

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

To: CABINET - 14 October 2013

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2013-14 - JULY**
- (2) **KEY ACTIVITY MONITORING FOR 2013-14 - JULY**

Classification:

- (1) **Unrestricted**
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## 1. SUMMARY

1.1 This report provides the budget monitoring position for July 2013-14 for both revenue and capital budgets, including an update on key activity data. The report is presented in the pre-election portfolio structure. Given the inevitable changes that are coming from "Facing the Challenge", the Cabinet Member for Finance & Procurement has agreed that in terms of competing priorities, value added and risk, the work involved in mapping the pre-election portfolios to the post-election portfolio structure exceeds the benefits to be had, given the relatively short period that these new portfolios will be in existence before a further major change takes effect. Therefore, reporting for the remainder of this financial year will continue in the pre-election portfolio structure.

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
- 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:

- Note** the latest monitoring position on both the revenue and capital budgets.
- Note** and **agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports.

## 3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined portfolio revenue budgets is an underspend of -£3.670m, before management action. However, it has been agreed that funding for Social Fund awards is ringfenced for the period 2013-14 to 2014-15 and there is some re-phasing of the Health Reform budget, both of which will require roll forward to 2014-15, therefore this changes the position to an underspend of -£2.915m as shown in the headline table below. Management action is expected to increase the underspend to -£4.475m. The annexes to this report provide the detail, which is summarised in Tables 1a and 1b below.

3.2 This new style of reporting does not attempt to explain movements month on month, but explains why we have a forecast variance. However, we will report the headline movement, which for this month is a £2.632m increase in the forecast underspend, as shown in table 1a. This is mainly due to Supporting People within Customer & Communities, Specialist Children's Services staffing, Human Resources within BSP&HR portfolio and net debt costs within the Finance portfolio.

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

|   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|---|-----------------|-----------------------------|-------------------|--------------------------------|
| <b>Portfolio Totals</b>   | +975,378        | -3,670                      | -1,560            | -5,230                         |
| Adjustments:<br>- Committed roll forward/<br>re-phasing<br>(see section 3.6 for detail) |                 | +755                        | -                 | +755                           |
| <b>Underlying position</b>  | <b>+975,378</b> | <b>-2,915</b>               | <b>-1,560</b>     | <b>-4,475</b>                  |

3.3 **Table 1a** Portfolio position - net revenue position **before and after** management action together with comparison to last report

| Portfolio                                      | Budget           | Net Variance<br>(before mgmt<br>action) | Proposed<br>Management<br>Action | Net Variance<br>(after mgmt<br>action) | Last Report   | Movement      |
|--|------------------|---|----------------------------------|--|---------------|---------------|
|  | £'000            | £'000                                   | £'000                            | £'000                                  | £'000         | £'000         |
| Education, Learning and Skills                 | 55,284.3         | -906                                    | -                                | -906                                   | -802          | -104          |
| Specialist Children's Services                 | 150,974.5        | +3,842                                  | -1,560                           | +2,282                                 | +2,684        | -402          |
| Specialist Children's Services - Asylum        | 280.0            | +389                                    | -                                | +389                                   | +380          | +9            |
| Adult Social Care & Public Health              | 335,678.7        | -385                                    | -                                | -385                                   | -415          | +30           |
| Environment, Highways & Waste                  | 151,744.0        | +2,652                                  | -                                | +2,652                                 | +2,418        | +234          |
| Customer & Communities                         | 76,250.4         | -1,673                                  | -                                | -1,673                                 | -140          | -1,533        |
| Regeneration & Economic Development            | 3,857.2          | +4                                      | -                                | +4                                     | -1            | +5            |
| Finance & Business Support                     | 137,563.7        | -7,114                                  | -                                | -7,114                                 | -6,864        | -250          |
| Business Strategy, Performance & Health Reform | 57,175.3         | -220                                    | -                                | -220                                   | +213          | -433          |
| Democracy & Partnerships                       | 6,569.9          | -259                                    | -                                | -259                                   | -71           | -188          |
| <b>TOTAL (excl Schools)</b>                    | <b>975,378.0</b> | <b>-3,670</b>                           | <b>-1,560</b>                    | <b>-5,230</b>                          | <b>-2,598</b> | <b>-2,632</b> |
| <i>Schools (ELS Portfolio)</i>                 | -                | +1,504                                  | -                                | +1,504                                 | +1,504        | -             |
| <b>TOTAL</b>                                   | <b>975,378.0</b> | <b>-2,166</b>                           | <b>-1,560</b>                    | <b>-3,726</b>                          | <b>-1,094</b> | <b>-2,632</b> |

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

| Portfolio                                      |                  |               | Directorate |               |               |               |               |               |
|--|------------------|---------------|-------------|---------------|---------------|---------------|---------------|---------------|
|  | Budget           | Variance      | ELS         | FSC           | E&E           | C&C           | BSS           | FI            |
|  | £'000            | £'000         | £'000       | £'000         | £'000         | £'000         | £'000         | £'000         |
|  |                  |               | annex 1     | annexes 2&3   | annex 4       | annex 5       | annexes 6&7   | annex 8       |
| Education, Learning and Skills                 | 55,284.3         | -906          | -906        |               |               |               |               |               |
| Specialist Children's Services                 | 150,974.5        | +3,842        |             | +3,842        |               |               |               |               |
| Specialist Children's Services - Asylum        | 280.0            | +389          |             | +389          |               |               |               |               |
| Adult Social Care & Public Health              | 335,678.7        | -385          |             | -27           |               |               | -358          |               |
| Environment, Highways & Waste                  | 151,744.0        | +2,652        |             |               | +2,652        |               |               |               |
| Customer & Communities                         | 76,250.4         | -1,673        |             |               |               | -1,673        |               |               |
| Regeneration & Economic Development            | 3,857.2          | +4            |             |               | -             |               | +4            |               |
| Finance & Business Support                     | 137,563.7        | -7,114        |             |               |               |               | -440          | -6,674        |
| Business Strategy, Performance & Health Reform | 57,175.3         | -220          |             |               |               |               | -220          | -             |
| Democracy & Partnerships                       | 6,569.9          | -259          |             |               |               |               | -163          | -96           |
| <b>TOTAL (excl Schools)</b>                    | <b>975,378.0</b> | <b>-3,670</b> | <b>-906</b> | <b>+4,204</b> | <b>+2,652</b> | <b>-1,673</b> | <b>-1,177</b> | <b>-6,770</b> |
| <i>Schools (ELS Portfolio)</i>                 | -                | +1,504        | +1,504      |               |               |               |               |               |
| <b>TOTAL</b>                                   | <b>975,378.0</b> | <b>-2,166</b> | <b>+598</b> | <b>+4,204</b> | <b>+2,652</b> | <b>-1,673</b> | <b>-1,177</b> | <b>-6,770</b> |

