjustment to more accurately reflect the gross and income budget (+£725k gross and -£725k income).
- Allocation of health monies (+£153k gross and -£153k income).

There are also a number of other corporate adjustments which total -£188k gross, which are predominantly related to further centralisation of budgets and where responsibilities between directorates/portfolios are still being refined.

The overall movements are therefore an increase in gross of £4,336k (+3,646+725+153-188) and income of -£4,524k (-3,646-725-153). This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 15 July within the outturn report.

Table 1a shows:

- The published budget,

- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 15 July regarding the roll forward of underspending from 2012-13 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Specialist Children's Services portfolio									
Strategic Management & Directorate Support budgets	4,080.6	-175.0	3,905.6	3,939.8	-175.0	3,764.8	-140.8	0.0	-140.8
Children's Services - Children in Care (Looked After)									
- Fostering	35,712.1	-237.0	35,475.1	38,164.1	-336.0	37,828.1	2,452.0	-99.0	2,353.0
- Legal Charges	6,502.0	0.0	6,502.0	7,345.4	0.0	7,345.4	843.4	0.0	843.4
- Residential Children's	15,586.7	-2,144.0	13,442.7	15,379.2	-1,799.9	13,579.3	-207.5	344.1	136.6
- Virtual School Kent	2,701.9	-704.1	1,997.8	2,163.6	-718.9	1,444.7	-538.3	-14.8	-553.1
	60,502.7	-3,085.1	57,417.6	63,052.3	-2,854.8	60,197.5	2,549.6	230.3	2,779.9
Children's Services - Children in Need									
- Children's Centres	17,141.8	-139.0	17,002.8	16,257.4	-112.6	16,144.8	-884.4	26.4	-858.0
- Preventative Services	16,295.0	-1,092.1	15,202.9	16,098.0	-1,759.0	14,339.0	-197.0	-666.9	-863.9
	33,436.8	-1,231.1	32,205.7	32,355.4	-1,871.6	30,483.8	-1,081.4	-640.5	-1,721.9
Children's Services - Other Social Services									
- Adoption	8,517.0	-49.0	8,468.0	11,088.7	-3,707.5	7,381.2	2,571.7	-3,658.5	-1,086.8
- Asylum Seekers	11,883.3	-11,603.3	280.0	11,883.3	-11,603.3	280.0	0.0	0.0	0.0
- Leaving Care (formerly 16+)	5,039.1	0.0	5,039.1	4,556.9	0.0	4,556.9	-482.2	0.0	-482.2
- Safeguarding	4,591.5	-316.0	4,275.5	4,407.4	-495.5	3,911.9	-184.1	-179.5	-363.6
	30,030.9	-11,968.3	18,062.6	31,936.3	-15,806.3	16,130.0	1,905.4	-3,838.0	-1,932.6

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assessment Services									
- Children's social care staffing	42,925.9	-4,846.6	38,079.3	44,028.6	-5,122.2	38,906.4	1,102.7	-275.6	827.1
Total SCS portfolio	170,976.9	-21,306.1	149,670.8	175,312.4	-25,829.9	149,482.5	4,335.5	-4,523.8	-188.3

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Specialist Children's Services portfolio						
Strategic Management & Directorate Support budgets	3,939.8	-175.0	3,764.8	-280	-297 +17	underspend on Commissioning staffing budget Other small minor variances
Children's Services - Children in Care (Looked After)						
- Fostering	38,164.1	-336.0	37,828.1	+539	+471 +194 +21 +902 -379	In House: Forecast 1,238 weeks above affordable level In House: Forecast unit cost £3.55 above affordable level In House: Other minor variances Independent Sector (IFA): Forecast 998 weeks above affordable level Independent Sector (IFA): Forecast unit cost £35.18 below affordable level

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					-523 Independent Sector: management action to reduce pressure	The recent in-house fostering recruitment campaign is expected to result in more in-house and fewer independent sector placements, which will reduce costs. Also, new IFA placements will be purchased under a new framework contract which should result in lower cost placements. This will be reflected in the forecast activity shown in sections 2.2 & 2.3 once there is evidence that this management action is starting to take effect.
					-131 small reduction in fostering related payments, and Kinship placements	
					-16 Other small minor variances	
- Legal Charges	7,345.4	0.0	7,345.4	+755	+455 Increase in legal fees and court charges, due to an increase in number of proceedings.	This pressure will need to be addressed in the 2014-17 MTFP
					+300 Increase in court fee pricing	
- Residential Children's Services	15,379.2	-1,799.9	13,579.3	+555	+1,204 Independent residential care: Forecast 392 weeks above affordable level	
					-430 Independent residential care: Forecast unit cost £180.44 below affordable level	
					+32 Independent residential care: small reduction in income	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					-423	Independent residential care: management action to reduce pressure
					+132	Pressure on staffing
					+40	Other small minor variances
- Virtual School Kent	2,163.6	-718.9	1,444.7	-32		
	63,052.3	-2,854.8	60,197.5	+1,817		
Children's Services - Children in Need						
- Children's Centres	16,257.4	-112.6	16,144.8	-37		
- Preventative Services	16,098.0	-1,759.0	14,339.0	+437	+540	Pressure on commissioned services
					-103	Other small minor variances
	32,355.4	-1,871.6	30,483.8	+400		
Children's Services - Other Social Services						
- Adoption	11,088.7	-3,707.5	7,381.2	+331	+117	Increase in number of adoption payments
					+144	Increase in number of guardianship payments
					+70	Other small minor variances
- Asylum Seekers	11,883.3	-11,603.3	280.0	+380	+1,067	Pressure relating to under 18 UASC due to costs exceeding grant payable
					+115	Pressure relating to under 18 UASC due to ineligibility
					+1,300	Pressure relating to over 18's due to ineligibility, of which £861k relates to All Rights Exhausted (ARE) clients
					+1,098	Pressure relating to over 18's due to costs exceeding grant payable (see activity section 2.6 below), of which £288k relates to ARE clients

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					-995	Gateway grant not required for infrastructure costs and therefore available to offset other pressures
					-2,205	Invoice to Home Office for net pressures outlined above, excluding costs for the first 25 care leavers, naturalised clients, care leavers age 21 and over not in education and care leavers age 24 and over (as these clients either fall within KCC's social care responsibilities or we should no longer be supporting them at all)
- Leaving Care (formerly 16+)	4,556.9	0.0	4,556.9	+876	+375	Pressure on staffing budgets
					+501	Additional young people requiring this service
- Safeguarding	4,407.4	-495.5	3,911.9	0		
	31,936.3	-15,806.3	16,130.0	+1,587		
<u>Assessment Services</u>						
- Children's social care staffing	44,028.6	-5,122.2	38,906.4	+1,640	+1,640	Pressure on staffing budgets. Partly due to appointment of agency staff to bridge the gap until new cohort of social workers take up posts in October
Total SCS portfolio	175,312.4	-25,829.9	149,482.5	+5,164		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Assumed Mgmt Action						
- SCS portfolio				-2,100		At this early stage we are still reliant on a significant number of agency staff. We are continuing with a recruitment drive and this, along side the newly qualified social workers due to start in the Autumn should reduce the overall pressure on staffing budgets. Also, a diagnostic is currently underway and the Efficiency Board is to review all of the specific management action plans once the diagnostic is complete.
Total Forecast <u>after</u> mgmt action	175,312.4	-25,829.9	149,482.5	+3,064		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

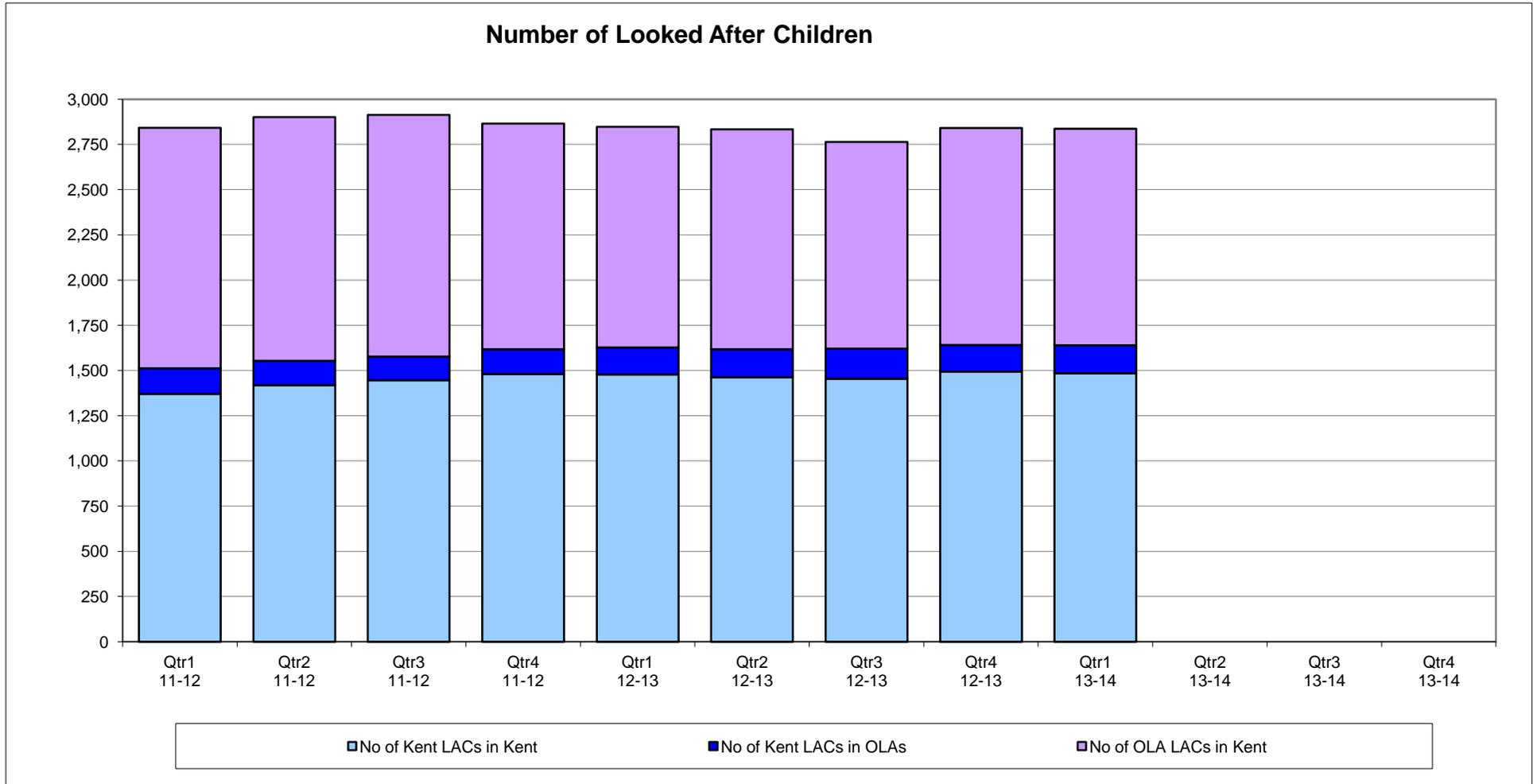
2.1 Number of Looked After Children (LAC) (excluding Asylum Seekers):

		No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NUMBER OF KENT LAC	<i>No of OLA LAC placed in Kent</i>	TOTAL NUMBER OF LAC IN KENT
2011-12	Apr to Jun	1,371	141	1,512	<i>1,330</i>	2,842
	Jul to Sep	1,419	135	1,554	<i>1,347</i>	2,901
	Oct to Dec	1,446	131	1,577	<i>1,337</i>	2,914
	Jan to Mar	1,480	138	1,618	<i>1,248</i>	2,866
2012-13	Apr to Jun	1,478	149	1,627	<i>1,221</i>	2,848
	Jul to Sep	1,463	155	1,618	<i>1,216</i>	2,834
	Oct to Dec	1,455	165	1,620	<i>1,144</i>	2,764
	Jan to Mar	1,494	147	1,641	<i>1,200</i>	2,841
2013-14	Apr to Jun	1,485	155	1,640	<i>1,197</i>	2,837
	Jul to Sep					
	Oct to Dec					
	Jan to Mar					

Comments:

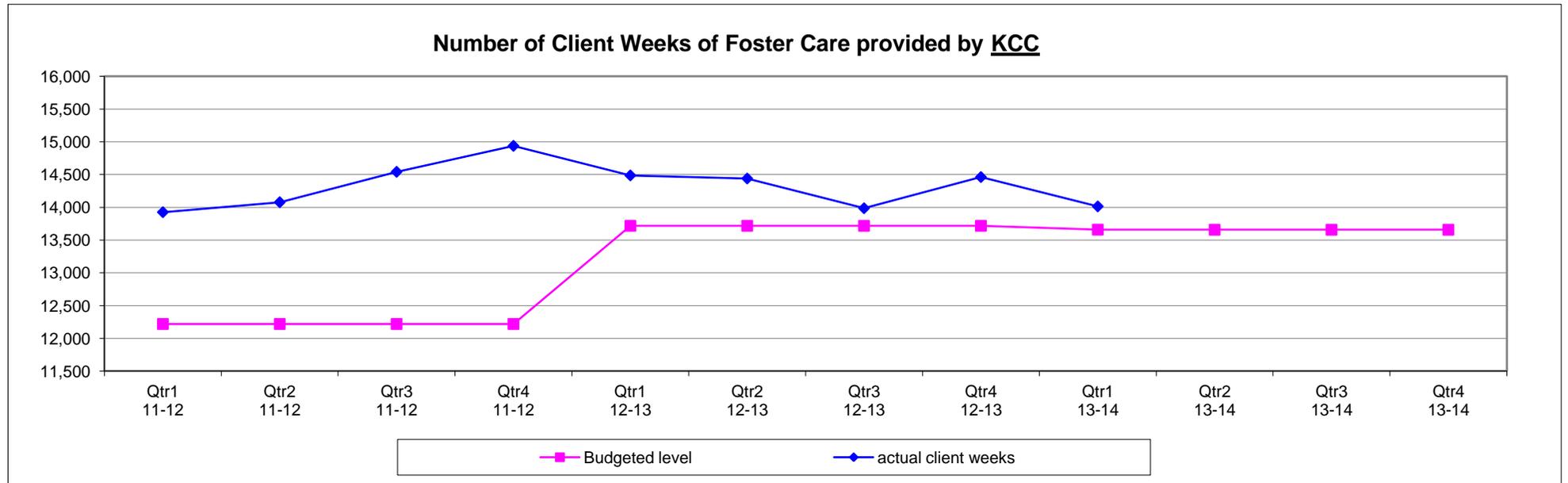
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent 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 reduced by 1 this quarter, there could have been more (or less) during the period. Although the overall snapshot number of looked after children has remained static this quarter, the numbers within each placement grouping have changed, with an increase in higher cost placements such as Independent Sector Fostering and Residential Care, but a reduction in lower cost placements such as Placed for Adoption and Related Fostering, resulting in an overall increase in the pressure on the Specialist Children's Services budget.
- The increase in the number of looked after children since the 2013-14 budget was set (Q3 12/13) has placed additional pressure on the services for looked after children, including fostering and residential care. £1.5m of rolled forward underspending from 2012-13 was approved by Cabinet on 15 July to address this issue. The forecasts within this report already take into account this additional £1.5m of funding (although this is not yet reflected in the cash limit as explained in section 3.5 of the executive summary report).

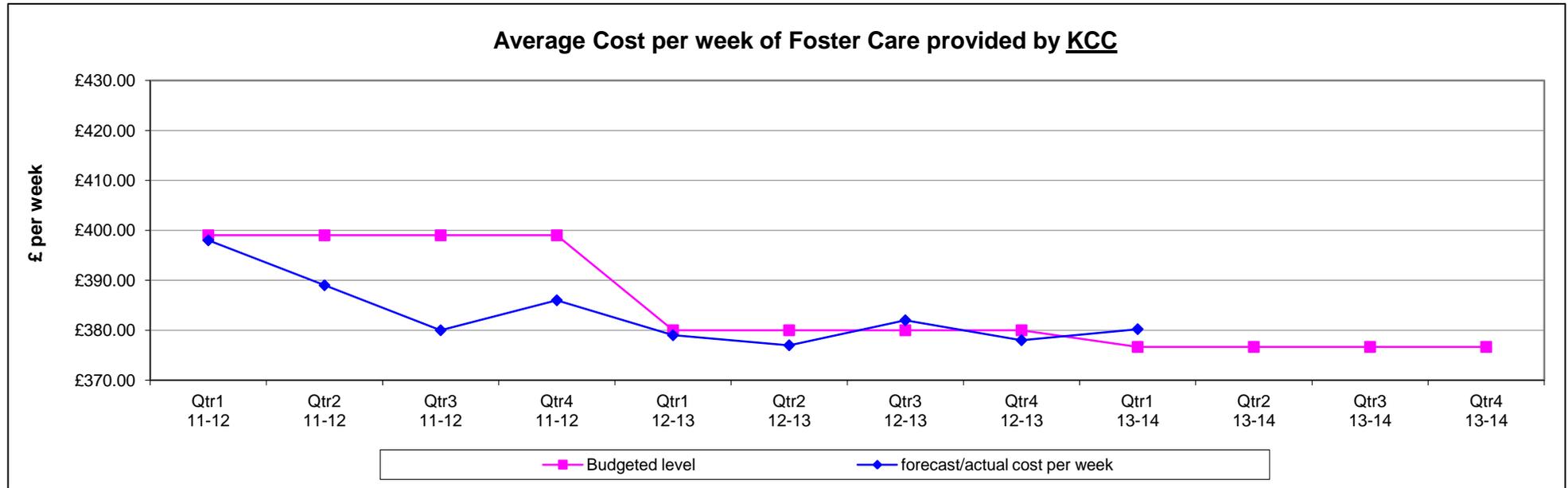
- The OLA LAC information has a confidence rating of 71% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. 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 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	2011-12				2012-13				2013-14			
	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	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	12,219	13,926	£399	£398	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22
Jul to Sep	12,219	14,078	£399	£389	13,718	14,440	£380	£377	13,658		£376.67	
Oct to Dec	12,219	14,542	£399	£380	13,718	13,986	£380	£382	13,658		£376.67	
Jan to Mar	12,219	14,938	£399	£386	13,718	14,462	£380	£378	13,658		£376.67	
	48,876	57,484	£399	£386	54,872	57,375	£380	£378	54,633	14,014	£376.67	£380.22



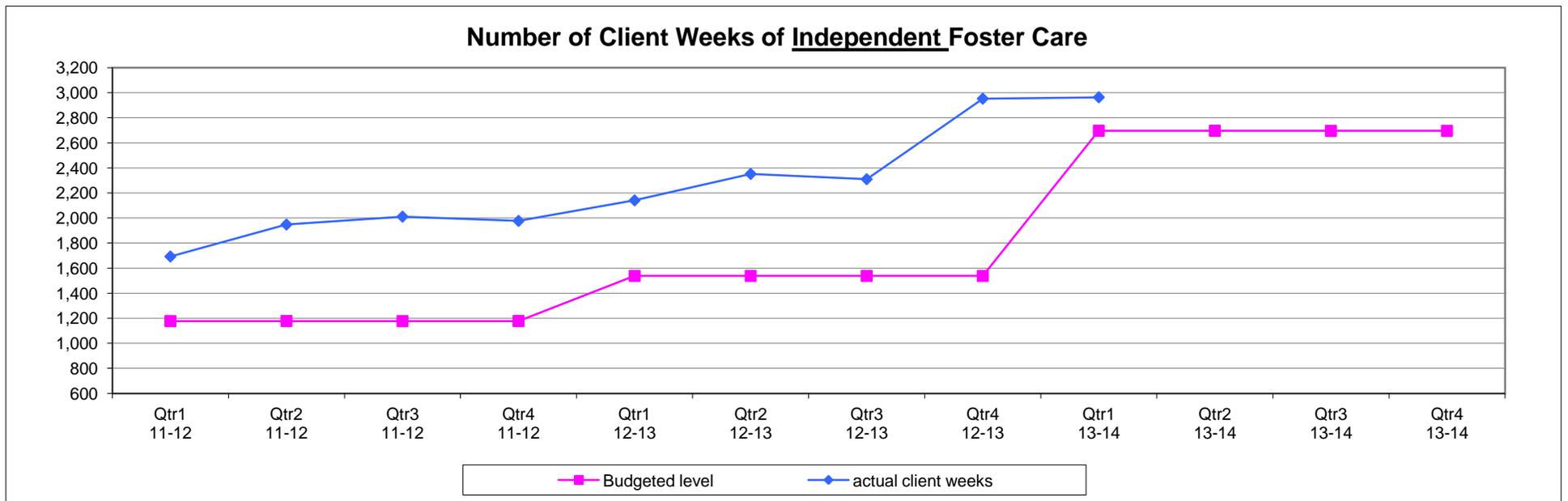


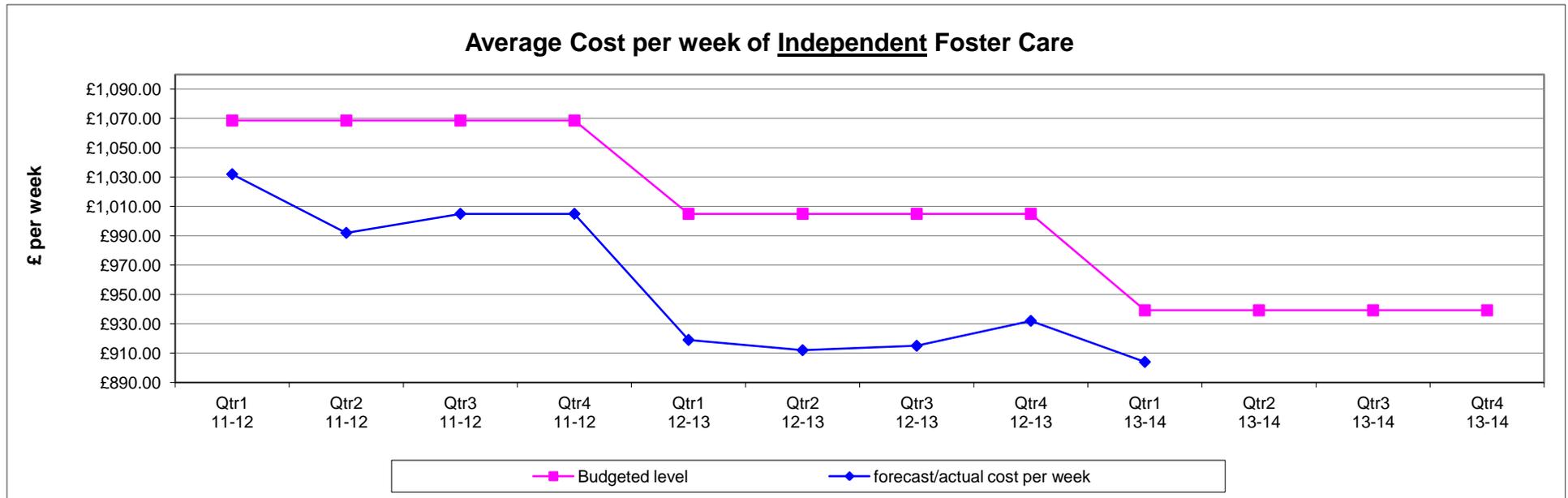
Comments:

- 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 and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets as detailed in section 1.2 of this annex.
- The forecast number of weeks is 55,871 (excluding asylum), which is 1,238 weeks above the affordable level. At the forecast unit cost of £380.22 per week, this increase in activity gives a pressure of £471k, as shown in table 1b.
- The forecast unit cost of £380.22 is +£3.55 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£194k, as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £665k (£471k + £194k).