### 3.5 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 £4.231m assumes some management action is still to be achieved. Recent work has been undertaken to identify further management action which is now estimated at £1.560m, which is expected to reduce the pressure to £2.671m. These management actions are still to be tested via the Efficiency Board. There are pressures both in relation to agency staff and costs relating to looked after children.
- b) The position reflected in this report for Asylum is a pressure of £0.389m, however this assumes that we invoice the Home Office for £2.315m 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, which should be in the next monitoring report to Cabinet in December, this remains provisional and could change.
- d) It was noted in the roll forward requests to Cabinet in July that the Kent Youth Employment Programme within ELS would continue until 2015-16, therefore it is likely that a substantial part of this £1.854m funding will re-phase into 2014-15 and 2015-16. This is not yet reflected in the forecast, but an update will be provided in the quarter 2 report to Cabinet in December.
- e) The small underspend reported for Adult Social Care of -£0.027m assumes a drawdown from the NHS Support for Social Care reserve of £8.324m to fund the ongoing impact of 2012-13 winter pressures and investment in services to deliver the transformation savings.
- f) There is a £2.0m 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 £0.347m underspend due to other pressures on the waste budgets. Provisional tonnage for July suggests that this underspend will increase and if verified, then this will be included in the next report to Cabinet in December.
- g) The forecast currently assumes unused Public Health grant of £1.404m will be transferred to a new Public Health reserve for use in future years, in line with Government guidelines. This is largely as a result of a delay in some new projects within the Kent Drug and Alcohol Service.
- h) An underspend of £0.668m is forecast against the Kent Support & Assistance Service budget for awards (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 four months which has started to pick up in July as expected. There is also a forecast underspend of £0.155m on the costs of administering the scheme.
- i) There are a number of pressures against the DSG budget with a unbudgeted drawdown of £3.497m 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 and/or between delegated and non delegated budgets.

- j) 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 £4.475m of this to reserves.
- k) Following the receipt of a substantial dividend from Heritable in August (16.7p in the pound, £3.1m), and a 4th dividend from Landsbanki in early September (5.02p in the pound, £0.9m), the total recovery to date from Icelandic banks including interest is now £42m. Details as follows:
  - Heritable – dividends received are equal to 94p in the pound, £17.3m. The recovery is now predicted to be close to 100%.
  - Landsbanki - 4 dividends received totalling £8.8m. The forecast recovery is 100%.
  - Glitnir - paid in full in March 2012

### 3.6 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 2 shows that within the current forecast revenue position there is a requirement to roll forward £0.755m to 2014-15. This relates to:

|   |      |
|---|------|
| ▪ underspend on Kent Support & Assistance budget for awards (see annex 5)   | +668 |
| ▪ re-phasing of Health Reform budget (to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups) (see annex 7) | +87  |
|   | +755 |

### 3.7 Revenue budget virements/changes to budgets

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

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process, including the inclusion of new 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set.
- Cash limits for the A-Z service analysis have been adjusted since the previous report to Cabinet to reflect a number of technical adjustments, including the further centralisation of budgets and to reflect where responsibility for providing services has moved between directorates/portfolios.
- In addition, cash limits have been adjusted this month to reflect the decisions made by Cabinet on 15 July regarding the roll forward of underspending from 2012-13.

#### 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the Capital Programme 2013-14 is £320.027m. The forecast outturn against this budget is £298.553m giving a variance of -£21.474m. 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<br>£'000 | 2013-14 Working Budget<br>£'000 | 2013-14 Variance<br>£'000 | Real Variance<br>£'000 | Re-phasing Variance<br>£'000 | Annex |
|--|----------------------------|---------------------------------|---------------------------|------------------------|------------------------------|-------|
| Education, Learning and Skills                 | 210,018                    | 149,867                         | -3,929                    | -2,700                 | -1,229                       | 1     |
| Specialist Children's Services                 | 1,325                      | 1,925                           | -                         | -                      | -                            | 2     |
| Adult Social Care & Public Health              | 92,858                     | 12,359                          | -3,015                    | -501                   | -2,514                       | 3     |
| Environment, Highways & Waste                  | 193,789                    | 77,144                          | -13,171                   | -1,496                 | -11,675                      | 4     |
| Customer & Communities                         | 11,263                     | 6,990                           | -290                      | +372                   | -662                         | 5     |
| Regeneration & Economic Development            | 103,407                    | 38,308                          | -984                      | -                      | -984                         | 7     |
| Finance & Business Support                     | -                          | -                               | -                         | -                      | -                            | N/A   |
| Business Strategy, Performance & Health Reform | 46,534                     | 33,434                          | -85                       | -85                    | -                            | 7     |
| Democracy & Partnerships                       | -                          | -                               | -                         | -                      | -                            | N/A   |
| <b>TOTAL</b>                                   | <b>659,194</b>             | <b>320,027</b>                  | <b>-21,474</b>            | <b>-4,410</b>          | <b>-17,064</b>               |       |

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

- a) The majority of schemes are within budget and on time.
- b) £17.064m of the £21.474m 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, there is £2.55m rephasing on the Growth without Gridlock initiatives, £1.8m rephasing on the A28 Chart Road, £1.6m rephasing on Swale Transfer Station and £1.2m rephasing on the LD Good day programme.
- c) The remaining £4.410m of the £21.474m variance relates to anticipated real project variances. £2.7m of this in the ELS portfolio is being held in anticipation of future pressures.

#### 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. CONCLUSIONS

- 5.1 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, assumes the Home Office meet the costs of Asylum, and includes £4.993m of additional Government funding notified since the budget was set.
- 5.2 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, or an inherent overspend, from the current year, in view of the anticipated funding cuts on the horizon.
- 5.3 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.

## 6. RECOMMENDATIONS

**Cabinet** is asked to:

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

## 7. BACKGROUND DOCUMENTS

None

## 8. CONTACT DETAILS

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**EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                                  |                |                             |                   |                                |
|-----|----------------------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                                  | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (excl Schools) (£k)</b> | +55,284        | -906                        | -                 | -906                           |
|     | <b>Schools (£k)</b>              | -              | +1,504                      | -                 | +1,504                         |
|     | <b>Directorate Total (£k)</b>    | <b>+55,284</b> | <b>+598</b>                 | <b>-</b>          | <b>+598</b>                    |

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

| Budget Book Heading                                   | Cash Limit       |                   |              | Variance      | Explanation | Management Action/<br>Impact on MTFP  |
|---|------------------|-------------------|--------------|---------------|-------------|---|
|   | Gross<br>£'000   | Income<br>£'000   | Net<br>£'000 | Net<br>£'000  |             |   |
| <b>Education, Learning &amp; Skills portfolio</b>     |                  |                   |              |               |             |   |
| <b>Delegated Budget:</b>                              |                  |                   |              |               |             |   |
| 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                  |
| <b>TOTAL DELEGATED</b>                                | <b>711,038.1</b> | <b>-711,038.1</b> | <b>0.0</b>   | <b>+1,504</b> |             |   |
| <b>Non Delegated Budget:</b>                          |                  |                   |              |               |             |   |
| Strategic Management & Directorate Support budgets    | 8,643.3          | -9,171.9          | -528.6       | +267          | +560        | New Kent Integrated Adolescent Support Service managed by ELS but covering services across directorates |
|   |                  |                   |              |               | -237        | <i>DSG variances over a number of headings, all less than £100k in value</i>                            |
|   |                  |                   |              |               | -56         | Other minor variances   |
| <b>Children's Services - Education &amp; Personal</b> |                  |                   |              |               |             |   |
| - 14 - 19 year olds                                   | 4,519.0          | -1,335.8          | 3,183.2      | -17           |             |   |
| - Attendance & Behaviour                              | 3,833.9          | -2,671.4          | 1,162.5      | -84           |             |   |
| - Connexions  | 5,774.8          | 0.0               | 5,774.8      | 0             |             |   |
| - Early Years & Childcare                             | 7,306.6          | -5,991.6          | 1,315.0      | -78           |             |   |



## ANNEX 1

| Budget Book Heading            | Cash Limit |           |          | Variance | Explanation  | Management Action/<br>Impact on MTFP  |
|--------------------------------|------------|-----------|----------|----------|--|---|
|                                | Gross      | Income    | Net      | Net      |  |   |
|                                | £'000      | £'000     | £'000    | £'000    | £'000  |   |
| - Early Years Education        | 50,900.0   | -50,900.0 | 0.0      | +1,214   | +1,214 <i>DSG variance - additional week of provision for 3 &amp; 4 year olds falling in the 2013-14 financial year which has not been funded within the DfE DSG settlement.</i><br><br>+1,778 <i>DSG variance - greater than budgeted number of hours being provided for 3 &amp; 4 year olds due to increased parental demand</i><br><br>-1,778 <i>DSG variance - reduced demand for 2 year old placements</i>            | Additional DSG income is expected next year as it will be based on a more up to date count of children in early years settings and this increase will be reflected in the 2014-17 MTFP. |
| - Education Psychology Service | 3,004.4    | -400.0    | 2,604.4  | -372     | -176 Traded income from schools for non statutory psychology services<br><br>-158 Staff vacancies<br>-38 Other minor variances   | This additional income is expected to be ongoing & will be reflected in the 2014-17 MTFP  |
| - Individual Learner Support   | 8,642.4    | -7,579.0  | 1,063.4  | -376     | -99 Minority Community Achievement Service (MCAS) income from schools in excess of costs<br><br>-149 Portage staff vacancies and non staff savings offset by the write off of old debts ( <i>includes a DSG variance of -£104k</i> )<br><br>-60 Head of Inclusion and Support budget part year vacancies and general non staffing underspends ( <i>includes a DSG variance of -£41k</i> )<br><br>-68 Other minor variances |   |
| - Statemented Pupils           | 5,491.1    | -5,491.1  | 0.0      | -651     | -651 <i>DSG variance - budget allocated for statemented support is not required for 2013-14 and will in part cover the reported pressure on independent and non maintained special school placements (reported below)</i>  |   |
|                                | 89,472.2   | -74,368.9 | 15,103.3 | -364     |  |   |