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

	2011-12				2012-13				2013-14			
	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	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	1,177	1,693	£1,069	£1,032	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01
Jul to Sep	1,178	1,948	£1,069	£992	1,538	2,352	£1,005	£912	2,697		£939.19	
Oct to Dec	1,177	2,011	£1,069	£1,005	1,538	2,310	£1,005	£915	2,696		£939.19	
Jan to Mar	1,178	1,977	£1,069	£1,005	1,538	2,953	£1,005	£932	2,696		£939.19	
	4,710	7,629	£1,069	£1,005	6,152	9,756	£1,005	£932	10,786	2,964	£939.19	£904.01



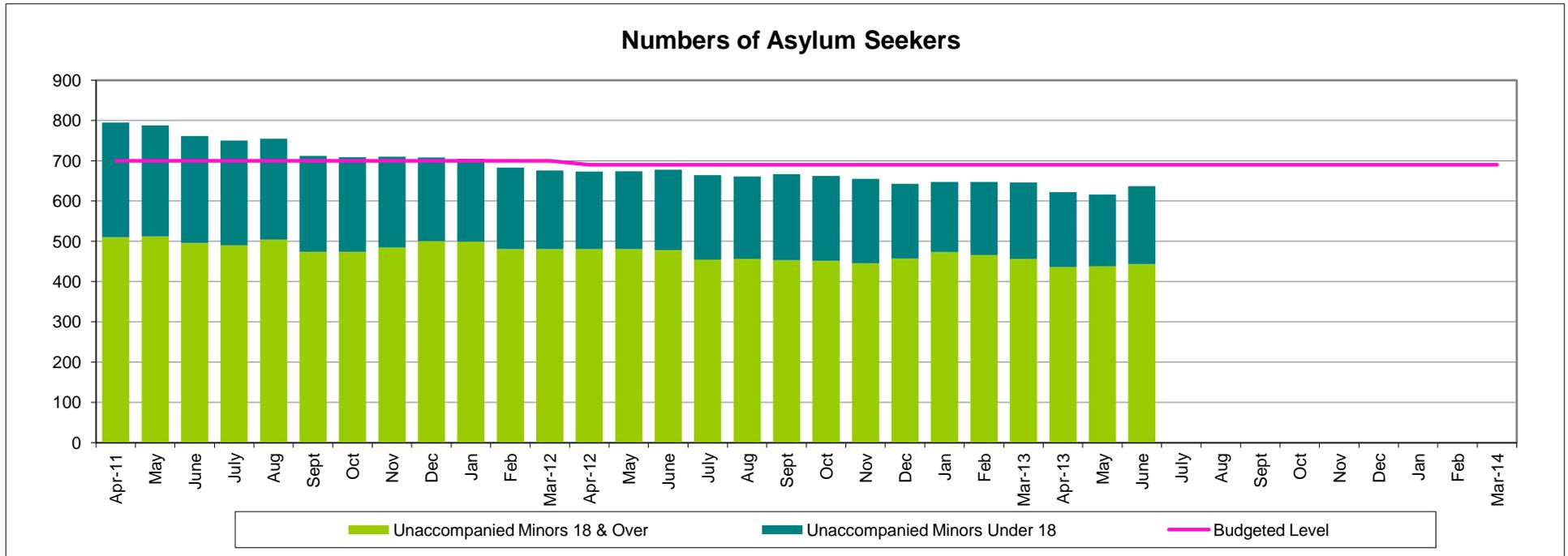


Comments:

- 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 and estimates of the number of client weeks and may be subject to change.
- The 2013-14 budgeted level has changed from what was reported to Cabinet on 15 July in the 2012-13 outturn report, reflecting the realignment of budgets as detailed in section 1.2 of this annex.
- The forecast number of weeks is 11,784 (excluding asylum), which is 998 weeks above the affordable level. At the forecast unit cost of £904.01 per week, this increase in activity gives a pressure of £902k as shown in table 1b.
- The forecast unit cost of £904.01 is £35.18 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of -£379k as shown in table 1b.
- Overall therefore, the combined gross pressure on this service is £523k (£902k - £379k)
- The forecast average unit cost of £904.01 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- The IFA Framework contract commenced in June 2013 and unit costs are expected to reduce as a result of this, which will be reflected in future months monitoring reports.

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2011-12			2012-13			2013-14		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	285	510	795	192	481	673	186	436	622
May	276	512	788	193	481	674	178	438	616
Jun	265	496	761	200	478	678	194	443	637
Jul	260	490	750	210	454	664			0
Aug	251	504	755	205	456	661			0
Sep	238	474	712	214	453	667			0
Oct	235	474	709	210	452	662			0
Nov	225	485	710	210	445	655			0
Dec	208	500	708	186	457	643			0
Jan	206	499	705	174	473	647			0
Feb	202	481	683	181	466	647			0
Mar	195	481	676	190	456	646			0

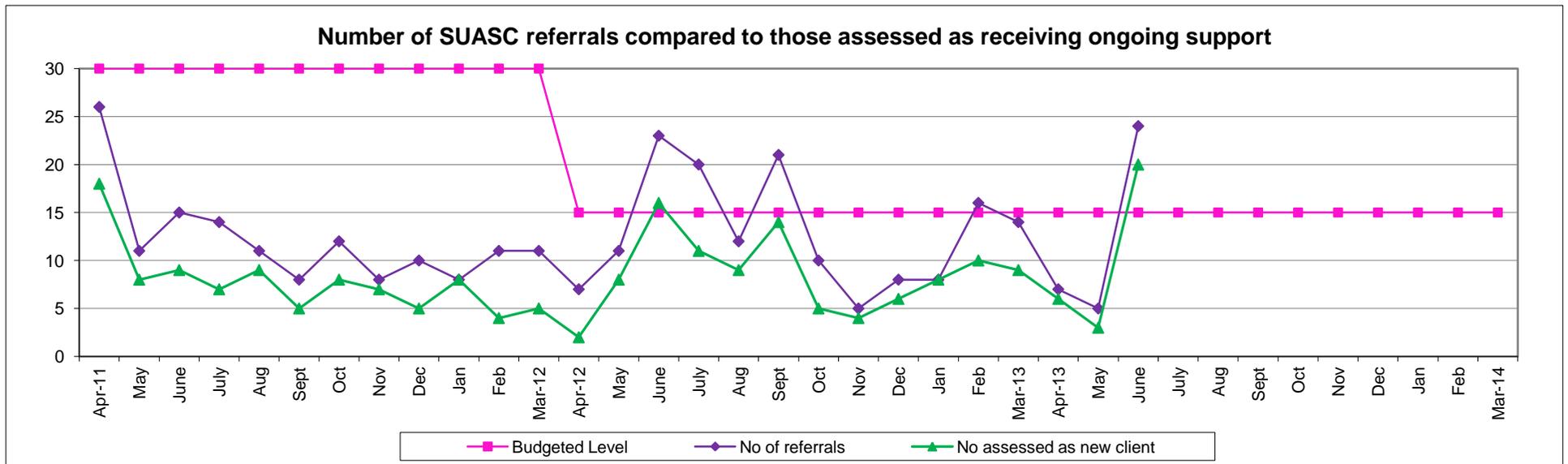


Comments:

- The overall number of children has remained fairly static so far this year. The current number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2013-14 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of 18 & overs 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 18 & overs is decreasing slightly and, in addition, the age profile of the under 18 children is increasing.
- 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.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

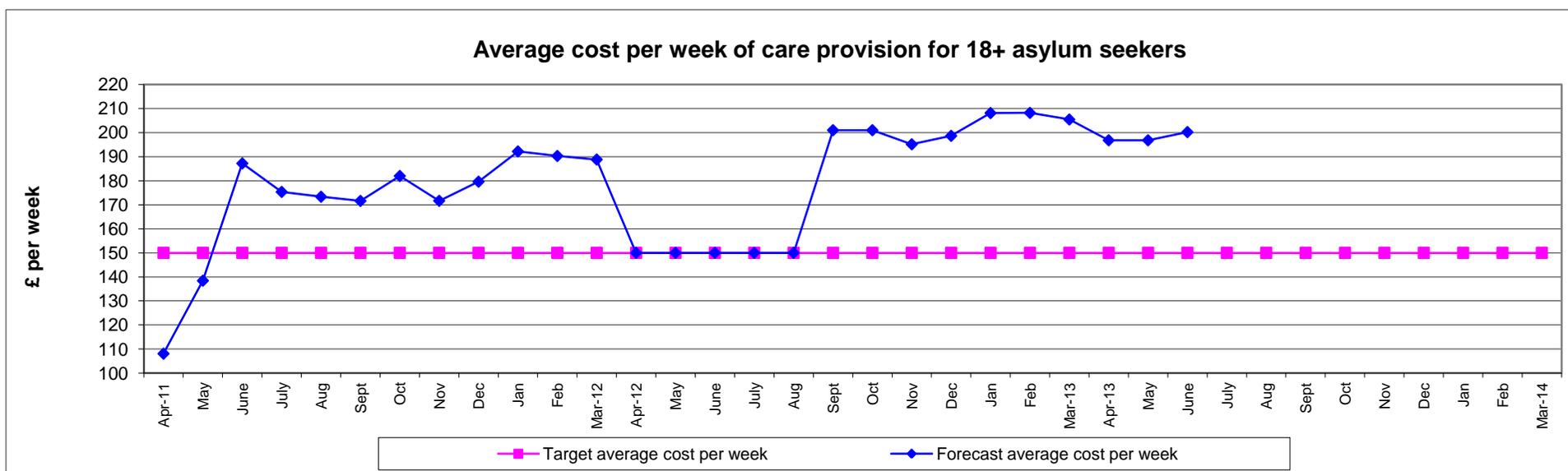
	2011-12			2012-13			2013-14		
	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%
Apr	26	18	69%	7	2	29%	7	6	86%
May	11	8	73%	11	8	73%	5	3	60%
Jun	15	9	60%	23	16	70%	24	20	83%
Jul	14	7	50%	20	11	55%			
Aug	11	9	82%	12	9	75%			
Sep	8	5	63%	21	14	67%			
Oct	12	8	67%	10	5	50%			
Nov	8	7	88%	5	4	80%			
Dec	10	5	50%	8	6	75%			
Jan	8	8	100%	8	8	100%			
Feb	11	4	36%	16	10	63%			
Mar	11	5	45%	14	9	64%			
	145	93	64%	155	102	66%	36	29	81%



Comments:

- The average number of referrals per month is now 12, which is below the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is now 81%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 10 i.e. a 11% increase.
- Where a young person has been referred but not assessed as a new client this would be due to them being re-united with their family, assessed as 18+ and returned to UKBA or because they have gone missing before an assessment has been completed.

	2011-12		2012-13		2013-14	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	108.10	150	150.00	150	196.78
May	150	138.42	150	150.00	150	196.78
Jun	150	187.17	150	150.00	150	200.18
Jul	150	175.33	150	150.00	150	
Aug	150	173.32	150	150.00	150	
Sep	150	171.58	150	200.97	150	
Oct	150	181.94	150	200.97	150	
Nov	150	171.64	150	195.11	150	
Dec	150	179.58	150	198.61	150	
Jan	150	192.14	150	208.09	150	
Feb	150	190.25	150	208.16	150	
Mar	150	188.78	150	205.41	150	



Comments:

- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant 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 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. The LA has continued to meet the cost of the care leavers in order that it can meet its' statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most 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 Essential Living Allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high and a number of issues remain:
 - 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.
 - 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 currently being addressed by the Accommodation Team.
 - We are still receiving damages claims relating to closed properties.
- As part of our strive to achieve a net unit cost of £150 or below, we will be insisting on take-up of state benefits for those entitled.
- The current forecast average weekly cost for 2013-14 is £200.18, £50.18 above the £150 claimable under the grant rules. This adds £1,098k to the forecast outturn position. We are invoicing the Home Office for the majority of this shortfall in grant income each month and negotiations are ongoing regarding payment.

3. CAPITAL

3.1 The Families and Social Care Directorate - Children's Services has a working budget for 2013-14 of £1,325k. The forecast outturn against the 2013-14 budget is £1,325k giving a variance of £0k.

3.2 **Table 2** below details the FSC CS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Transforming Short Breaks	1,074	1,074	0	0			Green		Additional grant available therefore request cash limit increase of £600.453k
Service Redesign (Inc Intensive Parenting Centres)	251	251	0	0			Green		
Total	1,325	1,325	0	0					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY
ADULTS SERVICES SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total (£k)	+334,647	-56	-	-56

1.2 The cash limits which the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The allocation of NHS Support for Social Care Grant where further information regarding allocations and spending plans has become available since the budget setting process this involves an adjustment between A-Z budget lines. There is an overall gross and income budget adjustment of -£153k gross and +£153k income to reflect the transfer of health funding to the Specialist Children's Services Portfolio. Further allocations are expected during the year once plans have been finalised.
- The realignment of direct service budgets in light of the 2012-13 outturn expenditure and activity, whereas the budget was set based on forecasts from several months earlier (-£93.4k Gross and +£93.4k Income).
- The reallocation of 2013-14 approved pressures and savings between A-Z service lines to reflect the latest service transformation plans and agreed pricing strategy (+£0k Gross and -£0k Income).

Cash limits have also been adjusted to reflect a number of technical adjustments to the budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,582.5k gross and -£1,582.5k income. This is predominately due to the recommissioning of the Carers strategy to reflect a new S256 agreement currently being developed with CCGs to jointly commission Adult Carers Assessment and Support Services from 2013-14. KCC are the lead partner in this arrangement, resulting in an additional £1,525,2k gross and -£1,525.2k income budget to reflect health's contribution towards this service.

There are also a number of other corporate adjustments which total +£518.7k gross, which are predominantly related to where responsibilities between directorates/portfolios are still being refined, including the transfer back to FSC from the Contact Centre of the Kent Contact & Assessment Service (KCAS) service and the transfer back from BSS of trainers for the SWIFT client activity system.

The overall movements are therefore an increase in gross of £1,854.8k (-153 - 93.4 + 1,582.5 + 518.7) and income of -£1,336.1k (+153 + 93.4 - 1,582.5). This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 15 July within the outturn report.

Table 1a shows:

- The published budget,
- The proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- The total value of the adjustments applied to each A-Z budget line.
- Please note that changes to cash limits to reflect the decisions made by Cabinet on 15 July regarding the roll forward of underspending from 2012-13 are not reflected in this report, but will be included in the July monitoring report, to be presented to Cabinet in October.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.3 **Table 1a** below details the change in cash limit by A to Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care & Public Health portfolio									
Strategic Management & Directorate Support budgets	5,460.6	-180.7	5,279.9	6,556.8	-943.5	5,613.3	1,096.2	-762.8	333.4
<u>Support to Frontline Services:</u>									
- Adults Social Care Commissioning & Performance Monitoring	3,418.2	0.0	3,418.2	3,547.9	-140.2	3,407.7	129.7	-140.2	-10.5
<u>Adults & Older People:</u>									
- Direct Payments									
- Learning Disability	14,266.8	0.0	14,266.8	15,579.0	0.0	15,579.0	1,312.2	0.0	1,312.2
- Mental Health	822.4	0.0	822.4	817.2	0.0	817.2	-5.2	0.0	-5.2
- Older People	6,711.5	0.0	6,711.5	6,797.2	0.0	6,797.2	85.7	0.0	85.7
- Physical Disability	9,717.9	0.0	9,717.9	10,586.9	0.0	10,586.9	869.0	0.0	869.0
Total Direct Payments	31,518.6	0.0	31,518.6	33,780.3	0.0	33,780.3	2,261.7	0.0	2,261.7
- Domiciliary Care									
- Learning Disability	4,320.3	-626.6	3,693.7	4,285.0	-726.6	3,558.4	-35.3	-100.0	-135.3
- Older People	44,186.1	-10,045.3	34,140.8	42,637.5	-1,362.7	41,274.8	-1,548.6	8,682.6	7,134.0

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Physical Disability	7,098.3	0.0	7,098.3	7,576.3	0.0	7,576.3	478.0	0.0	478.0
Total Domiciliary Care	55,604.7	-10,671.9	44,932.8	54,498.8	-2,089.3	52,409.5	-1,105.9	8,582.6	7,476.7
- Non Residential Charging									
- Learning Disability	0.0	-2,974.7	-2,974.7	0.0	-2,569.3	-2,569.3	0.0	405.4	405.4
- Older People	0.0	-10,140.6	-10,140.6	0.0	-11,627.0	-11,627.0	0.0	-1,486.4	-1,486.4
- Physical Disability	0.0	-1,215.8	-1,215.8	0.0	-1,459.5	-1,459.5	0.0	-243.7	-243.7
Total Non Residential Charging Income	0.0	-14,331.1	-14,331.1	0.0	-15,655.8	-15,655.8	0.0	-1,324.7	-1,324.7
- Nursing & Residential Care									
- Learning Disability	77,188.5	-6,570.7	70,617.8	76,795.1	-6,219.8	70,575.3	-393.4	350.9	-42.5
- Mental Health	7,280.2	-762.4	6,517.8	7,380.2	-768.4	6,611.8	100.0	-6.0	94.0
- Older People - Nursing	47,678.5	-24,719.0	22,959.5	48,603.9	-24,365.0	24,238.9	925.4	354.0	1,279.4
- Older People -	75,482.5	-32,773.8	42,708.7	82,192.3	-32,741.2	49,451.1	6,709.8	32.6	6,742.4
- Physical Disability	13,968.5	-2,020.4	11,948.1	12,718.9	-1,752.0	10,966.9	-1,249.6	268.4	-981.2
Total Nursing & Residential Care	221,598.2	-66,846.3	154,751.9	227,690.4	-65,846.4	161,844.0	6,092.2	999.9	7,092.1
- Supported Accommodation									
- Learning Disability	31,821.1	-1,538.7	30,282.4	32,672.7	-1,425.0	31,247.7	851.6	113.7	965.3
- Older People	4,555.7	-4,350.0	205.7	4,540.1	-4,350.0	190.1	-15.6	0.0	-15.6
- Physical Disability / Mental Health	3,686.3	-234.4	3,451.9	3,430.9	-248.9	3,182.0	-255.4	-14.5	-269.9
Total Supported Accommodation	40,063.1	-6,123.1	33,940.0	40,643.7	-6,023.9	34,619.8	580.6	99.2	679.8
- Other Services for Adults & Older People									
- Contributions to Vol Orgs	19,483.7	-5,511.3	13,972.4	17,868.5	-4,244.0	13,624.5	-1,615.2	1,267.3	-347.9
- Community Support Services for Mental Health	1,072.7	-34.4	1,038.3	1,265.3	-34.3	1,231.0	192.6	0.1	192.7
- Day Care									
- Learning Disability	12,575.9	-174.1	12,401.8	12,715.1	-174.1	12,541.0	139.2	0.0	139.2
- Older People	2,711.6	-63.1	2,648.5	2,455.5	-63.1	2,392.4	-256.1	0.0	-256.1
- Physical Disability	1,263.9	-4.7	1,259.2	1,040.0	-4.7	1,035.3	-223.9	0.0	-223.9
Total Day Care	16,551.4	-241.9	16,309.5	16,210.6	-241.9	15,968.7	-340.8	0.0	-340.8