| Budget Book Heading                                | Cash Limit     |                 |              | Variance     | Explanation |   | Management Action/<br>Impact on MTFP  |
|--|----------------|-----------------|--------------|--------------|-------------|---|---|
|  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |             |   |   |
| <u>School Budgets:</u>                             |                |                 |              |              |             |   |   |
| - Independent Special School Placements            | 14,924.0       | -14,924.0       | 0.0          | +3,245       | +3,245      | <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          | +3,245       |             |   |   |
| <u>Schools Services:</u>                           |                |                 |              |              |             |   |   |
| - Non Delegated Staff Costs                        | 2,644.0        | -2,541.0        | 103.0        | +4           |             |   |   |
| - Other Schools Services                           | 7,595.1        | -7,189.8        | 405.3        | -32          |             |   |   |
| - Redundancy Costs                                 | 1,188.7        | -1,188.7        | 0.0          | +213         | +213        | <i>DSG variance - Expected increase in school based staff redundancy costs</i>  |   |
| - School Improvement                               | 8,521.4        | -6,135.8        | 2,385.6      | -61          |             |   |   |
| - Teachers & Education Staff Pension Costs         | 7,954.0        | -2,684.0        | 5,270.0      | +144         | +144        | Increase in annual capitalization payments  |   |
|  | 27,903.2       | -19,739.3       | 8,163.9      | +268         |             |   |   |
| <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 (see section 2.2)   | 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         |             |   |   |

## ANNEX 1

| Budget Book Heading   | Cash Limit       |                   |                 | Variance      | Explanation   | Management Action/<br>Impact on MTFP  |
|---|------------------|-------------------|-----------------|---------------|---------------|---|
|   | Gross            | Income            | Net             | Net           |               |   |
|   | £'000            | £'000             | £'000           | £'000         | £'000         |   |
| <u>Assessment Services</u>                                      |                  |                   |                 |               |               |   |
| - Assessment & Support of Children with Special Education Needs | 7,319.1          | -4,932.4          | 2,386.7         | -80           |               |   |
| TOTAL NON DELEGATED   | 220,113.2        | -164,828.9        | 55,284.3        | +2,591        |               |   |
| - <i>Transfer to(+)/from(-) DSG reserve</i>                     |                  |                   |                 | <i>-3,497</i> | <i>-3,497</i> | <i>drawdown from DSG reserve to offset +£3,639k of DSG variances explained above, together with other smaller DSG variances</i> |
| TOTAL NON DELEGATED after tfr to/from DSG reserve               | 220,113.2        | -164,828.9        | 55,284.3        | -906          |               |   |
| <b>Total ELS portfolio</b>                                      | <b>931,151.3</b> | <b>-875,867.0</b> | <b>55,284.3</b> | <b>+598</b>   |               |   |
| <b>Assumed Mgmt Action</b>                                      |                  |                   |                 |               |               |   |
| - ELS portfolio   |                  |                   |                 | 0             |               |   |
| <b>Total Forecast <u>after</u> mgmt action</b>                  | <b>931,151.3</b> | <b>-875,867.0</b> | <b>55,284.3</b> | <b>+598</b>   |               |   |

## 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<br>31-3-11 | as at<br>31-3-12 | as at<br>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.
- It should be noted that, based upon the three year planning returns submitted by schools in May/June, the number of schools in deficit is forecast to rise to eight in 2014-15 (with a value of £6.3m) and up to 24 in 2015-16 (with a value of £12.6m). However, all of this is before any management action. In line with existing policies, Finance staff, together with colleagues in ELS are now working to draw up recovery plans with each of these schools in order to avoid the deficit position from arising. The position currently forecast by these schools is largely a reflection of the impact of four years of flat cash settlements for schools, and for some, the impact of falling rolls.
- 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.

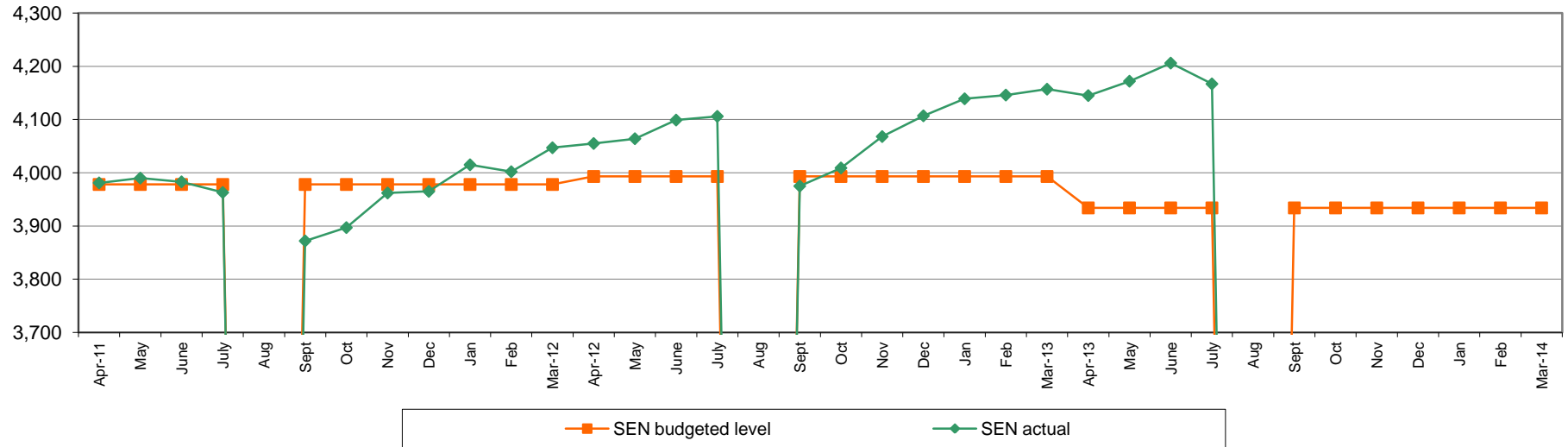
## 2.2 Number of children receiving assisted SEN and Mainstream transport to schools

|     | 2011-12      |        |              |        | 2012-13      |        |              |        | 2013-14      |        |              |        |
|-----|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|
|     | SEN          |        | Mainstream   |        | SEN          |        | Mainstream   |        | SEN          |        | Mainstream   |        |
|     | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | Budget level | actual | 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      |