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
- Other Adult Services	12,740.1	-7,989.1	4,751.0	4,117.4	-15,623.0	-11,505.6	-8,622.7	-7,633.9	-16,256.6
- Safeguarding	1,108.2	-261.6	846.6	1,107.2	-261.6	845.6	-1.0	0.0	-1.0
Total Other Services for A&OP	50,956.1	-14,038.3	36,917.8	40,569.0	-20,404.8	20,164.2	-10,387.1	-6,366.5	-16,753.6
<u>Assessment Services</u>									
- Adult Social Care Staffing	39,139.0	-1,438.4	37,700.6	42,326.4	-3,862.0	38,464.4	3,187.4	-2,423.6	763.8
Total ASC&PH portfolio	447,758.5	-113,629.8	334,128.7	449,613.3	-114,965.9	334,647.4	1,854.8	-1,336.1	518.7

1.4 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a above:

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N	£'000		
	£'000	£'000	£'000	£'000	£'000		
Adult Social Care & Public Health portfolio							
Strategic Management & Directorate Support budgets	6,556.8	-943.5	5,613.3	+373	+294	Legal Charges forecast based on 12-13 outturn	
					+79	Other minor variances	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,547.9	-140.2	3,407.7	-8			
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	15,579.0	0.0	15,579.0	+14	-370	Forecast -1,380 weeks below affordable level of 59,234 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+349	Forecast average unit cost +£5.90 above affordable level of £262.50	
					+175	one-off direct payments	
					-110	recovery of unspent funds from clients	
					-30	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Mental Health	817.2	0.0	817.2	+111	-72	Forecast -846 weeks below affordable level of 10,803 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+150	Forecast average unit cost +£13.88 above affordable level of £71.40	
					+33	Other minor variances	
- Older People	6,797.2	0.0	6,797.2	-357	-828	Forecast -5,172 weeks below affordable level of 45,113 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+425	Forecast average unit cost +£9.42 above affordable level of £150.67	
					+179	one-off direct payments	
					-133	recovery of unspent funds from clients	
- Physical Disability	10,586.9	0.0	10,586.9	-694	-968	Forecast -5,056 weeks below affordable level of 56,463 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+217	Forecast average unit cost +£3.84 above affordable level of £187.50	
					+237	one-off direct payments	
					-180	recovery of unspent funds from clients	
Total Direct Payments	33,780.3	0.0	33,780.3	-926			
- Domiciliary Care							
- Learning Disability	4,285.0	-726.6	3,558.4	-194	-229	Independent Sector: forecast -15,941 hours below affordable level of 94,500 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+52	Independent Sector: forecast average unit cost +£0.55 above affordable level of £13.80	
					-17	Other minor variances	
- Older People	42,637.5	-1,362.7	41,274.8	-462	-694	Independent Sector: forecast -46,178 hours below affordable level of 2,240,067 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+157	Independent Sector: forecast average unit cost +£0.07 above affordable level of £14.95	
					+119	Independent sector: costs incurred relating to 2012-13 where insufficient creditors were set up	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					-110 Underspend on Older People Kent Enablement at Home Service (KEAH) (offset by pressure on physical disability KEAH. See below)	
					+66 Other minor variances	
- Physical Disability	7,576.3	0.0	7,576.3	-22	-342 Independent Sector: forecast -25,300 hours below affordable level of 518,335 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+197 Independent Sector: forecast average unit cost +£0.38 above affordable level of £13.15	
					+141 Pressure on Physical Disability Kent Enablement at Home Service (KEAH) (offset by underspend on older people KEAH. See above)	
					-18 Other minor variances	
Total Domiciliary Care	54,498.8	-2,089.3	52,409.5	-678		
- Non Residential Charging						
- Learning Disability	0.0	-2,569.3	-2,569.3	-147	-147 The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report	Demographic pressures & savings will need to be addressed in the MTFP
- Older People	0.0	-11,627.0	-11,627.0	+661	+661 The forecast under-recovery of client contributions towards non-residential care services is linked to the current underspend being forecast on other older people community based services highlighted in this report	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability / Mental Health	0.0	-1,459.5	-1,459.5	-185	-185	The forecast over-recovery of client contributions towards non-residential care services suggests the average unit income is greater than budgeted and is offsetting the under-recovery of client income linked to the current underspend being forecast on other physical disability and mental health community based services highlighted in this report
Total Non Residential Charging Income	0.0	-15,655.8	-15,655.8	+329		
- Nursing & Residential Care						
- Learning Disability	76,795.1	-6,219.8	70,575.3	+990	+1,552	Independent Sector: forecast +1,239 weeks above affordable level of 39,993 weeks
					-108	Leading to an increase in client contributions
					+209	Independent Sector: forecast average unit cost +£5.23 above affordable level of £1,247.27
					-147	Independent Sector: forecast average unit client contribution -£3.68 above affordable level of -£83.43
					-995	Preserved Rights Independent Sector: forecast -1,073 weeks below affordable level of 27,124 weeks
					+105	Leading to a shortfall in client contributions
					+392	Preserved Rights Independent Sector: forecast average unit cost +£14.47 above affordable level of £913.28
					-105	Preserved Rights Independent Sector: forecast average unit client contribution -£3.87 above affordable level of -£94.37
					+87	Other minor variances
						Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Mental Health	7,380.2	-768.4	6,611.8	+533	+570 Independent Sector: forecast +934 weeks above affordable level of 9,895 weeks +46 Independent Sector: forecast average unit cost +£4.66 above affordable level of £605.75 -83 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People - Nursing	48,603.9	-24,365.0	24,238.9	+91	+544 Independent Sector: forecast +1,128 weeks above affordable level of 83,300 weeks -198 Leading to an increase in client contributions +2 Independent Sector: forecast average unit cost +£0.03 above affordable level of £481.80 -302 Independent Sector: forecast average unit client contribution -£3.63 above affordable level of -£172.12 +45 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People - Residential	82,192.3	-32,741.2	49,451.1	+1,148	+766 Independent Sector: forecast +1,901 weeks above affordable level of 146,064 weeks -319 Leading to an increase in client contributions +329 Independent Sector: forecast average unit cost +£2.25 above affordable level of £400.60 -32 Independent Sector: forecast average unit client contribution -£0.22 above affordable level of -£167.74 +289 Under-recovery of client contributions for in-house residential care services +115 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability	12,718.9	-1,752.0	10,966.9	+255	+410 Independent Sector: forecast +481 weeks above affordable level of 12,933 weeks -227 Independent Sector: forecast average unit cost -£17.57 below affordable level of £868.96 +72 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
Total Nursing & Residential Care	227,690.4	-65,846.4	161,844.0	+3,017		
- Supported Accommodation						
- Learning Disability	32,672.7	-1,425.0	31,247.7	+560	+469 Independent Sector: forecast +46,782 hours above affordable level of 3,149,888 hours +504 Independent Sector: forecast average unit cost +£0.16 above affordable level of £9.87 -210 unrealised creditors raised in 12-13 -142 Underspend following the closure of the Bridge Resource Centre. This underspend partially offsets the pressure on in-house day care services (see below) -61 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP
- Older People	4,540.1	-4,350.0	190.1	+47		
- Physical Disability / Mental Health	3,430.9	-248.9	3,182.0	-199	-180 Physical Disability Independent Sector: forecast -23,351 hours below affordable level of 238,011 hours +295 Physical Disability Independent Sector: forecast +£1.24 above affordable level of £6.46 -167 Mental Health Independent Sector: forecast -15,742 hours below affordable level of 151,107 hours -77 Mental Health Independent Sector: forecast -£0.51 below affordable level of £11.09 -70 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Total Supported Accommodation	40,643.7	-6,023.9	34,619.8	+408			
- Other Services for Adults & Older People							
- Contributions to Vol Orgs	17,868.5	-4,244.0	13,624.5	+72			
- Community Support Services for Mental Health	1,265.3	-34.3	1,231.0	-74			
- Day Care							
- Learning Disability	12,715.1	-174.1	12,541.0	+263	+174	Unachievable savings target on in-house day care services following the day services review. The underspend following the closure of the Bridge (see LD Supported Accommodation above) is helping to offset this pressure.	
					+89	Other minor variances	
- Older People	2,455.5	-63.1	2,392.4	-34			
- Physical Disability	1,040.0	-4.7	1,035.3	+188	+188	Current demand for services provided by both the independent sector and the resource centre	
Total Day Care	16,210.6	-241.9	15,968.7	+417			
- Other Adult Services	4,117.4	-15,623.0	-11,505.6	-2,088	-2,084	This budget line holds both transformation savings and some of the investment NHS support for care monies, including those required to fund additional winter pressures. Plans are being further developed and implemented with the NHS to ensure that health outcomes are being met from the investments, At this early stage of the financial year pressures are being shown against their respective budgets and the compensating funding stream is being reflected here. As the year progresses this situation will be realigned.	
					-4	Other minor variances	

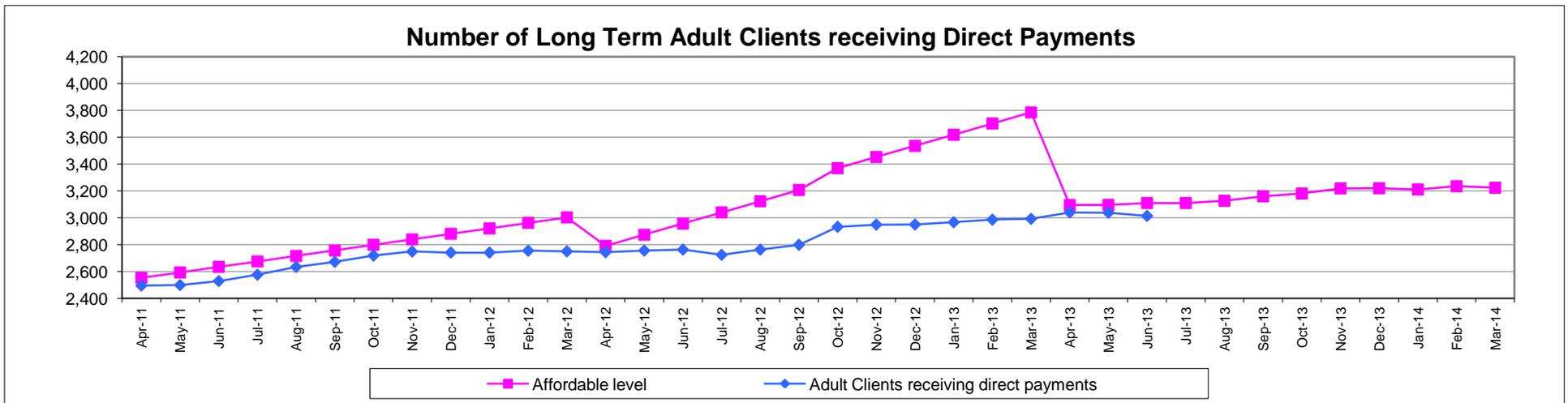
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Safeguarding	1,107.2	-261.6	845.6	-51		
Total Other Services for A&OP	40,569.0	-20,404.8	20,164.2	-1,724		
<u>Assessment Services</u>						
- Adult Social Care Staffing	42,326.4	-3,862.0	38,464.4	-847	-409 Net effect of delays in the recruitment to known vacancies within the older people and physical disability assessment teams and usage of locum/agency staff. -497 Delays in the recruitment to known vacancies within the Mental Health assessment teams and the usage of locum/agency staff. This is partly due to recent staffing reviews along with general difficulties in recruiting to speciality mental health practitioners +59 Other minor variances	
Total ASC&PH portfolio	449,613.3	-114,965.9	334,647.4	-56		
Assumed Mgmt Action						
- ASC&PH portfolio						
Total Forecast <u>after</u> mgmt action	449,613.3	-114,965.9	334,647.4	-56		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Direct Payments - Number of Adult Social Services Clients receiving Direct Payments:

	2011-12			2012-13			2013-14		
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month
Apr	2,553	2,495	137	2,791	2,744	169	3,095	3,040	150
May	2,593	2,499	89	2,874	2,756	147	3,096	3,038	145
Jun	2,635	2,529	90	2,957	2,763	133	3,110	3,014	90
Jul	2,675	2,576	125	3,040	2,724	156	3,110		
Aug	2,716	2,634	141	3,123	2,763	167	3,127		
Sep	2,757	2,672	126	3,207	2,799	147	3,160		
Oct	2,799	2,719	134	3,370	2,933	185	3,181		
Nov	2,839	2,749	122	3,453	2,949	119	3,219		
Dec	2,881	2,741	111	3,536	2,950	109	3,220		
Jan	2,921	2,741	130	3,619	2,967	117	3,211		
Feb	2,962	2,755	137	3,702	2,986	127	3,235		
Mar	3,003	2,750	117	3,785	2,992	105	3,224		
			1,459			1,681			385

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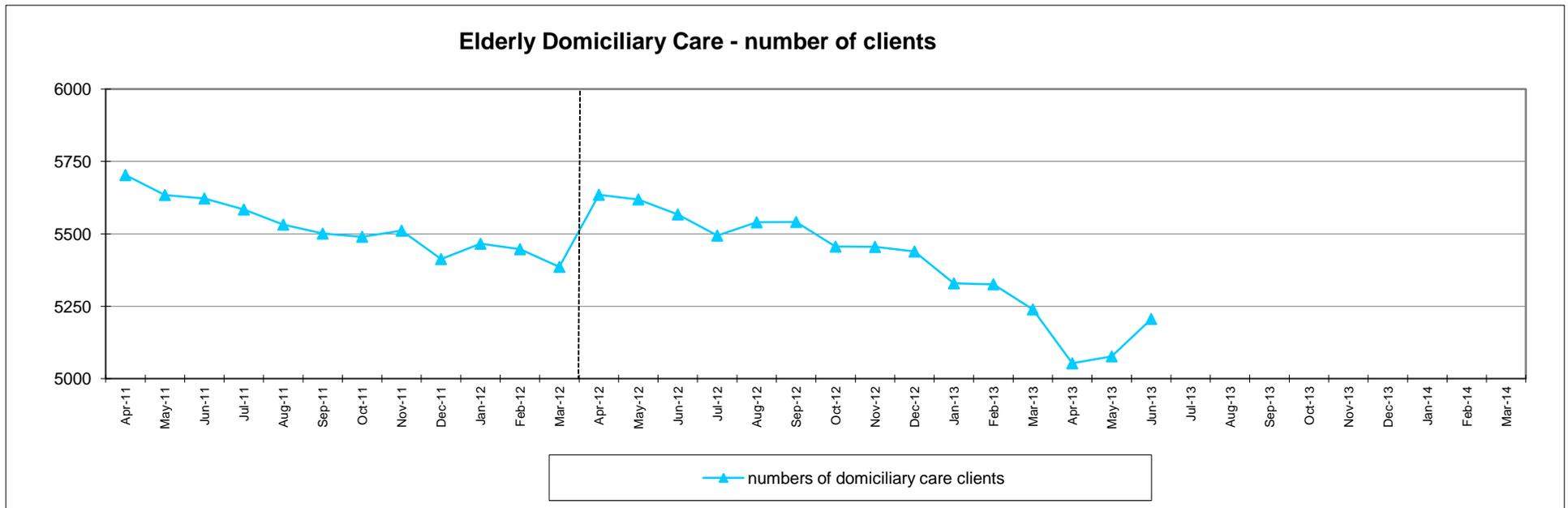


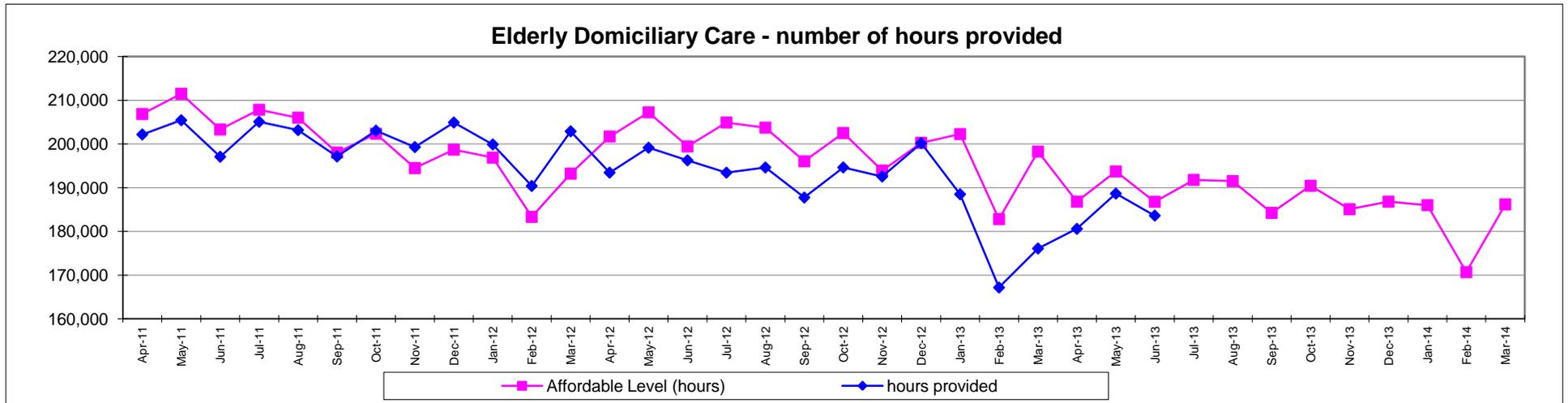
Comments:

- The presentation of activity being reported for direct payments changed in the 2012-13 Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
 - Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- ** Please note the number of one-off payments in June is likely to be understated due to delays in recording payments and will be updated in future reports.

2.2 Elderly domiciliary care – numbers of clients and hours provided in the independent sector

	2011-12			2012-13			2013-14		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr	206,859	202,177	5,703	201,708	193,451	5,635	186,809	180,585	5,053
May	211,484	205,436	5,634	207,244	199,149	5,619	193,717	188,656	5,077
Jun	203,326	197,085	5,622	199,445	196,263	5,567	186,778	183,621	5,206
Jul	207,832	205,077	5,584	204,905	193,446	5,494	191,791		
Aug	206,007	203,173	5,532	203,736	194,628	5,540	191,521		
Sep	198,025	197,127	5,501	196,050	187,749	5,541	184,242		
Oct	202,356	203,055	5,490	202,490	194,640	5,456	190,446		
Nov	194,492	199,297	5,511	193,910	192,555	5,455	185,082		
Dec	198,704	204,915	5,413	200,249	200,178	5,439	186,796		
Jan	196,879	199,897	5,466	202,258	188,501	5,329	186,006		
Feb	183,330	190,394	5,447	182,820	167,163	5,326	170,695		
Mar	193,222	202,889	5,386	198,277	176,091	5,239	186,184		
	2,402,516	2,410,522		2,393,092	2,283,814		2,240,067	552,862	





Comments:

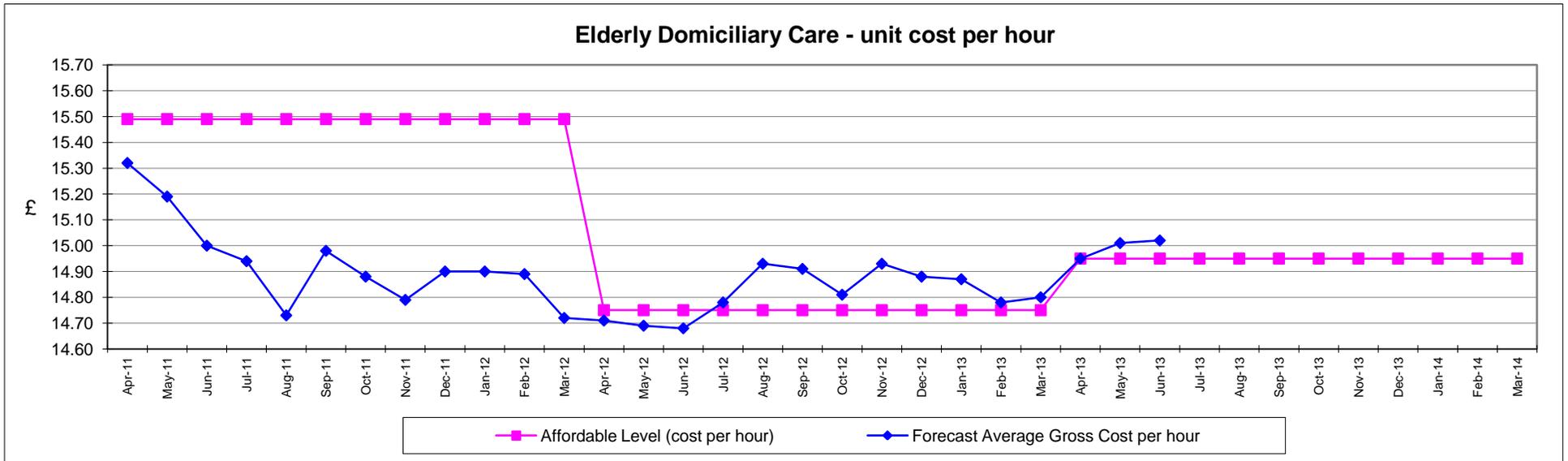
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Please note, from April 2012 there has been a change in the method of counting clients to align with current Department of Health guidance, which states that suspended clients e.g. those who may be in hospital and not receiving a current service should still be counted. This has resulted in an increase in the number of clients being recorded. For comparison purposes, using the new counting methodology, the equivalent number of clients in March 2012 would have been 5,641. **A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.**
- The current forecast is 2,193,889 hours of care against an affordable level of 2,240,067, a difference of -46,178 hours. Using the forecast unit cost of £15.02 this reduction in activity reduces the forecast by -£694k, as shown in table 1b.
- To the end of June 552,863 hours of care have been delivered against an affordable level of 567,303, a difference of -14,440 hours. Current activity suggests that the forecast should be lower on this service. However, although the budgeted level assumes a continual reduction in client numbers in line with previous years activities, the current forecast assumes a slowing of this trend based on current client activity.
- 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 2012-13 was 8.0. For 2013-14, the current forecast average hours per client per week is 8.3.