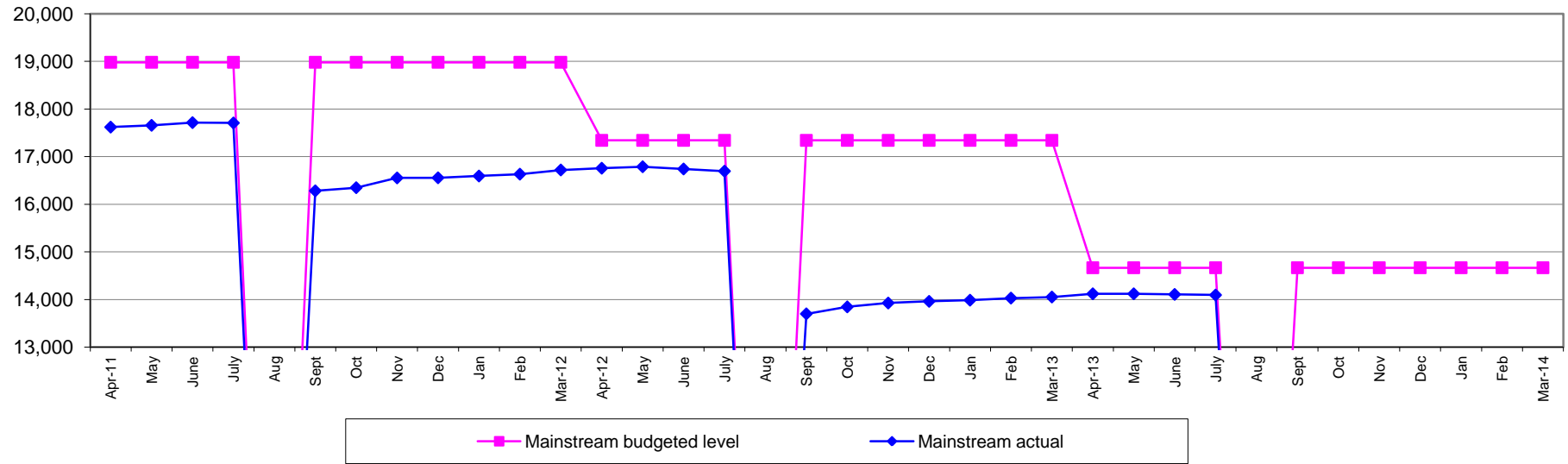
## Comments:

- **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 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 an 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



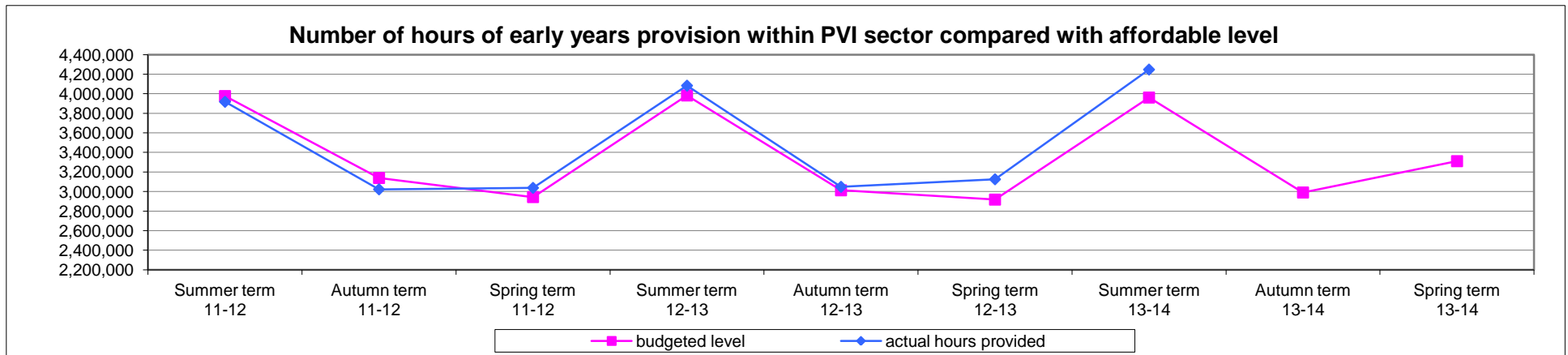
Number of children receiving assisted Mainstream transport to school



### 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                | 4,247,355               |
| 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                |                         |
| <b>TOTAL</b> | <b>10,058,366</b>        | <b>9,977,499</b>      | <b>9,912,767</b>         | <b>10,256,248</b>     | <b>10,261,679</b>        | <b>4,247,355</b>        |

\* 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 £2.992m, 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 £149,867k. The forecast outturn against the 2013-14 budget is £145,938k giving a variance of - £3,929k.