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

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr	15.49	15.32	14.75	14.71	14.95	14.95
May	15.49	15.19	14.75	14.69	14.95	15.01
Jun	15.49	15.00	14.75	14.68	14.95	15.02
Jul	15.49	14.94	14.75	14.78	14.95	
Aug	15.49	14.73	14.75	14.93	14.95	
Sep	15.49	14.98	14.75	14.91	14.95	
Oct	15.49	14.88	14.75	14.81	14.95	
Nov	15.49	14.79	14.75	14.93	14.95	
Dec	15.49	14.90	14.75	14.88	14.95	
Jan	15.49	14.90	14.75	14.87	14.95	
Feb	15.49	14.89	14.75	14.78	14.95	
Mar	15.49	14.72	14.75	14.80	14.95	

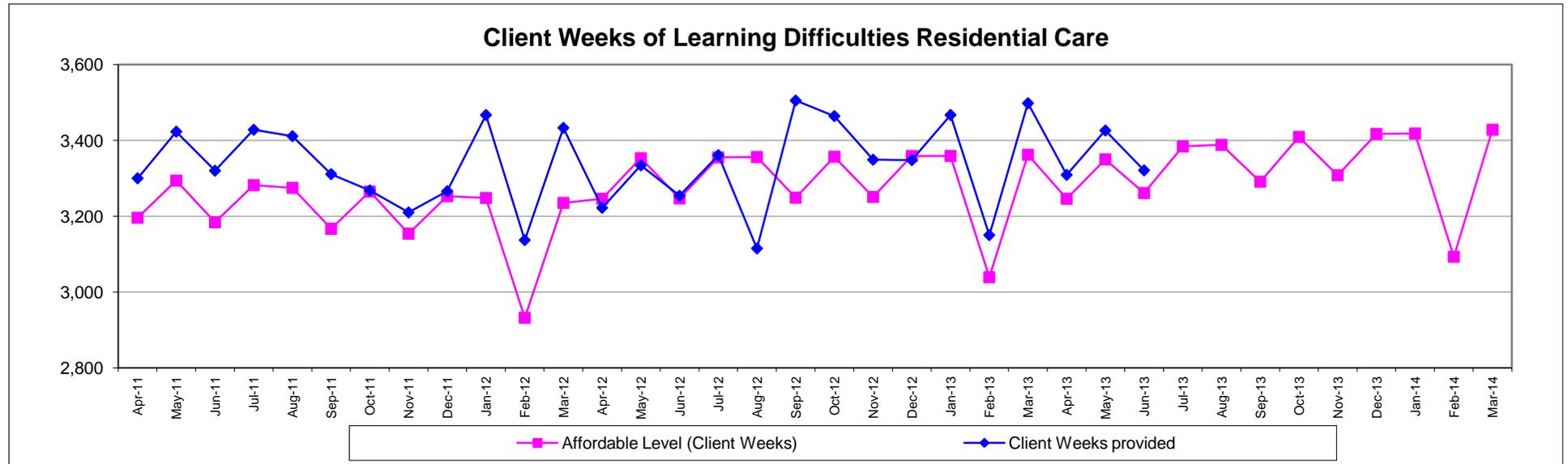
Comments:

- The unit cost has been showing an overall general reducing trend due to current work with providers to achieve savings however, the cost is also dependent on the intensity of the packages required.
- The forecast unit cost of £15.02 is slightly higher than the affordable cost of £14.95 and this difference of +£0.07 increases the forecast by £157k when multiplied by the affordable hours, as shown in table 1b.



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

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	3,196	3,300	3,246	3,222	3,246	3,309
May	3,294	3,423	3,353	3,334	3,350	3,426
Jun	3,184	3,320	3,247	3,254	3,261	3,321
Jul	3,282	3,428	3,355	3,361	3,384	
Aug	3,275	3,411	3,356	3,115	3,388	
Sep	3,167	3,311	3,249	3,505	3,291	
Oct	3,265	3,268	3,357	3,464	3,409	
Nov	3,154	3,210	3,251	3,349	3,308	
Dec	3,253	3,266	3,359	3,348	3,417	
Jan	3,248	3,467	3,359	3,467	3,418	
Feb	2,932	3,137	3,039	3,150	3,093	
Mar	3,235	3,433	3,362	3,498	3,428	
	38,485	39,974	39,533	40,067	39,993	10,056

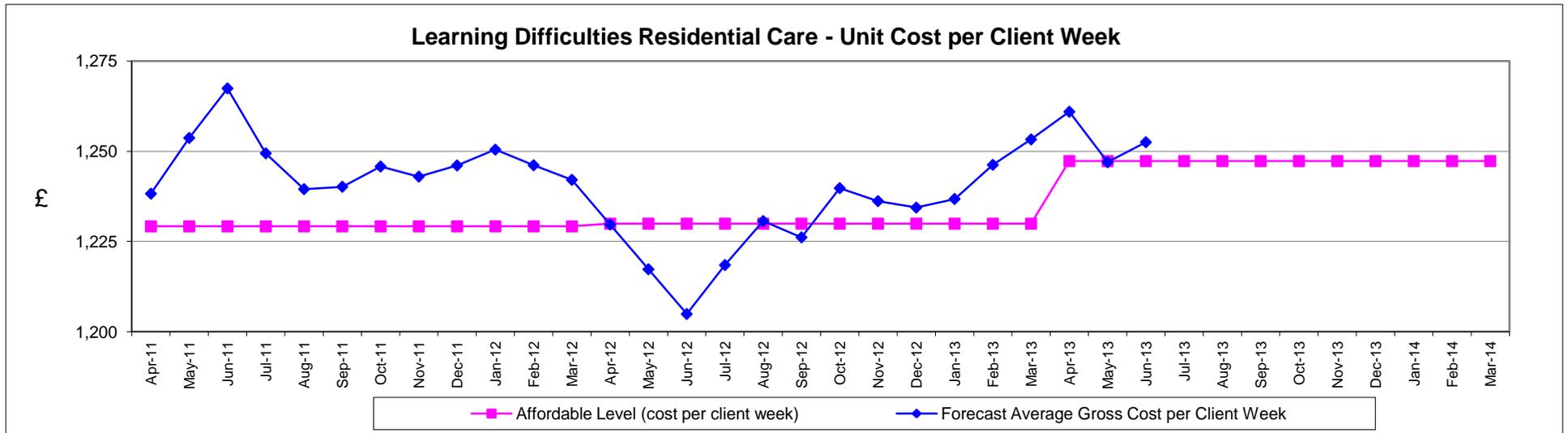


Comments:

- 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 2011-12 was 746, at the end of 2012-13 it was 764 and at the end of June 2013 it was also 764. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and Ordinary Residence.
- The current forecast is 41,232 weeks of care against an affordable level of 39,993, a difference of +1,239 weeks. Using the forecast unit cost of £1,252.50 this additional activity increases the forecast by £1,552k, as shown in table 1b.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of June 10,056 weeks of care have been delivered against an affordable level of 9,857, a difference of +199 weeks. The current year to date activity suggests a lower level of activity than forecast, however, this is mainly due to the recording of non-permanent residential care services on the activity database as it appears the year to date activity is not up to date and is therefore understated. This is currently being investigated and an update will be given in the July monitoring reported to Cabinet in October.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level (non preserved rights clients):

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	1,229.19	1,238.24	1,229.93	1,229.69	1,247.27	1,260.92
May	1,229.19	1,253.68	1,229.93	1,217.30	1,247.27	1,246.97
Jun	1,229.19	1,267.40	1,229.93	1,204.91	1,247.27	1,252.50
Jul	1,229.19	1,249.41	1,229.93	1,218.46	1,247.27	
Aug	1,229.19	1,239.50	1,229.93	1,230.65	1,247.27	
Sep	1,229.19	1,240.17	1,229.93	1,226.14	1,247.27	
Oct	1,229.19	1,245.76	1,229.93	1,239.77	1,247.27	
Nov	1,229.19	1,242.97	1,229.93	1,236.19	1,247.27	
Dec	1,229.19	1,246.05	1,229.93	1,234.39	1,247.27	
Jan	1,229.19	1,250.44	1,229.93	1,236.77	1,247.27	
Feb	1,229.19	1,246.11	1,229.93	1,246.23	1,247.27	
Mar	1,229.19	1,242.08	1,229.93	1,253.27	1,247.27	

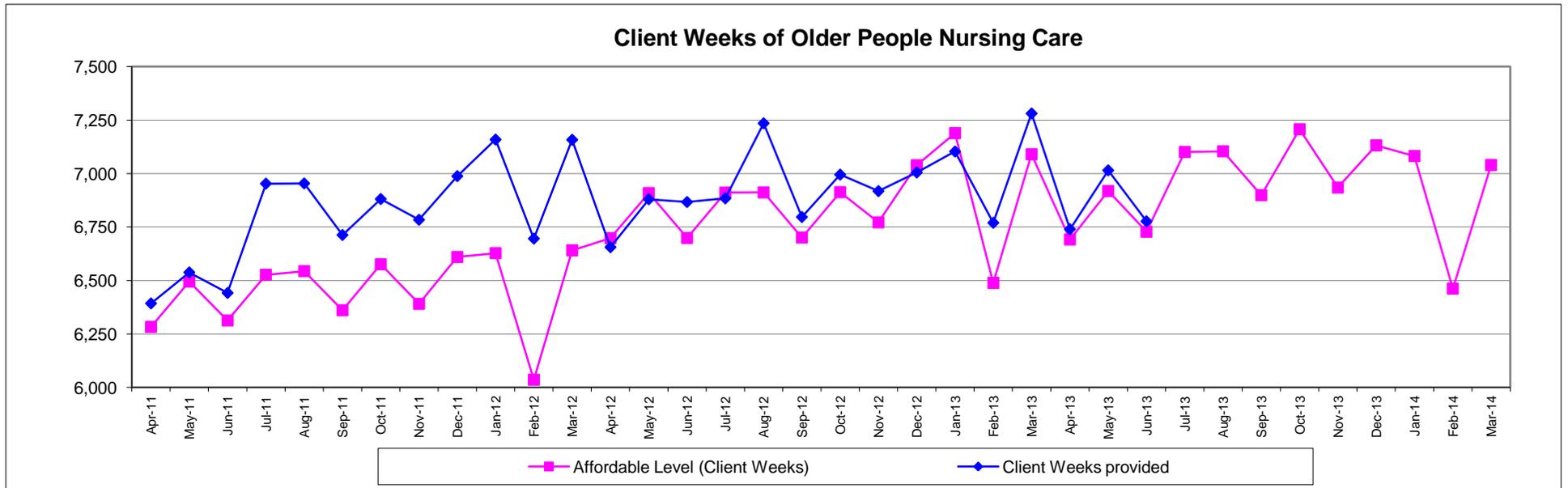


Comments:

- 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 forecast unit cost of £1,252.50 is higher than the affordable cost of £1,247.27 and this difference of +£5.23 adds +£209k to the position when multiplied by the affordable weeks, as shown in table 1b.

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

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,283	6,393	6,698	6,656	6,692	6,740
May	6,495	6,538	6,909	6,880	6,918	7,015
Jun	6,313	6,442	6,699	6,867	6,728	6,777
Jul	6,527	6,953	6,911	6,884	7,101	
Aug	6,544	6,954	6,912	7,235	7,104	
Sep	6,361	6,713	6,701	6,797	6,899	
Oct	6,576	6,881	6,913	6,995	7,207	
Nov	6,391	6,784	6,772	6,918	6,935	
Dec	6,610	6,988	7,039	7,005	7,132	
Jan	6,628	7,159	7,189	7,103	7,082	
Feb	6,036	6,696	6,489	6,770	6,462	
Mar	6,641	7,158	7,090	7,281	7,040	
	77,405	81,659	82,322	83,391	83,300	20,532



Comments:

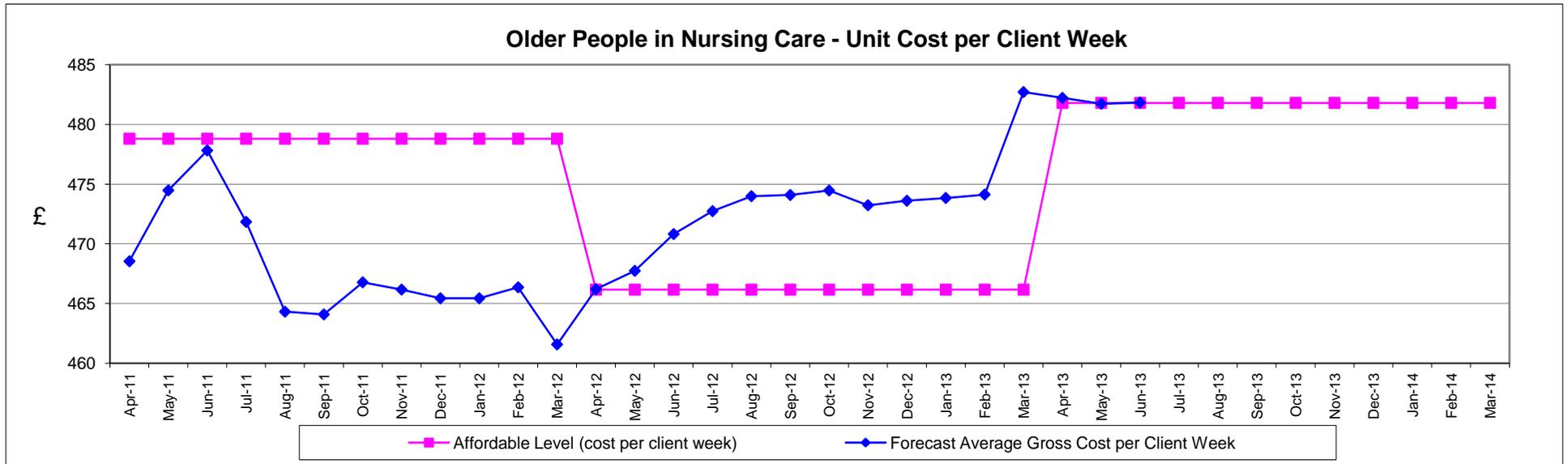
- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2011-12 was 1,479, at the end of 2012-13 it was 1,469 and at the end of June 2013 it was 1,496.
- The current forecast is 84,428 weeks of care against an affordable level of 83,300, a difference of +1,128 weeks. Using the actual unit cost of £481.83, this increased activity adds +£544k on the forecast, as shown in table 1b.
- To the end of June 20,532 weeks of care have been delivered against an affordable level of 20,338, a difference of +194 weeks. The current year to date activity suggests a lower level of activity than forecast, however, this is mainly due to the recording of non-permanent residential care services on the activity database as it appears the year to date activity is not up to date and is therefore understated. This is currently being investigated and an update will be given in the July monitoring reported to Cabinet in October.

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

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Forecast Average Gross Cost per Client Week
	£p	£p	£p	£p	£p	£p
Apr	478.80	468.54	466.16	466.20	481.80	482.22
May	478.80	474.48	466.16	467.74	481.80	481.73
Jun	478.80	477.82	466.16	470.82	481.80	481.83
Jul	478.80	471.84	466.16	472.74	481.80	
Aug	478.80	464.32	466.16	473.99	481.80	
Sep	478.80	464.09	466.16	474.09	481.80	
Oct	478.80	466.78	466.16	474.47	481.80	
Nov	478.80	466.17	466.16	473.23	481.80	
Dec	478.80	465.44	466.16	473.61	481.80	
Jan	478.80	465.44	466.16	473.84	481.80	
Feb	478.80	466.36	466.16	474.13	481.80	
Mar	478.80	461.58	466.16	482.71	481.80	

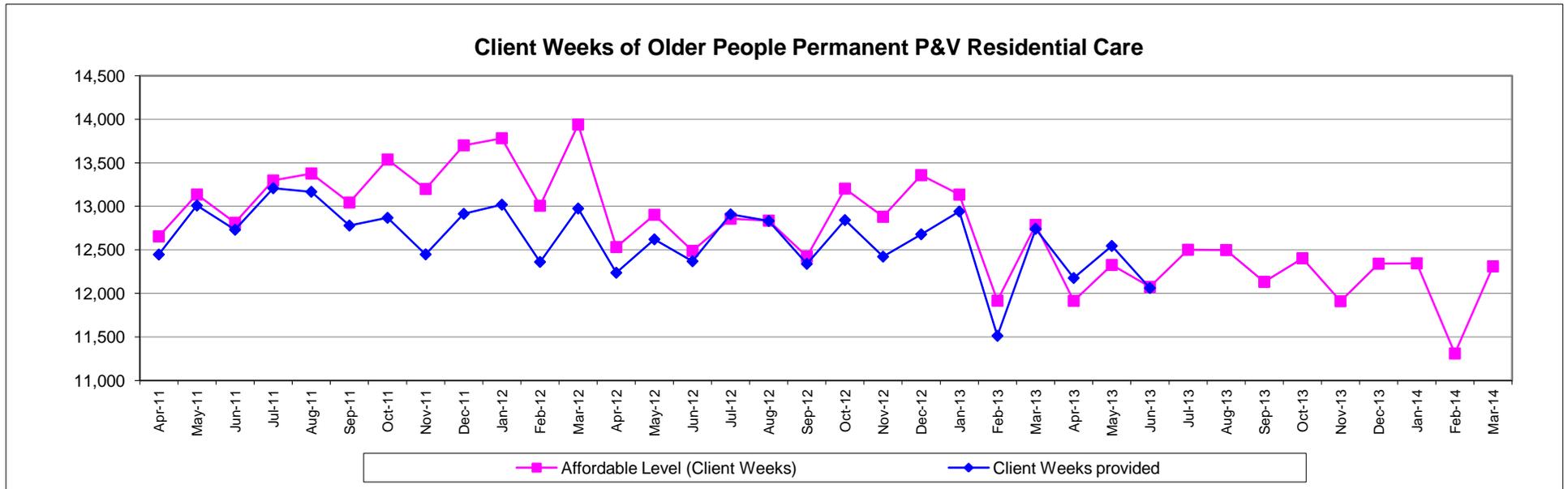
Comments:

- 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 and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of £481.83 is slightly higher than the affordable cost of £481.80 and this difference of +£0.03 adds £2k to the position when multiplied by the affordable weeks, as shown in table 1b.



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

	2011-12		2012-13		2013-14	
	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,655	12,446	12,532	12,237	11,914	12,176
May	13,136	13,009	12,903	12,621	12,326	12,545
Jun	12,811	12,731	12,489	12,369	12,074	12,061
Jul	13,297	13,208	12,858	12,908	12,501	
Aug	13,377	13,167	12,836	12,832	12,498	
Sep	13,044	12,779	12,424	12,339	12,132	
Oct	13,538	12,868	13,203	12,842	12,403	
Nov	13,200	12,448	12,880	12,422	11,910	
Dec	13,700	12,914	13,358	12,679	12,341	
Jan	13,782	13,019	13,135	12,941	12,345	
Feb	13,007	12,361	11,916	11,512	11,310	
Mar	13,940	12,975	12,786	12,741	12,310	
	159,487	153,925	153,320	150,443	146,064	36,782



Comments:

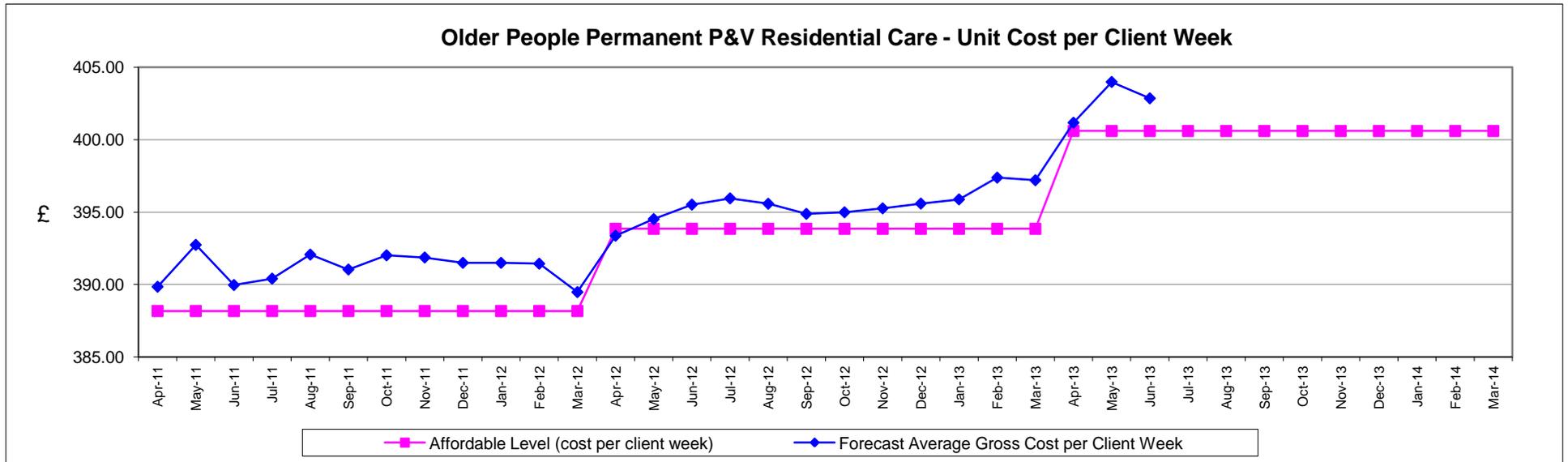
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2011-12 was 2,736, at the end of 2012-13 it was 2,653 and at the end of June 2013 it was 2,687. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 147,965 weeks of care against an affordable level of 146,064, a difference of +1,901 weeks. Using the forecast unit cost of £402.85 this increased activity adds £766k to the forecast, as shown in table 1b.
- To the end of June 36,782 weeks of care have been delivered against an affordable level of 36,314 a difference of -468 weeks. The forecast number of weeks reflects an increase in activity expected during the winter months, this is also reflected in the profile of the budgeted level.

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

	2011-12		2012-13		2013-14	
	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr	388.18	389.85	393.85	393.37	400.60	401.17
May	388.18	392.74	393.85	394.52	400.60	403.98
Jun	388.18	389.97	393.85	395.52	400.60	402.85
Jul	388.18	390.41	393.85	395.95	400.60	
Aug	388.18	392.07	393.85	395.58	400.60	
Sep	388.18	391.04	393.85	394.88	400.60	
Oct	388.18	392.02	393.85	394.99	400.60	
Nov	388.18	391.87	393.85	395.26	400.60	
Dec	388.18	391.50	393.85	395.59	400.60	
Jan	388.18	391.50	393.85	395.88	400.60	
Feb	388.18	391.44	393.85	397.38	400.60	
Mar	388.18	389.48	393.85	397.20	400.60	

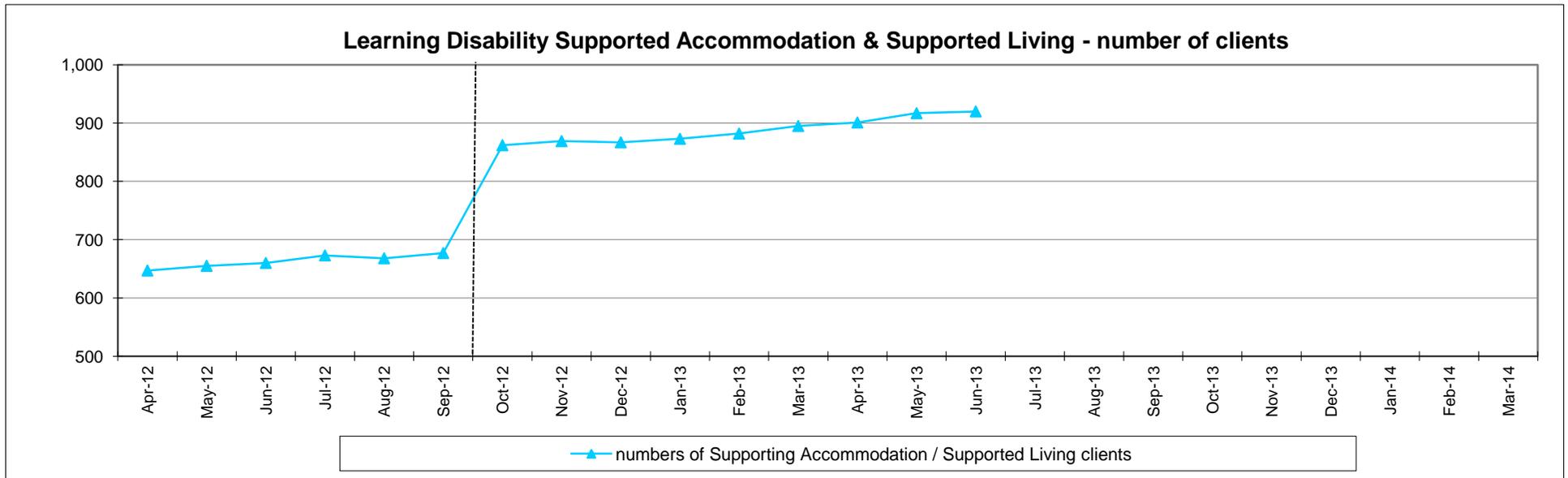
Comments:

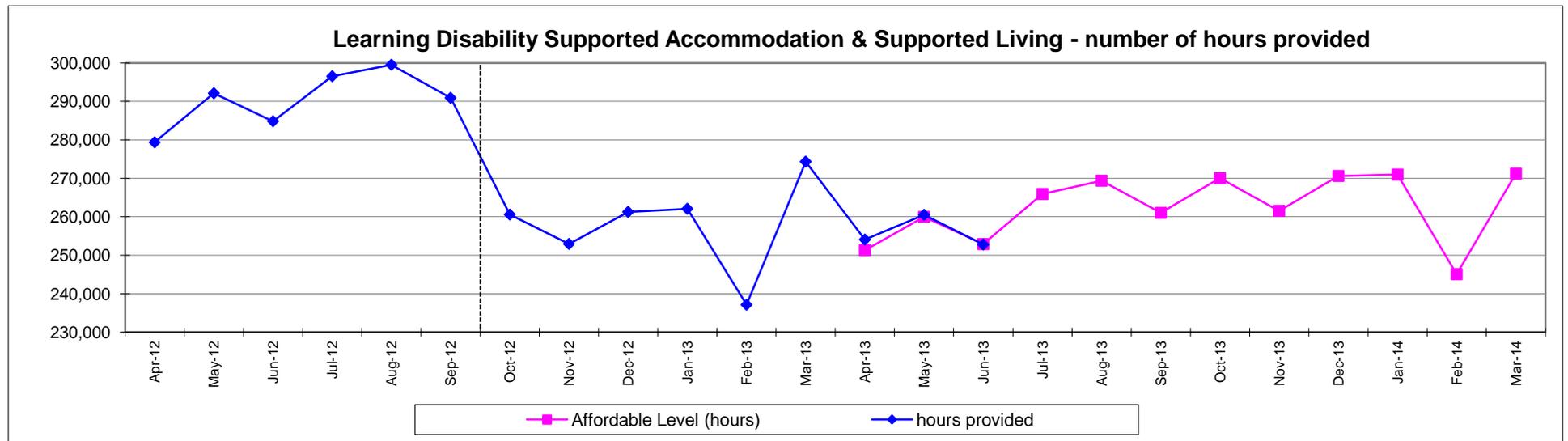
- The forecast unit cost of £402.85 is higher than the affordable cost of £400.60 and this difference of +£2.25 adds +£329k to the position when multiplied by the affordable weeks, as shown in table 1b. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above.



2.10 Learning Disability Supported Accommodation/Supported Living – numbers of clients and hours provided in the independent sector

	2012-13			2013-14		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr		279,365	647	251,296	254,067	901
May		292,122	655	259,973	260,503	917
Jun		284,835	660	252,902	252,761	920
Jul		296,532	673	265,914		
Aug		299,521	668	269,394		
Sep		290,914	677	261,013		
Oct		260,574	862	270,019		
Nov		252,932	869	261,522		
Dec		261,257	867	270,596		
Jan		262,070	873	270,974		
Feb		237,118	882	245,074		
Mar		274,334	895	271,211		
	0	3,291,574		3,149,888	767,331	





Comments:

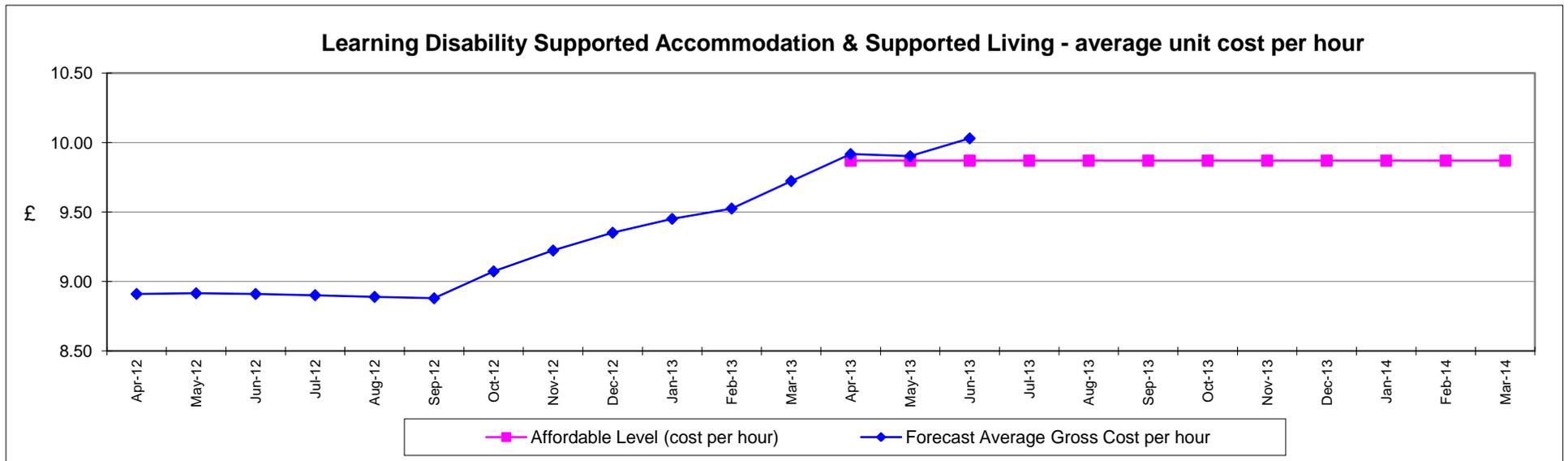
- This indicator has changed from 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level of support required by individual clients can vary from a few hours a week to 24 hours a day therefore to better reflect the activity related to this indicator, the service is now recorded in hours rather than weeks. In addition, the details of the number of clients in receipt of these services will be given on a monthly basis.
- The Supporting Independence Service Contract was introduced in October 2012-13 and involved the transfer of specific clients previously in receipt of services categorised as domiciliary care, extra care sheltered housing and supported accommodation to this new contract. As part of this transfer, some clients chose to receive a direct payment instead. The result of this transfer was an overall net increase in the total number of clients categorised as receiving a supported accommodation/living support service however the average number of hours provided per client reduced. **A dotted line has been added to the graphs above to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- The current forecast is 3,196,670 hours of care against an affordable level of 3,149,888, a difference of +46,782 hours. Using the forecast unit cost of £10.03 this increase in activity increases the forecast by +£469k, as shown in table 1b.
- To the end of June 767,331 hours of care have been delivered against an affordable level of 764,171, a difference of +3,160 hours. The forecast number of weeks reflects an increase in activity expected in future months that is also reflected in the profile of the budgeted level. However, the current year to date activity still suggests a lower level of activity than forecast, which is mainly due to a delay in the recording of transitional and provisional clients on the activity database.

2.11 Average gross cost per hour of Supported Accommodation/Supported Living service compared with affordable level:

	2012-13		2013-14	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr		8.91	9.87	9.92
May		8.92	9.87	9.90
Jun		8.91	9.87	10.03
Jul		8.90	9.87	
Aug		8.89	9.87	
Sep		8.88	9.87	
Oct		9.07	9.87	
Nov		9.22	9.87	
Dec		9.35	9.87	
Jan		9.45	9.87	
Feb		9.53	9.87	
Mar		9.72	9.87	

Comments:

- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an 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.
- The forecast unit cost of £10.03 is higher than the affordable cost of £9.87 and this difference of +£0.16 increases the forecast by +£504k when multiplied by the affordable hours, as shown in table 1b.



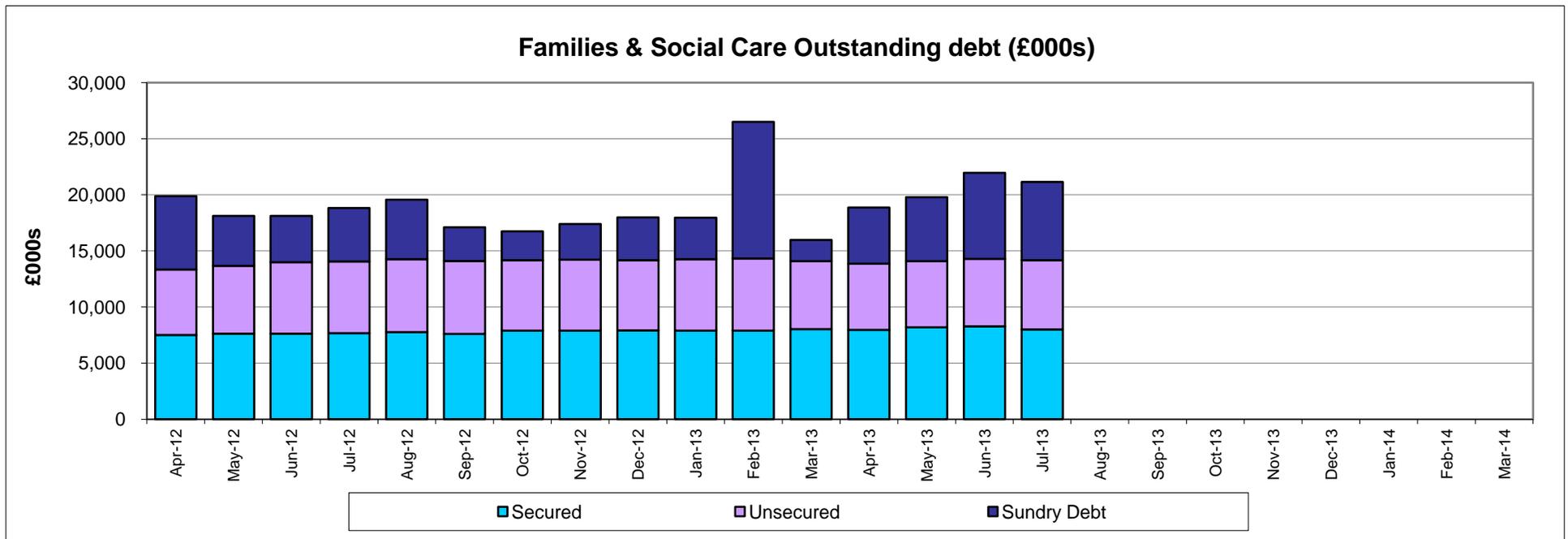
2.12 SOCIAL CARE DEBT MONITORING

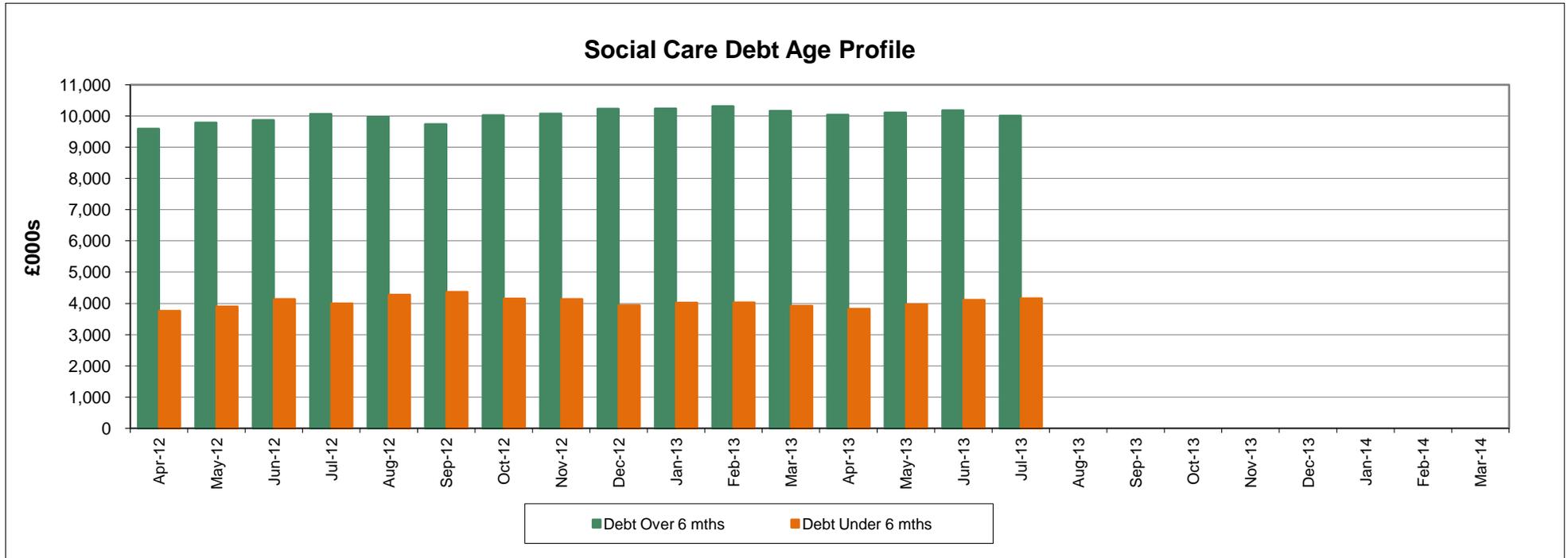
The outstanding debt as at the end of July was £21.146m compared with March's figure of £15.986m (reported to Cabinet in July) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £6.978m of sundry debt compared to £1.895m in March. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.168m relating to Social Care (client) debt which is a small increase of £0.077m from the last reported position to Cabinet in July. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Social Care Debt						
	Total Due Debt (Social Care & Sundry) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-12	19,875	6,530	13,345	9,588	3,757	7,509	5,836
May-12	18,128	4,445	13,683	9,782	3,901	7,615	6,068
Jun-12	18,132	4,133	13,999	9,865	4,134	7,615	6,384
Jul-12	18,816	4,750	14,066	10,066	4,000	7,674	6,392
Aug-12	19,574	5,321	14,253	9,977	4,276	7,762	6,491
Sep-12	17,101	3,002	14,099	9,738	4,361	7,593	6,506
Oct-12	16,747	2,574	14,173	10,020	4,153	7,893	6,280
Nov-12	17,399	3,193	14,206	10,069	4,137	7,896	6,310
Dec-12	17,996	3,829	14,167	10,226	3,941	7,914	6,253
Jan-13	17,965	3,711	14,254	10,237	4,017	7,885	6,369
Feb-13	26,492	12,153	14,339	10,312	4,027	7,903	6,436
Mar-13	15,986	1,895	14,091	10,165	3,926	8,025	6,066
Apr-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153
Aug-13							
Sep-13							
Oct-13							

	Social Care Debt						
	Total Due Debt (Social Care & Sundry £000s)	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
	Nov-13						
Dec-13							
Jan-14							
Feb-14							
Mar-14							

In addition the previously reported secured and unsecured debt figures for April 2012 to July 2012 were amended slightly between the 2012-13 Quarter 1 and Quarter 2 reports following a reassessment of some old debts between secured and unsecured.





3. CAPITAL

3.1 The Families and Social Care Directorate - Adult Services has a working budget for 2013-14 of £12,359k. The forecast outturn against the 2013-14 budget is £12,180k giving a variance of - £179k.