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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>  |                              |                               |                         |                            |  |   |                             |                               |         |
| Annual Planned Enhancement Programme   | 24,255                       | 12,718                        | 0                       | 0                          |  |   | Green                       |                               |         |
| Devolved Formula Capital Grants for Pupil Referral Units   | 537                          | 442                           | 0                       | 0                          |  |   | Green                       |                               |         |
| <b>Individual Projects</b>   |                              |                               |                         |                            |  |   |                             |                               |         |
| <b>Basic Need Schemes - to provide additional pupil places:</b>  |                              |                               |                         |                            |  |   |                             |                               |         |
| Future Basic Need Schemes  | 43,506                       | 36,801                        |                         |                            |  |   | Green                       |                               |         |
| Dunton Green   | 800                          | 800                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Goat Lees Primary School, Ashford  | 2,194                        | 2,951                         | 0                       | 0                          |  |   | Green                       |                               |         |
| Repton Park Primary School, Ashford  | 19                           | 210                           | 0                       | 0                          |  |   | Green                       |                               |         |
| Ryarsh Primary School, Ryarsh  | 169                          | 169                           | 0                       | 0                          |  |   | Green                       |                               |         |
| <b>Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:</b> |                              |                               |                         |                            |  |   |                             |                               |         |
| Modernisation Programme - Wrotham  | 8                            | 4                             | 0                       | 0                          |  |   | Green                       |                               |         |
| Modernisation Programme - Future Years   | 5,992                        | 2,086                         | -1,875                  | -1,875                     | Real - DfE grant                             | Halfway House to be funded from Priority Schools Building Programme | 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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---------------------------------|-----------------------------|-------------------------------|---------|
| St Johns / Kingsmead Primary School, Canterbury                                      | 1,544                        | 2,405                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| <b>Special Schools Review</b> - major projects supporting the special schools review |                              |                               |                         |                            |  |                                 |                             |                               |         |
| Special Schools Review phase 1   | 24                           | 663                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Special Schools Review phase 2   | 40,330                       | 9,362                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| The Wyvern School, Ashford (Buxford Site)  | 1                            | 1                             | 0                       | 0                          |  |                                 | Green                       |                               |         |
| <b>Primary Improvement Programme</b>   | 85                           | 237                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
| <b>Academy Projects:</b>   |                              |                               |                         |                            |  |                                 |                             |                               |         |
| Academies Unit Costs   | 778                          | 1,183                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Maidstone New Build, New Line Learning   | 0                            | 31                            | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Longfield New Build  | 0                            | 358                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Maidstone New Build, Cornwallis  | 0                            | 67                            | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Spires New Build   | 0                            | 2                             | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Marsh Academy, New Romney  | 888                          | 887                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
| The John Wallis C of E Academy   | 7,615                        | 7,387                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| The Knowle Academy   | 13,557                       | 14,735                        | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Dover Christ Church  | 10,119                       | 7,791                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Astor of Hever   | 9,236                        | 11,199                        | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Duke of York   | 21,816                       | 16,968                        | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Wilmington Enterprise College  | 7,387                        | 7,289                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Isle of Sheppey Academy  | 6,108                        | 3,610                         | 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 <sup>1</sup> | Explanation of Project Status | Actions |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| Skidders Kent Academy, Tunbridge Wells                            | 489                          | 1,611                         | 0                       | 0                          |  |  | Green                       |                               |         |
| <b>Building Schools for the Future Projects:</b>                  |                              |                               |                         |                            |  |  |                             |                               |         |
| BSF Wave 3 Build Costs  | 2,104                        | 905                           | 0                       | 0                          |  |  | Green                       |                               |         |
| BSF Unit Costs (including SecTT)                                  | 0                            | 669                           | 0                       | 0                          |  |  | Green                       |                               |         |
| <b>Other Projects:</b>  |                              |                               |                         |                            |  |  |                             |                               |         |
| Nursery Provision for Two Year Olds                               | 2,468                        | 2,468                         | -1,234                  | -1,234                     | Rephasing                                    | Delays due to larger projects requiring planning permission and work being carried out in holiday periods. | Green                       |                               |         |
| Schools Self Funded projects - Quarryfield / Aldington Eco Centre | 0                            | 32                            | 0                       | 0                          |  |  | Green                       |                               |         |
| Specialist Schools  | 0                            | 325                           | 0                       | 0                          |  |  | Green                       |                               |         |
| Platt CEPS  | 0                            | 91                            | 10                      | 10                         | Rephasing                                    |  | Green                       |                               |         |
| One-off Schools Revenue to Capital                                | 1,881                        | 1,999                         | 0                       | 0                          |  |  | Green                       |                               |         |
| Unit Review   | 1,108                        | 1,263                         | -830                    | -825                       | Real - Prudential<br>Rephasing               | Good design and cost management reduced overall project costs  | Green                       |                               |         |
| Vocational Education Centre Programme                             | 0                            | 148                           | 0                       | 0                          |  |  | Green                       |                               |         |
| Sevenoaks Grammar Schools annexe                                  | 5,000                        | 0                             | 0                       | 0                          |  |  | Green                       |                               |         |
|   |                              |                               |                         |                            |  |  |                             |                               |         |
| <b>Total</b>  | <b>210,018</b>               | <b>149,867</b>                | <b>-3,929</b>           | <b>-3,929</b>              |  |  |                             |                               |         |

<sup>1</sup> 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**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                               |                 |                             |                   |                                |
|-----|-------------------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total excl Asylum (£k)</b> | +150,975        | +3,842                      | -1,560            | +2,282                         |
|     | <b>Asylum (£k)</b>            | +280            | +389                        | -                 | +389                           |
|     | <b>Total (£k)</b>             | <b>+151,255</b> | <b>+4,231</b>               | <b>-1,560</b>     | <b>+2,671</b>                  |

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

| Budget Book Heading  | Cash Limit |        |          | Variance | Explanation   | Management Action/<br>Impact on MTFP  |
|--|------------|--------|----------|----------|---|---|
|  | Gross      | Income | Net      | Net      |   |   |
|  | £'000      | £'000  | £'000    | £'000    | £'000   |   |
| <b>Specialist Children's Services portfolio</b>              |            |        |          |          |   |   |
| Strategic Management & Directorate Support budgets           | 5,439.8    | -175.0 | 5,264.8  | -215     | -232<br>underspend on Commissioning staffing budget<br><br>+17<br>Other small minor variances   |   |
| <b>Children's Services - Children in Care (Looked After)</b> |            |        |          |          |   |   |
| - Fostering  | 38,164.1   | -336.0 | 37,828.1 | +737     | +478<br>In House: Forecast 1,260 weeks above affordable level<br><br>+158<br>In House: Forecast unit cost £2.90 above affordable level<br><br>-129<br>In House: management action to reduce pressure<br><br><br><br>+21<br>In House: Other small minor variances<br>+1,178<br>Independent Sector (IFA): Forecast 1,315 weeks above affordable level<br><br>-468<br>Independent Sector (IFA): Forecast unit cost £43.39 below affordable level | Management action is in place to speed up and increase the number of adoptions therefore reducing the demand on in house fostering. |

| Budget Book Heading               | Cash Limit |          |          | Variance | Explanation   | Management Action/<br>Impact on MTFP   |
|-----------------------------------|------------|----------|----------|----------|---|--|
|                                   | Gross      | Income   | Net      | Net      |   |  |
|                                   | £'000      | £'000    | £'000    | £'000    | £'000   |  |
|                                   |            |          |          |          | -405 Fostering: 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. |
|                                   |            |          |          |          | -161 small reduction in fostering related payments, and Kinship placements  |  |
|                                   |            |          |          |          | +65 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 | -23      | +259 Independent residential care for Disabled Children: Forecast 87 weeks above affordable level of 2,384                |  |
|                                   |            |          |          |          | -643 Independent residential care for Disabled Children: Forecast unit cost - £269.60 below affordable level of £3,249.20 |  |
|                                   |            |          |          |          | +6 Independent residential care for Disabled Children: small reduction in income  |  |
|                                   |            |          |          |          | +221 Secure Accommodation: increase in placements   |  |
|                                   |            |          |          |          | +29 Pressure on staffing  |  |
|                                   |            |          |          |          | +105 Other small minor variances  |  |

| Budget Book Heading                                | Cash Limit |           |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------|-----------|----------|----------|-------------|---|--------------------------------------|
|  | Gross      | Income    | Net      | Net      |             |   |                                      |
|  | £'000      | £'000     | £'000    | £'000    | £'000       |   |                                      |
| - Virtual School Kent                              | 2,163.6    | -718.9    | 1,444.7  | -32      |             |   |                                      |
|  | 63,052.3   | -2,854.8  | 60,197.5 | +1,437   |             |   |                                      |
| <b>Children's Services - Children in Need</b>      |            |           |          |          |             |   |                                      |
| - Children's Centres                               | 16,257.4   | -112.6    | 16,144.8 | -139     | -139        | Minor variances spread across the 97 centres  |                                      |
| - Preventative Services                            | 16,098.0   | -1,759.0  | 14,339.0 | +497     | +539        | Pressure on commissioned services   |                                      |
|  |            |           |          |          | -42         | Other small minor variances   |                                      |
|  | 32,355.4   | -1,871.6  | 30,483.8 | +358     |             |   |                                      |
| <b>Children's Services - Other Social Services</b> |            |           |          |          |             |   |                                      |
| - Adoption   | 11,088.7   | -3,707.5  | 7,381.2  | +296     | +101        | Increase in number of adoption payments as a result of the management action, referred to in Fostering above, to speed up and increase the number of adoptions. |                                      |
|  |            |           |          |          | +195        | Increase in number of guardianship payments as a result of a reduction in Kinship placements reported in Fostering above.                                       |                                      |
| - Asylum Seekers                                   | 11,883.3   | -11,603.3 | 280.0    | +389     | +1,136      | Pressure relating to under 18 UASC due to costs exceeding grant payable   |                                      |
|  |            |           |          |          | +163        | Pressure relating to under 18 UASC due to ineligibility   |                                      |
|  |            |           |          |          | +1,269      | Pressure relating to over 18's due to ineligibility, of which £829k relates to All Rights Exhausted (ARE) clients   |                                      |
|  |            |           |          |          | +1,116      | Pressure relating to over 18's due to costs exceeding grant payable (see activity section 2.6 below), of which £284k relates to ARE clients                     |                                      |
|  |            |           |          |          | -980        | Gateway grant not required for infrastructure costs and therefore available to offset other pressures   |                                      |

| Budget Book Heading                            | Cash Limit       |                  |                  | Variance      | Explanation     | Management Action/<br>Impact on MTFP  |
|--|------------------|------------------|------------------|---------------|-----------------|---|
|  | Gross<br>£'000   | Income<br>£'000  | Net<br>£'000     | Net<br>£'000  |                 |   |
|  |                  |                  |                  |               | £'000<br>-2,315 | 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          | +1,562        | +323<br>+1,239  | Pressure on staffing budgets<br>Additional young people requiring this service, in order to provide stability and continuity whilst they continue their education.  |
| - Safeguarding                                 | 4,679.4          | -495.5           | 4,183.9          | -57           |                 |   |
|  | 32,208.3         | -15,806.3        | 16,402.0         | +2,190        |                 |   |
| <u>Assessment Services</u>                     |                  |                  |                  |               |                 |   |
| - Children's social care staffing              | 44,028.6         | -5,122.2         | 38,906.4         | +461          | +461            | 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   |
| <b>Total SCS portfolio</b>                     | <b>177,084.4</b> | <b>-25,829.9</b> | <b>151,254.5</b> | <b>+4,231</b> |                 |   |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                  |               |                 |   |
| - SCS portfolio                                |                  |                  |                  | -1,560        |                 | 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. |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>177,084.4</b> | <b>-25,829.9</b> | <b>151,254.5</b> | <b>+2,671</b> |                 |   |