3.2 **Table 2** below details the FSC Adult Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Asset Modernisation	0	373	0	0			Green		
Home Support Fund	6,600	2,474	0	0			Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Community Care Centre - Ebbsfleet	544	0	0	0			Green		
Community Care Centre - Thameside Eastern Quarry	500	0	0	0			Green		
OP Strategy - Transformation / Modernisation	7,800	762	0	0			Green		
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	3,318	2,609	0	0			Green		
Learning Disability Good Day Programme-Community Initiatives	2,430	2,477	0	0			Green		
Rusthall	0	45	-45	-45	Rephasing		Green		
Mental Health Strategy	264	264	-134	-134	Rephasing		Amber - delayed	Various smaller schemes less than £100k rephased to 14-15	

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	66,800	0	0	0			Green		
Developing Innovative and Modernising Services:									
Lowfield St (formerly Trinity Centre, Dartford)	1,073	450	0	0			Green		
Information Technology Projects e.g. Swift Development / Mobile Working	2,477	2,178	0	0			Green		
Public Access Development	1,052	727	0	0			Green		
Total	92,858	12,359	-179	-179					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+150,523	+2,418	-	+2,418

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Environment, Highways and Waste portfolio							
Strategic Management & Directorate Support budgets	4,869.9	-21.0	4,848.9	-283	-233	Saving on contractor annual management charge	
					-50	Other minor variances	
<u>Community Services:</u>							
- Gypsies & Travellers	714.0	-430.0	284.0	-29			
<u>Environment:</u>							
- Environment Management	3,878.9	-1,526.0	2,352.9	-1			
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,299.9	0.0	3,299.9	+376	+222	Costs of April salting runs	
					+147	Balance of 12/13 costs including snow emergency costs for which insufficient provision was made	
					+7	Other minor variances	
- Bridges & Other Structures	2,588.1	-182.0	2,406.1	0			
- General maintenance & emergency response	13,616.0	-487.0	13,129.0	+3,759	+3,830	Find and fix repair of pot holes	
					-112	Underspend on depot maintenance	
					+41	Other minor variances	
- Highway drainage	3,265.8	0.0	3,265.8	0			
- Streetlight maintenance	3,895.3	-154.0	3,741.3	0			
	26,665.1	-823.0	25,842.1	+4,135			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Highways Management:						
- Development Planning	2,110.9	-1,310.0	800.9	-53		
- Highways Improvements	1,875.3	-82.0	1,793.3	-446	-200 Temporary staff no longer required for Member Highway Fund as the backlog has been cleared -168 An historic budget for a revenue contribution to capital remains but there is no requirement within the capital programme for 2013-14 for this funding. -78 Other minor variances	
- Road Safety	3,257.6	-2,234.0	1,023.6	+44		
- Streetlight energy	4,795.0	0.0	4,795.0	0		
- Traffic management	5,874.2	-3,421.1	2,453.1	-88		
- Tree maintenance, grass cutting & weed control	3,252.8	0.0	3,252.8	+260	+180 Additional weed control treatment required following complaints from District Councils in particular concerning weeds causing a trip hazard +180 Additional expenditure in respect of bus route clearance -192 Savings on the transfer of the contract to a new contractor +80 Removal of tree stumps +12 Other minor variances	Part of this saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
	21,165.8	-7,047.1	14,118.7	-283		
<u>Planning & Transport Strategy:</u>						
- Planning & Transport Policy	1,392.9	0.0	1,392.9	-3		
- Planning Applications	1,079.9	-600.0	479.9	+27		
	2,472.8	-600.0	1,872.8	+24		
<u>Transport Services:</u>						
- Concessionary Fares	16,672.0	-27.0	16,645.0	-385	-385 Fewer replacement bus passes expected to be issued in 2013-14 than budgeted	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Freedom Pass	14,843.0	-2,459.0	12,384.0	+70	+70	Higher than budgeted number of journeys travelled using the Freedom Pass (as illustrated in the activity section 2.3 below)	There is an underlying pressure on this budget which will need to be addressed in the 2014-17 MTFP as the £800k funding provided from the 2012-13 roll forward is one-off and there will also be the impact of the change in education transport policy on the next cohort of students transferring to the secondary sector.
- Subsidised Bus Routes	9,035.1	-1,454.0	7,581.1	-435	-517	Funding awarded for price rises has proved to be in excess of what is required and contracts re-tendered in year have generally not increased	This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-133	Staff vacancies	
					+218	Reduced income from ELS due to fewer entitled scholars using the subsidised bus routes	
					-3	Other minor variances	
- Transport Operations	1,127.4	-214.5	912.9	+32			
- Transport Planning	484.6	-228.0	256.6	-19			
	42,162.1	-4,382.5	37,779.6	-737			
<u>Waste Management</u>							Impact of the current Waste forecast on the 2014-17 MTFP:
- Waste Operations	1,864.0	0.0	1,864.0	-28			Until the Joint Waste Projects have been operating for a while it is difficult to predict with any certainty the impact of these on the 2014-17 MTFP. A view will be taken at the time of setting the budget based on the most up to date data available.
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,241.0	-1,982.0	6,259.0	-262	-244	Forecast lower volumes of materials managed at sites resulting in reduced haulage fees	
					+205	Management and contract fees for Richborough site expected to be closed for 2013/14 but remains open	
					-106	Reduced recycling bonus payments due to reduced waste volumes at HWRCs	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					-146	Additional income from the sale of metal as prices remain stable and high
					+29	Other minor variances
- Partnership & Waste Co-ordination	504.0	-168.0	336.0	-22		
- Payments to Waste Collection Authorities (DCs)	6,068.0	-102.0	5,966.0	-250	-153	Reduced tipping away payments (which are determined by distance travelled) to Waste Collection Authorities due to new arrangements to manage waste closer to where it is collected
					-109	Reduced recycling credit payments to Waste Collection Authorities
					+12	Other minor variances
- Recycling Contracts & Composting	9,030.0	-1,571.0	7,459.0	+1,063	+520	Price increases for hardcore due to changes in legislation
					-318	Forecast reduction of 15,500 tonnes in hardcore, wood, garden waste and other materials offset by an increase in food waste
					+471	Under recovery of sales income from the East Kent Contract due to changes in market prices
					+184	East Kent Contract: Forecast reduction of 4,100 tonnes of saleable material, (together with an increase of 6,400 tonnes of co-mingled materials due to changes in collected services, at zero cost)
					+176	Income expected to be generated from the new Mid Kent Contract has not materialised
					+30	Other minor variances
	23,843.0	-3,823.0	20,020.0	+529		

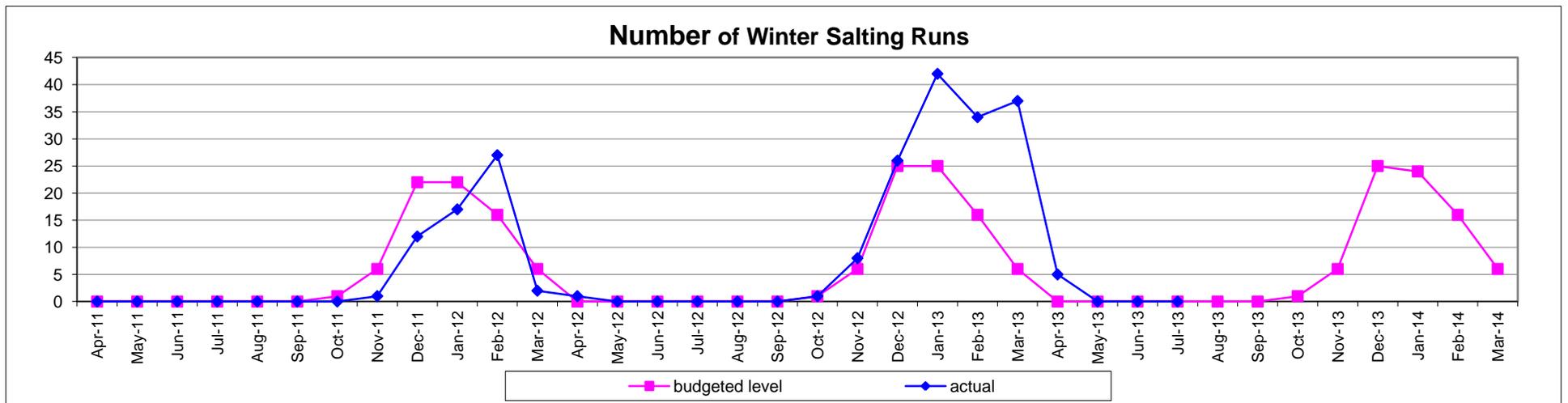
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
- Waste Disposal:						
- Closed Landfill Sites & Abandoned Vehicles	864.0	-180.0	684.0	-152	-115 Net saving on the termination of the Operation Cubit contract -37 Other minor variances	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
- Disposal Contracts	28,836.0	-156.0	28,680.0	+1,097	-283 Forecast reduced tonnage of residual waste to be managed (-17,700 tonnes) +1,899 Forecast increase of tonnage throughput at the Allington Waste to Energy Facility (resulting in reduction sent to Landfill) (+21,000 tonnes) -403 Decrease in waste disposed of through the Shelford contract as waste from Canterbury City Council is being processed at the Allington Facility -117 Saving on managing hazardous and clinical waste +1 Other minor variances	
- Haulage & Transfer Stations	9,579.0	-75.0	9,504.0	+933	+345 Delays in the closure of the Hawkinge transfer station -197 Reduced expenditure at the Ashford transfer station due to the delays in the closure of the Hawkinge site -119 Forecast reduced tonnage managed at sites +148 New arrangements at Allington transfer station to enable the receipt of food and dry recyclable waste +547 East Kent Contract Haulage fee budget set only for January to March but payments are being incurred for the whole financial year	

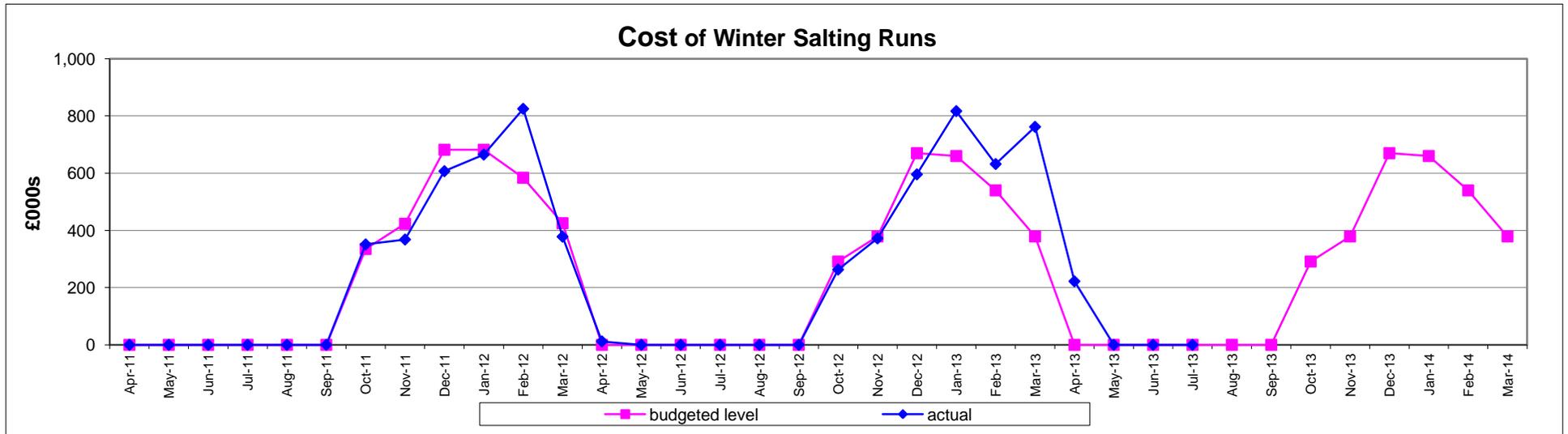
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
					+285	Extra contract payments for managing waste in Thanet and Canterbury under the East Kent Contract as the new service is being rolled out
					-76	Other minor variances
- Landfill Tax	7,571.0	0.0	7,571.0	-2,787	-2,787	Forecast reduction in the volume of waste sent to landfill due to an overall reduction in waste (-17,700 tonnes) and an increased diversion of waste to be processed at the Allington Waste to Energy Facility (-21,000 tonnes)
	46,850.0	-411.0	46,439.0	-909		
- Commercial Services	0.0	-4,899.0	-4,899.0			
Total E,H & W portfolio	174,485.6	-23,962.6	150,523.0	+2,418		
Regeneration & Enterprise portfolio						
Development Staff & Projects	656.6	-656.6	0.0	0		
Total E&E controllable	175,142.2	-24,619.2	150,523.0	+2,418		
Assumed Mgmt Action						
- EHW portfolio						
- R&E portfolio						
Total Forecast <u>after</u> mgmt action	175,142.2	-24,619.2	150,523.0	+2,418		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	2011-12				2012-13				2013-14			
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	-	-	-	-	1	-	12	-	5	-	222
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	-	335	351	1	1	291	263	1	-	291	-
Nov	6	1	423	368	6	8	379	372	6	-	379	-
Dec	22	12	682	607	25	26	670	596	25	-	670	-
Jan	22	17	682	665	25	42	660	817	24	-	660	-
Feb	16	27	584	825	16	34	540	632	16	-	540	-
Mar	6	2	425	378	6	37	379	762	6	-	379	-
	73	59	3,131	3,194	79	149	2,919	3,454	78	5	2,919	222



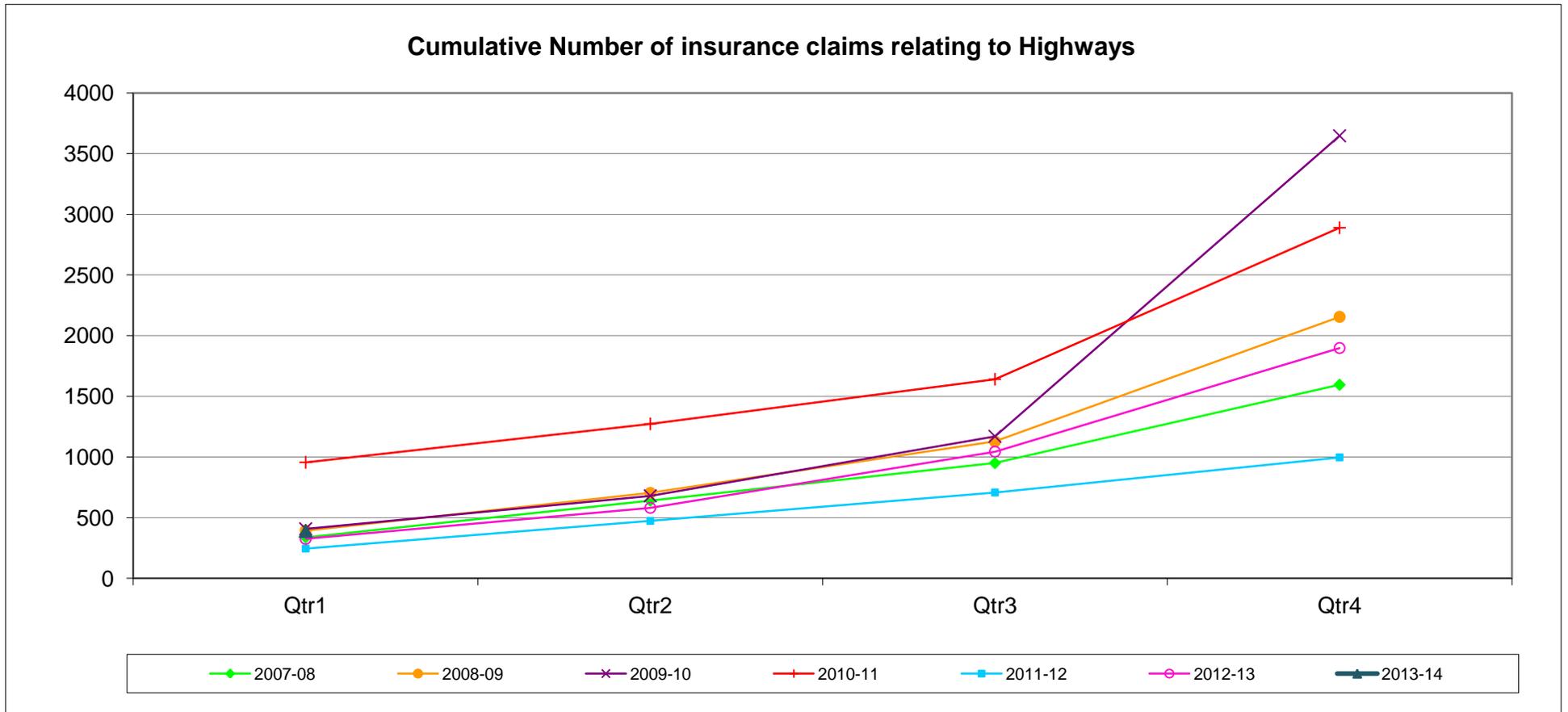


Comments:

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of this financial year, resulting in a forecast pressure against the adverse weather budget of £0.222m, as shown above and in table 1.
- 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 2012-13 included the full year efficiency savings, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 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 were incurred as part of the new Winter Policy introduced 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, despite the number of salting runs being below the budgeted level.
- The actual number of salting runs in 2012-13 was above the budgeted levels, however, the budgeted cost of salting runs was calculated using the worst case scenario in terms of the rate of spread of salt. As the actual spread of salt was at a lower rate than assumed, this resulted in the costs of salting runs not being as high as the number of salting runs may suggest. Overall there was a net overspend of £1.669m on the adverse weather budget in 2012-13, which was due to an overspend of £0.535m on winter salting runs (as shown in the table above) and an overspend of £1.134m of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	Cumulative no. of claims						
Apr to Jun	337	393	408	956	245	325	391
Jul to Sep	640	704	680	1,273	473	581	
Oct to Dec	950	1,128	1,170	1,641	708	1,044	
Jan to Mar	1,595	2,155	3,647	2,889	997	1,898	

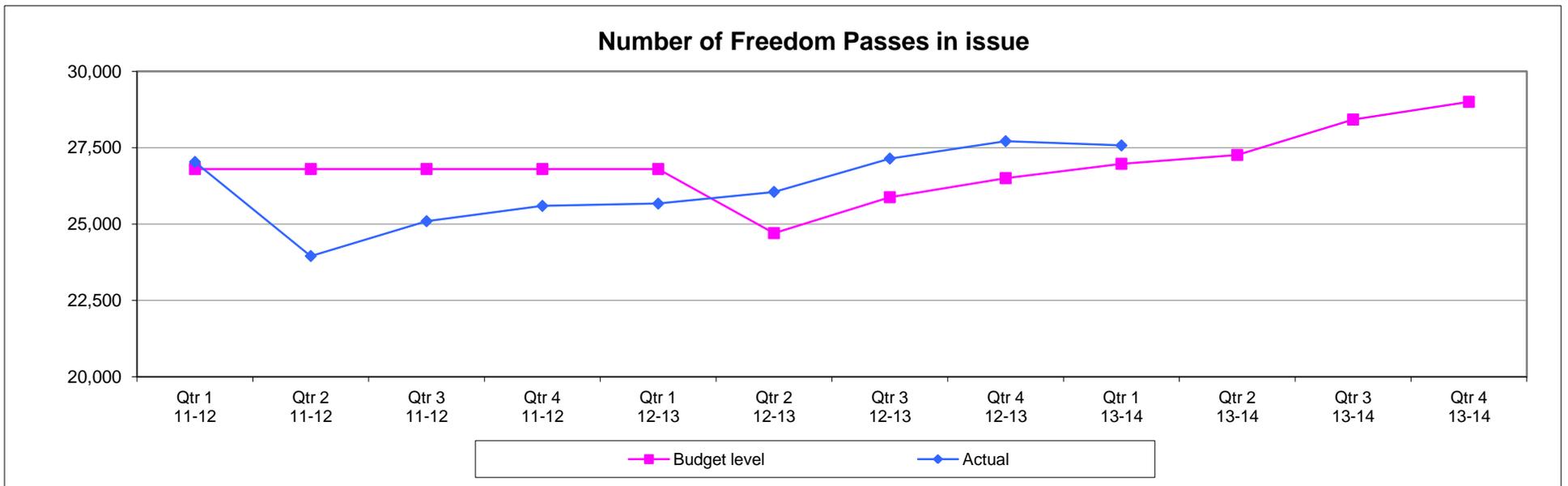


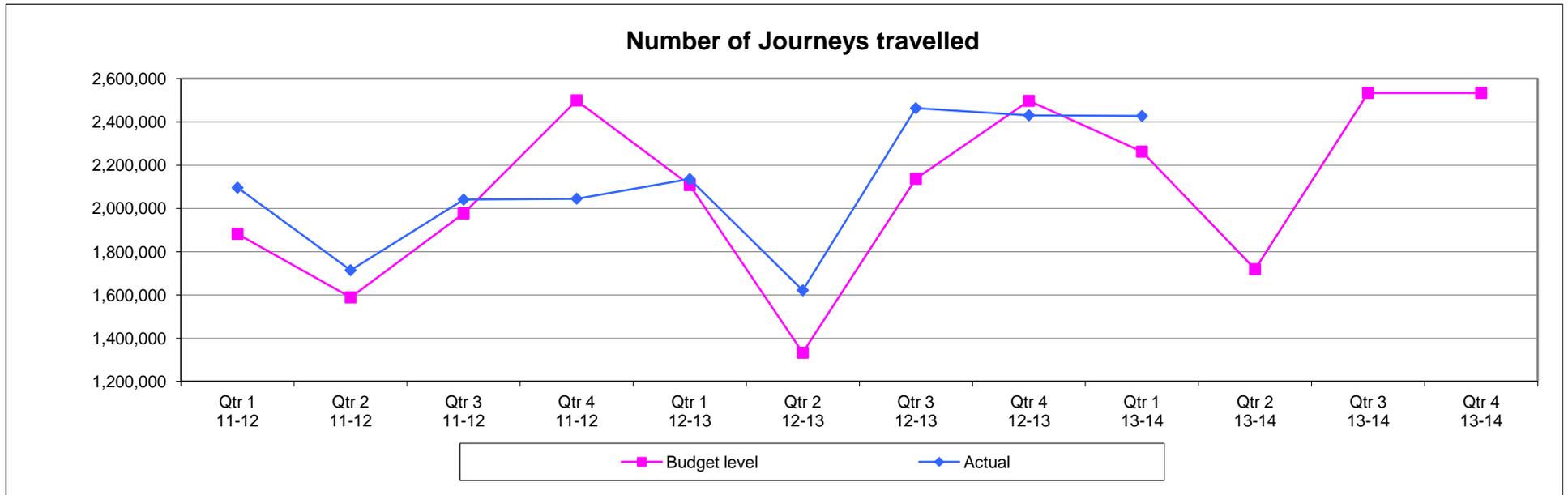
Comments:

- Numbers of claims will continually change as new claims are received relating to incidents 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 30th June 2013.
- Claims were high in each of the years 2008-09 to 2010-11 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.
- Claims were lower in 2011-12 which could have been due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. However, claim numbers increased again in 2012-13, which was likely to be due to the prolonged hard winter and the consequent damage to the highway, but claim numbers did not increase to the levels experienced during 2008-09 to 2010-11, probably due to the continuation of the find and fix programmes of repair. It is likely that claim numbers for both 2011-12 and 2012-13 will increase as new claims are received relating to incidents occurring during these two years, as explained above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2013-14 claims where it is considered that we do not have any liability, of about 85%.

2.3 Freedom Pass

	2011-12				2012-13				2013-14			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)
Qtr 1	26,800	27,031	1,882	2,096	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,428
Qtr 2	26,800	23,952	1,589	1,714	24,703	26,051	1,333	1,621	27,260		1,719	
Qtr 3	26,800	25,092	1,977	2,041	25,877	27,141	2,137	2,464	28,420		2,534	
Qtr 4	26,800	25,593	2,499	2,045	26,500	27,711	2,498	2,431	29,000		2,534	
			7,947	7,896			8,076	8,652			9,050	2,428





Comments:

- As predicted the number of Kent Freedom Passes was lower in the first quarter of 2012-13 compared to the same quarter in 2011-12 probably due to the fee increase. Applications have steadily increased since Q1 2012-13, due in part to changes in education transport policy, and the continued popularity of the scheme resulting in a pressure on this budget in 2012-13, hence Cabinet, at the 15 July 2013 meeting, agreed to allocate £0.8m of rolled forward 2012-13 underspending to support this budget in 2013-14.
- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so may be subject to change
- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

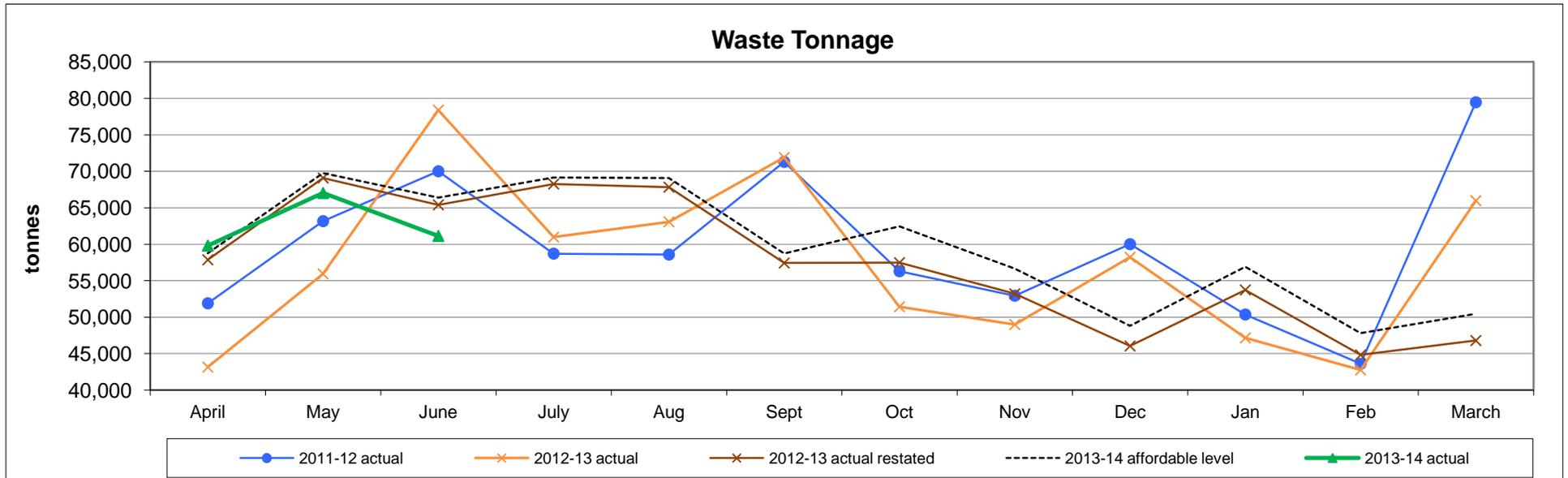
2.4 Waste Tonnage

	2011-12	2012-13	# 2012-13 restated	2013-14	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	51,901	43,150	57,863	58,775	59,816
May	63,168	55,931	69,093	69,765	67,024
Jun	70,006	78,391	65,401	66,407	61,144
Jul	58,711	60,977	68,261	69,141	
Aug	58,581	63,070	67,825	69,067	
Sep	71,296	71,894	57,428	58,745	
Oct	56,296	51,423	57,476	62,465	
Nov	52,942	48,992	53,201	56,638	
Dec	60,009	58,221	46,052	48,812	
Jan	50,366	47,153	53,730	56,898	
Feb	43,607	42,767	44,823	47,816	
Mar	79,468	65,976	46,792	50,471	
	716,351	687,945	687,945	715,000	187,984

^ Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. From April 2013, due to changes in managing waste contracts, all service providers have transferred on to a calendar month basis and this is reflected in the monthly affordable levels for 2013-14, hence why the line on the graph representing the affordable level for 2013-14 reflects a different profile to the actuals/affordable level for previous years.

The 2012-13 actual waste tonnage data has been restated on a calendar month basis to ease comparison with 2013-14.

* 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.
- To date, the cumulative tonnage activity for the first three months of the year is approximately 7,000 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in table 1 of this annex.
- Overall waste volumes are currently 2% lower for quarter 1 when compared with the same period for last year (based on the restated 2012-13 figures). Waste volumes at Household Waste Recycling Centres continue to show a reduction in waste volumes as a result of implementing new operating policies at these sites.
- Based on the actual waste tonnage for quarter 1 of 2013-14 and forecasts for quarters 2 to 4, the overall volume of waste to be managed this financial year is expected to be approximately 684,100 tonnes, which is 30,900 tonnes below the affordable level and equates to a saving of £2.249m. However this saving on waste volumes is offset by other pressures within the service, as detailed in table 1, giving an overall saving against the waste management budget of £0.408m. The risk is that the current forecast underspend could reduce during the year as market prices for recyclable materials fall.

3. CAPITAL

3.1 The Enterprise & Environment Directorate has a working budget for 2013-14 of £76,755k. The forecast outturn against the 2013-14 budget is £67,470k giving a variance of - £9,285k.

3.2 **Table 2** below details the EE Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Commercial Services Vehicles Plant and Equipment	3,900	1,300	0	0			Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	94,872	38,909	-3,400	-3,400	Rephasing	Highways capital funding to be reviewed in detail as part of 2014-17 MTFP process.	Green		
Integrated Transport Schemes under £1m	12,513	5,354	-400	80 -140 -340	Real - External funding Real - developer contributions Rephasing	Westwood improvement was originally included as s106 IT scheme. This scheme is now being partly funded by DfT to deliver a larger scheme. The larger scheme budget now includes all s106 contributions. Some of the s106 schemes are at outline design stage with the likelihood of delivery in 14-15.	Green		Increase cash limit by £80k Reduce cash limit by £140k

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Land compensation and Part 1 claims arising from completed projects	2,834	2,348	0	0			Green		
Major Schemes - Preliminary Design Fees	400	350	0	0			Green		
Members' Highway Fund	6,600	2,472	0	0			Green		
Individual Projects									
Environment and Waste:									
Capital Plant and Equipment	0	0	9	9	Real - Revenue		Green		
Coldharbour Gypsy Site	672	439	449	489	Real - HCA grant	Additional funding has been given for extra 8 pitches and some towards the increased utilities costs.	Amber	Scheme delayed due to significant utility problems during construction period, adverse weather conditions and increased site security.	Increase cash limit by £489k
				60	Real - Ex other				Increase cash limit by £60k
				-100	Real - Ex other	The reduction is for the reduced expectation of external funds.			Decrease cash limit by £100k
Energy and Water Efficiency Investment Fund - External	481	328	-75	-75	Rephasing		Green		
Energy Reduction and Water Efficiency Investment - KCC	241	140	-29	-29	Rephasing		Green		
North Farm Development	3,000	125	475	475	Rephasing	The award of grant and the funding deadline has accelerated the spend on scheme development and detailed design.	Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Sandwich Sea Defences	2,328	656	-203	-203	Rephasing	Contribution profile has been revised.	Green		
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs)									
East Kent Joint Waste Project	1,576	1,593	0	0					
HWRC - Tonbridge and Malling	1,300	0	0	0			Green		
HWRC - West Kent	600						Green		
Mid Kent Joint Waste Project - Invest to Save	4,440	4,440	0	0			Green		
TS/HWRC - Ashford	500	1,715	0	0			Green		
TS/HWRC - Swale	3,530	1,880	0	0			Green		
Kent Highway Services:									
Ashford Ring Road - Major Road Scheme	91	93	0	0			Green		
East Kent Access Phase 2 - Major Road Scheme	3,958	1,317	-608	-608	Rephasing	Rephasing is due to delay in dealing with Part 1 claims due to mobilisation of the new term consultant. Overall on the project there is a forecast underspend of £476k which relates to a review of residual risk contingency.	Green		Decrease cash limit by £476k in 2015-16
Growth without Gridlock initiatives	5,000	2,750	-2,550	-2,550	Rephasing	Delay in the development work for Thanet Parkway and other schemes.	Green		
Cyclopark initiative	0	176	0	0			Green		
Kent Thameside Strategic Transport Programme	11,764	2,243	0	0			Green		

ANNEX 4

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Kent Highway Partnership - Co-location Depots	40	29	19	19	Real -External other		Green		Increase cash limit by £19k
Rushenden Link (Sheppey) - major road scheme	635	490	-388	-388	Rephasing	Delayed progress in dealing with LCA Part 1 claims due to mobilisation of the new term consultant.	Green		
Sittingbourne Northern Relief Road - major road scheme	2,799	814	-100	-100	Rephasing	Delayed progress in dealing with LCA Part 1 claims due to mobilisation of the new term consultant.	Green		
Street Lighting Column - Replacement Scheme	3,750	1,250	0	0			Green		
Street Lighting Timing - Invest to Save	2,906	2,131	0	0			Green		
A228 Leybourne & West Malling Corridor	0	19	-19	-19	Real - External Other		Green		Decrease cash limit by £19k
Ashford's Future Schemes									
A28 Chart Road	7,600	1,800	-1,800	-1,800	Rephasing	Original budget profile assumed on Growing Places funding support and this has not materialised. Project will only proceed if external funding is secured.	Green		
Drovers Roundabout junction	220	370	0	0			Green		
Orchard Way Railway	15,000	0	0	0					

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Victoria Way	239	424	-185	-185	Rephasing	Delayed progress in dealing with LCA Part 1 claims due to mobilisation of the new term consultant.	Green		
Westwood Relief Strategy-Poorhole Lane	0	800	-480	-480	Rephasing	Rephasing to reflect revised profiling of project.	Green		
Total	193,789	76,755	-9,285	-9,285					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

CUSTOMER & COMMUNITIES DIRECTORATE SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+75,987	-140	-	-140

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Customer & Communities portfolio							
Strategic Management & Directorate Support budgets	3,112.8	-978.0	2,134.8	-48			
<u>Support to Frontline Services:</u>							
- Communication & Consultation	3,033.7	-11.0	3,022.7	+1			
<u>Other Services for Adults & Older People</u>							
- Social Fund (Kent Support & Assistance Service - KSAS)	3,469.0	-3,469.0	0.0	-592	-592	Lower than anticipated demand for awards in the first quarter for this new pilot scheme. In accordance with Key Decision 12/01939, funding for KSAS is to be ring fenced for two years (2013-14 & 2014-15), therefore committed roll forward will be requested for any underspend at year end.	
- Supporting People	24,856.5	0.0	24,856.5	0			
	28,325.5	-3,469.0	24,856.5	-592			
<u>Children's Services:</u>							
- Youth Service	8,611.0	-2,365.8	6,245.2	+95			
- Youth Offending Service	5,491.8	-2,496.7	2,995.1	+11			
	14,102.8	-4,862.5	9,240.3	+106			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Community Services:							
- Arts Development (incl Turner Contemporary)	2,123.8	0.0	2,123.8	-56			
- Community Learning Services	15,125.4	-15,354.7	-229.3	0			
- Community Safety	659.2	-284.9	374.3	0			
- Community Wardens	2,652.4	0.0	2,652.4	-11			
- Contact Centre & Citizen's Advice Help Line	3,560.2	-1,116.1	2,444.1	+556	+573	The integration of new services into the Contact Centre was due to deliver savings of £573k in 2013-14. This has been re-phased to align with the replacement of the Web Platform and the implementation of the Customer Service Strategy and is now expected to be delivered in 2014-15. Offsetting savings within the directorate are currently being identified in an attempt to mitigate the impact of this in the current year.	This saving is already reflected within the base budget for 2014-15.
					-17	Other minor variances	
- Gateways	2,257.3	-355.2	1,902.1	+12			
- Libraries, Registration & Archives Services (LRA)	19,114.2	-5,216.5	13,897.7	+28	+61	Scoping costs for replacement of a number of LRA computer systems, which may result in a capital programme bid if a viable project solution is found.	
					-32	Staff vacancies	
					-29	Refund in respect of return of leased equipment	
					+28	Other minor variances	
- Local Healthwatch & Complaints Advocacy	1,340.6	-766.0	574.6	0			
- Other Community Services	5,319.1	-5,319.1	0.0	0			
- Sports Development	2,256.0	-1,467.7	788.3	-3			

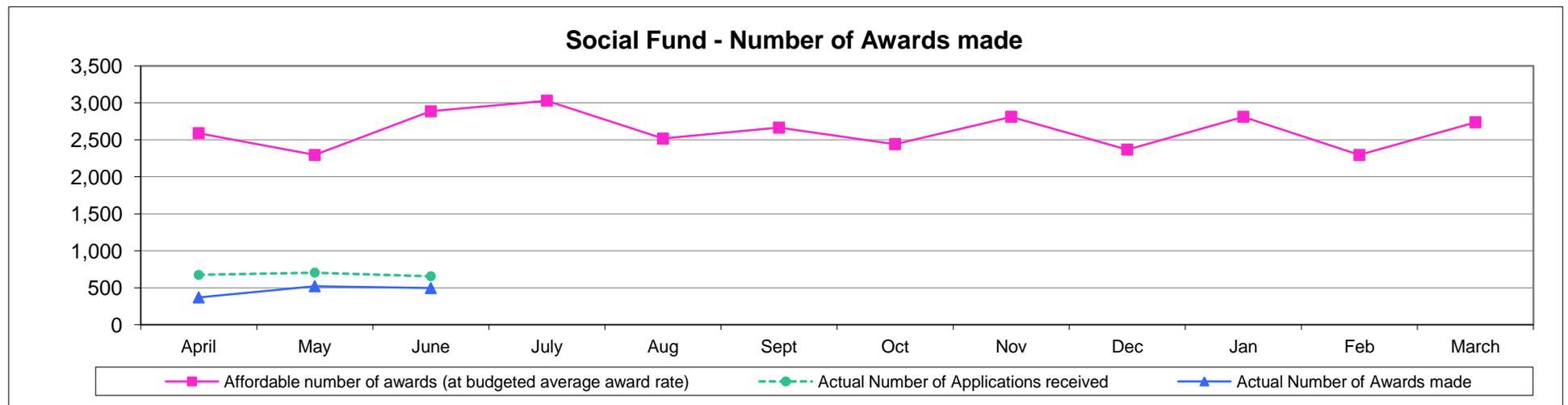
Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Supporting Employment	1,085.9	-335.0	750.9	+15			
	55,494.1	-30,215.2	25,278.9	+541			
<u>Environment:</u>							
- Country Parks	1,493.8	-990.7	503.1	-27			
- Countryside Access (incl PROW)	2,772.9	-1,116.7	1,656.2	-41			
	4,266.7	-2,107.4	2,159.3	-68			
<u>Local Democracy:</u>							
- Community Engagement	720.3	0.0	720.3	+11			
- Local Scheme & Member Grants	1,240.0	0.0	1,240.0	0			
	1,960.3	0.0	1,960.3	+11			
<u>Public Health:</u>							
- Drug & Alcohol Services	19,027.3	-17,775.5	1,251.8	0			
- <i>Tfr to(+)/from(-) Public Health reserve</i>				0			
- Drug & Alcohol Services base funded variance				0			
<u>Regulatory Services:</u>							
- Coroners	2,807.3	-475.0	2,332.3	+26			
- Emergency Planning	778.5	-169.0	609.5	-24			
- Trading Standards (incl Kent Scientific Services)	3,926.8	-785.8	3,141.0	-93	-128	Staffing vacancies	
					+35	Other minor variances	
	7,512.6	-1,429.8	6,082.8	-91			
Total C&C portfolio	136,835.8	-60,848.4	75,987.4	-140			
Assumed Mgmt Action							
- C&C portfolio							
Total Forecast <u>after</u> mgmt action	136,835.8	-60,848.4	75,987.4	-140			

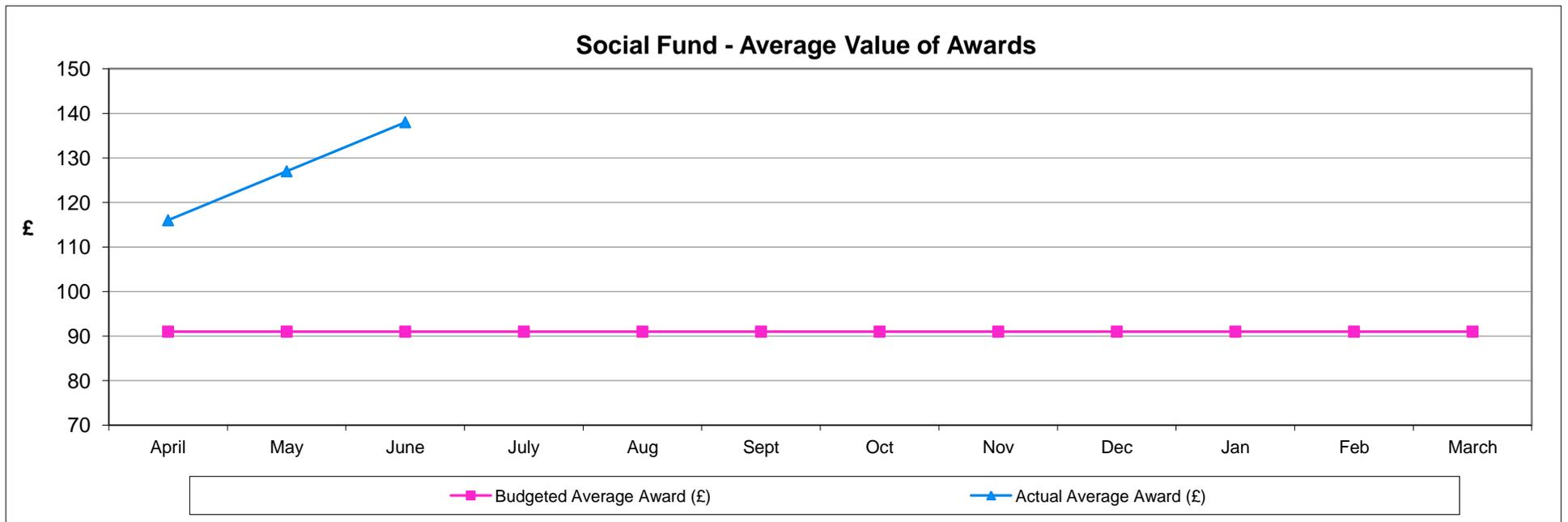
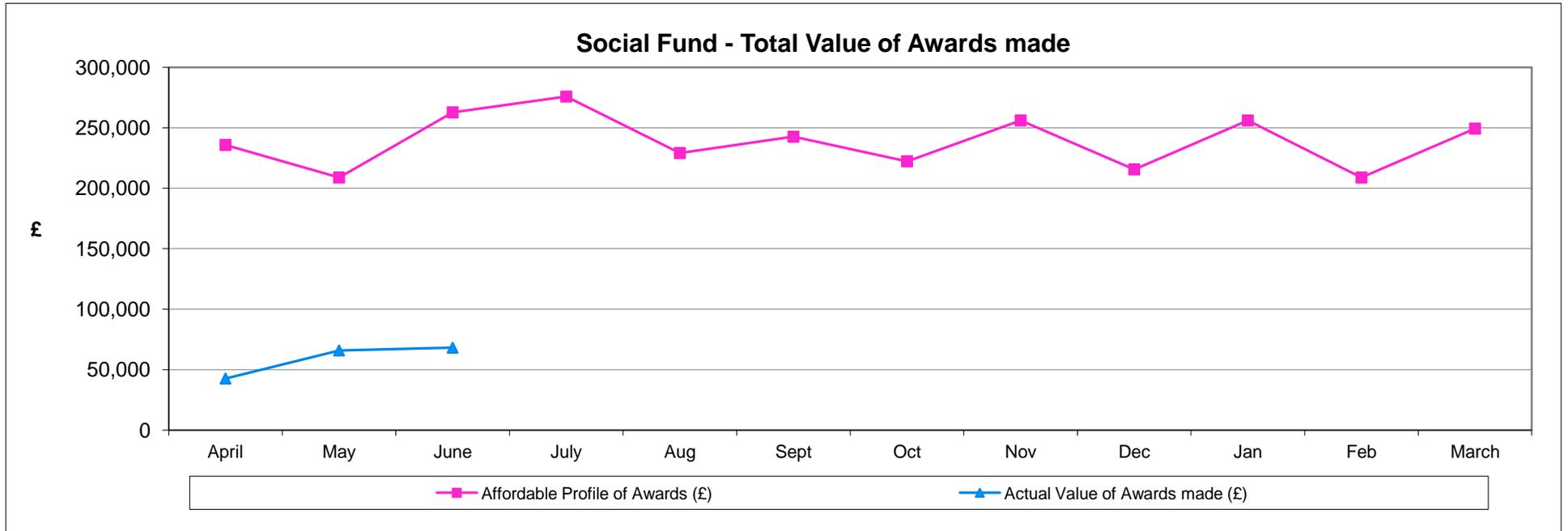
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Value of Social Fund awards made

	(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
	Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Actual Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
Apr	2,591	673	368	235,800	42,620	91	116
May	2,296	704	520	208,900	65,907	91	127
Jun	2,887	655	494	262,700	68,201	91	138
Jul	3,031			275,800		91	
Aug	2,518			229,100		91	
Sep	2,666			242,600		91	
Oct	2,443			222,300		91	
Nov	2,813			256,000		91	
Dec	2,369			215,600		91	
Jan	2,813			256,000		91	
Feb	2,296			208,900		91	
Mar	2,739			249,300		91	
	31,462	2,032	1,382	2,863,000	176,728	1,092	381

* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this new pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the new pilot scheme (as demand is unknown), but represents the maximum affordable level should sufficient applications be received which meet the criteria. If the pilot scheme continues, there will be a history of awards in 2013-14 that will form the basis of the affordable levels/ profile for next year which will provide a more meaningful basis to monitor against in future.





Comments:

- This is a pilot scheme that commenced in Kent on 1 April 2013 and differs from the Social Fund scheme, previously administered by DWP, in that cash awards are not given. This scheme offers 4 types of award including food & clothing, white goods, energy vouchers and furniture & equipment and more importantly signposts the individual, whether an award is given or not, to the appropriate service so that they can receive ongoing support. This is an emergency fund to help support the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- The first graph above represents the number of awards made against (i) the number of applications received and (ii) the affordable number of awards as calculated using the budgeted average award rate (which, as previously stated, does not represent the anticipated demand for the new scheme, but the maximum number of awards that could be afforded at the budgeted average rate). The number of applications received is higher than the number of awards made, which predominately reflects that applications for cash awards are being received in line with the old DWP scheme, but this type of award is not offered as part of this pilot scheme. Initially there were also a number of inappropriate referrals being made whereby the applicant did not qualify. There is an admin cost involved in assessing the applications received, irrespective of whether they result in an award being made. The budget for this service, as shown in table 1 is £3.469m, with £0.606m being the cost of administering the scheme and £2.863m available to award where appropriate (column d in the table above).
The maximum funding available and hence the affordable number of awards is predicated on demand for the old Social Fund scheme where a significant proportion of demand was for cash awards and these are not offered as part of the new scheme. Given the uncertainty about both future levels of demand and government funding, there is a need to ring-fence this funding for the period of the pilot scheme (2013-15) to provide some stability to the service.
- The second graph represents the value of awards made against the maximum profiled funding available.
- The number and value of awards made is significantly lower than the affordable level and reflects the initial take up of this new scheme being low in comparison to the old scheme (which is what the funding, and affordable level, is based upon). The value of awards made is expected to increase as the scheme matures, communication increases about what the new scheme provides and as a result of the potential impact of changes to welfare reform in the autumn. However, if applicants are successfully signposted to alternative appropriate services to receive sustained support, and an award is not made, then this will be beneficial to the applicant and would result in an underspend against this scheme, which is still a positive outcome for the pilot.
- The third graph shows the budgeted average award compared to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this pilot would be for food & clothing and therefore the budgeted average award was set with this in mind. Whilst this has transpired and 48% of the number of awards has been for food & clothing, there has been a significant number of awards for furniture & equipment which has a higher award value, given the nature of the goods. The number of awards for furniture & equipment (incl white goods) accounts for 24% of the number of awards but 66% of the value of awards. Therefore, the actual average award is higher than budgeted due to the apportionment of the award types being different to what was anticipated. The data collected in the current year will inform the allocation of funds to each type of award in future years, should the scheme continue and will provide a meaningful comparison.

3. CAPITAL

3.1 The Customer & Communities Directorate has a working budget for 2013-14 of £6,975k. The forecast outturn against the 2013-14 budget is £7,120k giving a variance of + £145k.

3.2 **Table 2** below details the C&C Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Country Parks Access and Development	0	176	17	17	Real Variance - External funding HLF		Green		£17k increase to cash limit
Library Modernisation Programme - adaptations and improvements to existing facilities	1,380	996	0	0			Green		
Management and Modernisation of Assets - Vehicles	380	164	135	135	Real variance - Revenue reserve	Purchase of Equipment for Kent Scientific Services - reserve held. Cash limit will be changed once the final costs are known.	Green		
Public Rights of Way - Structural Improvements	2,449	930	-2	-2	Real Variance - grant		Green		£2k decrease to cash limit
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Small Community Projects - Capital Grants	1,500	500	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Village Halls and Community Centres - Capital Grants	600	321	0	0			Green		
Individual Projects									
Community Learning and Skills Service Re-provision	457	482	0	0			Green		
Gateways - Continued Rollout of Programme	2,192	661	57	57	Real - prudential from underspend on Cobtree		Green		£57k increase to cash limit
Libraries Invest to Save	0	5	0	0			Green		
New Community Facilities at Edenbridge	0	69	0	0			Green		
Tunbridge Wells Library	0	288	0	0			Green		
Web Platform	0	266	0	0			Green		
Gravesend Library	0	5	-5	-5	Real - prudential		Green		
Ashford Gateway Plus	0	1	0	0			Green		
Grant to Cobtree	0	57	-57	-57	Real - prudential to transfer to Gateways to replenish budget		Green		£57k decrease to cash limit
Kent Library and History Centre	0	188	0	0			Green		
Ramsgate Library - Insurance Betterment	0	0	0	0			Green		
Youth Reconfiguration	0	83	0	0			Green		
Cheesemans Green Library, Ashford	350	0	0	0			Green		
Replacement and Enhancement of Core Website	455	355	0	0			Green		

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Dartford and Gravesham NHS Trust Capital	0	128	0	0			Green		
Winter Gardens Rendezvous Site - Prelim Works	100	100	0	0			Green		
Integrated Youth Service - Youth Hub Reprovision	1,100	1,100	0	0			Green		
Total	11,263	6,975	145	145					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY
PUBLIC HEALTH SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
	Total (£k)	+384	-809	+450	-359

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Adult Social Care & Public Health portfolio							
<u>Public Health:</u>							
- Public Health Management & Support	441.3	-57.0	384.3	-359	-359	Underspend against KCC budget as costs are reflected against the grant in the service lines below, mainly Public Health Staffing & Related Costs	
- Children's Public Health	6,496.4	-6,496.4	0.0	0			
- Drug & Alcohol Services	662.7	-662.7	0.0	0			
- Healthy Weight	2,476.8	-2,476.8	0.0	0			
- NHS Health Check	2,321.8	-2,321.8	0.0	0			
- Other Public Health Services	6,166.5	-6,166.5	0.0	0			
- Public Health Staffing & Related Costs	4,585.5	-4,585.5	0.0	-450	-450	<i>PH grant variance: slippage on recruitment and vacancy savings</i>	
- Sexual Health Services	11,852.0	-11,852.0	0.0	0			
- Stop Smoking Services & Interventions	2,688.0	-2,688.0	0.0	0			
- Tobacco Control	600.0	-600.0	0.0	0			
	38,291.0	-37,906.7	384.3	-809			

ANNEX 6

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- <i>tr to(+)/from(-) Public Health reserve</i>				+450	+450	<i>Transfer of underspend on staffing to reserve</i>	
Total ASC&PH portfolio (Public Health)	38,291.0	-37,906.7	384.3	-359			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

- 2.1** As the majority of services are commissioned from providers on a block contract basis there will be little or no variation in terms of actual expenditure during 2013-14. The decision to commission on a block contract basis was taken to ensure continuity of services in this transitional period. It is expected that the use of block contracts next year will be significantly reduced as services are re-commissioned based on activity and payment by results; the experience gained within the Division during 2013-14 will also inform this process. Until that time no activity indicators are reported for Public Health.

BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY
BUSINESS STRATEGY AND SUPPORT (EXCL. PUBLIC HEALTH) SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+78,179	-205	-	-205

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Regeneration & Enterprise portfolio						
Directorate Management & Support	172.2	0.0	172.2	+3		
Development Staff & Projects	5,016.5	-1,426.1	3,590.4	-4		
Total R&E portfolio	5,188.7	-1,426.1	3,762.6	-1		
Finance & Business Support portfolio						
Finance & Procurement	18,749.6	-7,390.1	11,359.5	-343	-525 Appointments to the structure made last year at bottom of grade, budget set at mid-point of grade; the Division is also carrying a number of vacancies. +140 Under-recovery of income by Schools Financial Services +42 Minor variances	These budgets will be realigned in the 2014-17 MTFP to reduce the staffing budget and resolve the unachievable income target on Schools Financial Services
- <i>Transfer to(+)/from(-) DSG reserve</i>				0		
Local Democracy:						
- Grants to District Councils	703.0	0.0	703.0	0		
- Other Local Democracy costs incl. County Council	741.2	0.0	741.2	0		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
- Support for Local Council Tax Support Schemes	1,253.0	0.0	1,253.0	-3			
Total F&BS portfolio	21,446.8	-7,390.1	14,056.7	-346			
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	2,980.3	-4,520.0	-1,539.7	0			
Governance & Law	10,310.4	-12,470.0	-2,159.6	0			
Business Strategy	3,126.1	-56.7	3,069.4	-21			
Property & Infrastructure	30,601.8	-5,121.0	25,480.8	+250	+250	New external property opportunities together with the need to protect and respond to the requirements of front line services and new service pressures, have resulted in a revised New Ways of Working programme plan. The revised plan encompasses changes to the previously assumed timelines for moving out of some of our larger leasehold buildings, hence creating a pressure within the Corporate Landlord estate.	Some re-phasing of savings related to the New Ways of Working project may be needed to reflect changes to dates when leases will now be terminated; the Division will know more by the middle of October. The use of DFE capital grant, to fund revenue expenditure which cannot be capitalised, will need to be quantified each year dependent on expected eligible spend. The current year assumes £780k and any expected future variations from this will need to be addressed in the MTFP.
Human Resources	15,950.0	-5,707.5	10,242.5	-66	-101	Additional income generated through providing recruitment services to schools	
					+35	Other minor variances	
Information & Communication Technology	35,386.7	-16,425.8	18,960.9	+50			
- <i>Transfer to(+)/from(-) DSG reserve</i>				0			
Total BSP&HR portfolio	98,355.3	-44,301.0	54,054.3	+213			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Democracy & Partnerships portfolio						
Finance - Internal Audit	1,130.9	-34.0	1,096.9	-12		
Business Strategy - International & Partnerships	948.7	-173.0	775.7	-59		
Democratic & Member Services	3,865.9	-3.0	3,862.9	0		
Local Democracy:				0		
- Other Local Democracy costs: County Council Elections	570.0	0.0	570.0	0		
Total D&P portfolio	6,515.5	-210.0	6,305.5	-71		
Total BSS Controllable (excl. Public Health)	131,506.3	-53,327.2	78,179.1	-205		
Assumed Management						
- R&E portfolio						
- F&BS portfolio						
- BSP&HR portfolio						
- D&P portfolio						
Total Forecast <u>after</u> mgmt action	131,506.3	-53,327.2	78,179.1	-205		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to come in during 2013-14 is £28.975m. This is broken down between the various “pots” as detailed in the tables below.

2.2 Capital Receipts Funding Capital Programme

	2013-14
	£'000
Capital receipt funding required for capital programme	27,204
Banked in previous years and available for use	-30,786
Receipts from other sources*	-2,786
Requiring to be sold this year	0
Forecast receipts for 2013-14	<u>-15,929</u>
Potential (Surplus) / Deficit	-22,297

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2013-14 totals £27.204m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), there is already enough in the bank to fund the requirement from this year's capital programme.

2.2.2 Current forecasts show receipts expected in during 2013-14 will total £15.929m, which leaves a potential surplus on capital receipt funding in the capital programme of £22.297m. This will continue to be monitored over the remainder of the year. The three year capital programme is reliant on £71m of capital receipt funding, therefore any “surplus” receipts achieved in 2013-14 will be needed to fund projects in the future years capital programme.

PEF1

2.2.3 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.

2.2.4 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.

2.2.5 Forecast 2013-14 position

	2013-14
	£000
Opening deficit balance 1 April 2013	5,560
Planned receipts	-5,595
Costs	210
Planned acquisitions	0
Reimbursement - Eurokent Access	-5,092
Closing surplus balance	<u>-4,917</u>

2.2.6 The previous table shows the opening balance on the fund as being £5,560.4k deficit. With forecast PEF1 receipts of £5,595k, reimbursement re Eurokent Access of £5,092k and associated costs of £209.7k, this results in a forecast closing surplus balance of £4,916.9k.

Revenue Position

2.2.7 The deficit balance brought forward at the 1st April 2013 was £3,285.2k. The anticipated net income from managing the properties held within the fund is estimated at -£44.7k, revenue receipts forecast at -£1.9k, but with the need to fund costs of borrowing of £269.1k against the overdraft facility, the PEF1 is forecasting a £3,507.7k deficit on revenue, which will be rolled to be met from future income streams.

PEF2

2.2.8 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.

2.2.9 Overall Forecast Position on the Fund:

	2013-14
<u>Capital</u>	£000
Opening deficit balance	6,159
Properties to be agreed into PEF2	0
Purchase of properties	0
Forecast sale of PEF2 properties	-7,451
Disposal costs	171
Closing surplus balance	<u>-1,121</u>
 <u>Revenue</u>	
Opening deficit balance	4,787
Net interest payments on borrowing	241
Holding costs	66
Closing deficit balance	<u>5,094</u>
 Overall deficit closing balance	 <u><u>3,973</u></u>

2.2.8 The forecast closing deficit balance on the fund is £3.973m, which is within the overdraft limit of £85m.

2.2.9 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.

3. CAPITAL

3.1 The working budget for 2013-14 is £71,740k. The forecast outturn against the 2013-14 budget is £70,758k giving a variance of - £982k.

3.2 **Table 2a** below details the BSS Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rolling Programmes									
Corporate Property Strategic Capital	7,950	2,650	0				Green		
Disposal Costs	910	250	0				Green		
Modernisation of Assets	9,521	4,888	0				Green		
Individual Projects									
Connecting with Kent	532	361	0				Green		
HR Recruitment Management System	125	125	0				Green		
HR System Development	226	113	0				Green		
Innovative Schemes Fund	3,000	1,000	0				Green		
New Ways of Working	24,000	19,934	0				Green		
Sustaining Kent - Maintaining the Infrastructure	270	1,917	0				Green		
ORACLE Release 12	0	230	0				Amber	Completion date now estimated 31/12/13. Delay in the Server refresh project means the purchase of the Oracle Licences has been delayed.	

ANNEX 7

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
ORACLE Self Service Development	0	44	0				Amber	Additional requirements placed on the OBS team have resulted in a revised completion date for this project	
Property Asset Management System	0	297	0				Amber	A business analysis has been undertaken to double check suitability of the preferred system and to ensure that Atrium delivers what is required. This has delayed implementation from March 2013 to December 2013.	
Enterprise Resource Programme	0	877	0				Amber	Synchronised sign on and (elements of) remote access work streams cannot be delivered until server refresh has completed.	
Integrated Children's Systems	0	748	0				Amber	There have been significant changes to the version of software being implemented to meet business needs. This has impacted delivery dates which have now moved to the latter part of this financial year.	
Total	46,534	33,434	0	0					

3.3 **Table 2b** below details the Regeneration and Economic Development Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Individual Projects									
Dover Priory Station Approach Road	0	14	-17	-17	Real - prudential	Underspend to go back into the Regeneration Fund pot (see below)	Green		Cash limit change
Broadband	23,500	2,650	0				Amber	Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU.	
Empty Property Initiative	7,500	3,710	0				Green		
Eurokent Road (East Kent)	65	84	0				Green		
Folkestone Heritage Quarter	380	400	2	2	Real - grant		Green		Cash limit change
LIVE Margate	6,800	6,508	0				Green		
Managed Work Space - The Old Rectory	160	174	0				Green		
No Use Empty - Rented Affordable Homes	750	750	0				Green		
Old Town Hall	94	25	0				Green		
Regeneration Fund Projects	5,061	3,900	17	17	Real - prudential	To reflect the underspend on Dover Priory Station Approach Road.	Green		Cash limit change
Regional Growth Fund, including Expansion East Kent	37,200	14,384	0				Amber	Spend realigned to show actual payments rather than committed funds.	

Budget Book Heading	Three year cash limit (£000)	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance	Project Status ¹	Explanation of Project Status	Actions
Rural Broadband Demonstration Project	1,897	1,568	-984	-984	Re-phasing	Spend will be incurred on four or five local schemes this year with the remainder of the funding being kept as a contingency. The rephasing is not expected to impact on the completion date of the overall project.	Green		
Swale Parklands	0	65	0				Green		
TIGER	20,000	4,000	0				Green		
Tram Road/Tontine Street Road Works	0	74	0				Green		
Total	103,407	38,306	-982	-982					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

FINANCING ITEMS SUMMARY
JUNE 2013-14 FULL MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+116,663	-6,518	-	-6,518

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	G	I	N	N		
	£'000	£'000	£'000	£'000	£'000	
Finance & Business Support Portfolio						
Carbon Reduction Commitment Levy	400.0	0.0	400.0	-190	-190	anticipated underspend in line with 2012-13 outturn
Contribution to/from Reserves	-11,354.0	0.0	-11,354.0	+1,095	+1,870	Council Tax Transitional Support Grant was expected to be received in 2012-13 and transferred to reserves for use in 2013-14, however it was not received until 2013-14, hence shows as income against Other Financing Items below and not a transfer from reserves.
					-775	Drawdown from Insurance Reserve to cover forecast overspend against the Insurance Fund.
Underspend rolled forward from previous years	-10,000.0	0.0	-10,000.0	0		
Insurance Fund	4,679.0	0.0	4,679.0	+775	+775	an increase in the outstanding claims provision for new reserved losses in the first quarter of the year, together with an anticipated shortfall in corporate and premium income compared to claims expenditure and premium costs.
Modernisation of the Council	3,500.0	0.0	3,500.0	0		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	G	I	N	N			
	£'000	£'000	£'000	£'000	£'000		
Net Debt Charges (incl Investment Income)	131,152.2	-8,648.0	122,504.2	-1,022	+1,632	Shortfall in interest on cash balances in view of lower than anticipated interest rates expected on future deposits	Treasury Advisory Group is considering an alternative deposit /investment strategy which will be reported to Cabinet in September.
					-2,654	savings on debt charges as no new borrowing in Q1 or in foreseeable future	
Other	1,231.8	-36.0	1,195.8	-2,183	-1,870	Council Tax Transitional Support Grant as mentioned above	-£283k of this is a permanent saving and will be reflected in the 2014-17 MTFP
					-313	underspending following a review of local authority subscriptions & centrally held allocations, together with small underspends on items such as levies.	
Unallocated	3,072.0	0.0	3,072.0	-4,993		additional unexpected government funding announced since the budget was set, as follows:	The majority of this funding is one-off, with the exception of Extended Rights to Free Travel, where we have been notified of an allocation of £1,518k for 2014-15. Cabinet agreed that this funding is held centrally to offset any potential shortfall in meeting our savings target this year and if we do achieve a balanced position that this is transferred to reserves to help offset anticipated funding cuts in 2014-15.
					-1,491	refund in respect of 2012-13 academies funding transfer	
					-1,391	New Homes Bonus adjustment grant	
					-1,791	Extended Rights to Free Travel	
					-320	other smaller changes in funding levels including Education Services Grant and Council Tax Freeze grant	
Total F&BS portfolio	122,681.0	-8,684.0	113,997.0	-6,518			
Business Strategy, Performance & Health Reform portfolio							
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0			
Democracy & Partnerships portfolio							
Audit Fees	314.0	0.0	314.0	0			
Total Controllable	125,347.0	-8,684.0	116,663.0	-6,518			

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Price per Barrel of Oil - average monthly price in dollars:

	Price per Barrel of Oil		
	2011-12	2012-13	2013-14
	\$	\$	\$
Apr	109.53	103.32	92.02
May	100.90	94.65	94.51
Jun	96.26	82.30	95.77
Jul	97.30	87.90	
Aug	86.33	94.13	
Sep	85.52	94.51	
Oct	86.32	89.49	
Nov	97.16	86.53	
Dec	98.56	87.86	
Jan	100.27	94.76	
Feb	102.20	95.31	
Mar	106.16	92.94	

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 UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.