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

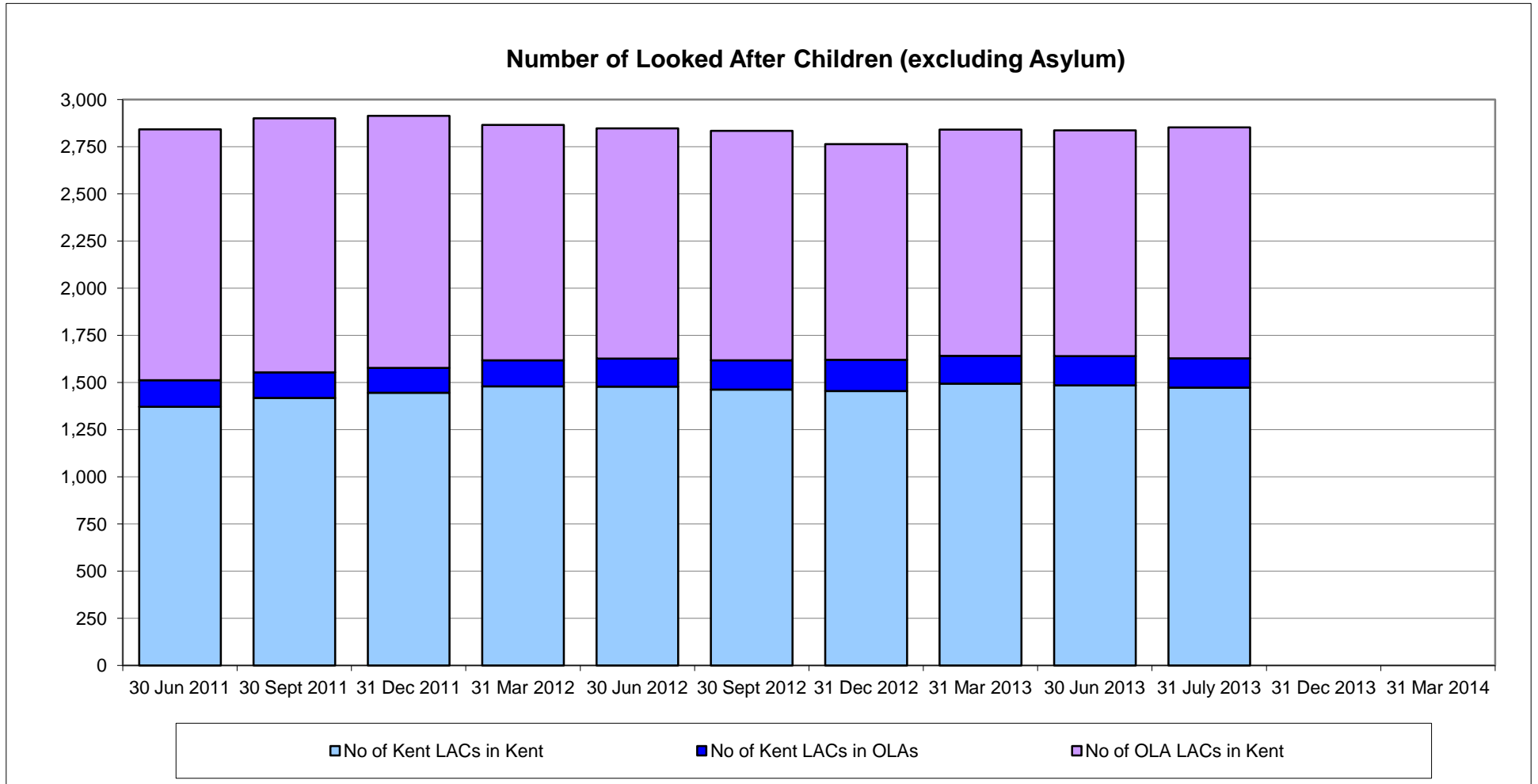
### 2.1 Number of Looked After Children (LAC) excluding Asylum Seekers:

|         |               | No. of Kent LAC placed in Kent | No. of Kent LAC placed in OLAs | TOTAL NO. OF KENT LAC (excluding Asylum) | No. of OLA LAC placed in Kent | TOTAL NUMBER OF LAC IN KENT |
|---------|---------------|--------------------------------|--------------------------------|--|-------------------------------|-----------------------------|
| 2011-12 | 30-Jun        | 1,371                          | 141                            | <b>1,512</b>                             | 1,330                         | <b>2,842</b>                |
|         | 30-Sep        | 1,419                          | 135                            | <b>1,554</b>                             | 1,347                         | <b>2,901</b>                |
|         | 31-Dec        | 1,446                          | 131                            | <b>1,577</b>                             | 1,337                         | <b>2,914</b>                |
|         | 31-Mar        | 1,480                          | 138                            | <b>1,618</b>                             | 1,248                         | <b>2,866</b>                |
| 2012-13 | 30-Jun        | 1,478                          | 149                            | <b>1,627</b>                             | 1,221                         | <b>2,848</b>                |
|         | 30-Sep        | 1,463                          | 155                            | <b>1,618</b>                             | 1,216                         | <b>2,834</b>                |
|         | 31-Dec        | 1,455                          | 165                            | <b>1,620</b>                             | 1,144                         | <b>2,764</b>                |
|         | 31-Mar        | 1,494                          | 147                            | <b>1,641</b>                             | 1,200                         | <b>2,841</b>                |
| 2013-14 | 30-Jun        | 1,485                          | 155                            | <b>1,640</b>                             | 1,197                         | <b>2,837</b>                |
|         | <b>31-Jul</b> | 1,473                          | 155                            | <b>1,628</b>                             | 1,225                         | <b>2,853</b>                |
|         | 31-Dec        |                                |                                |  |                               |                             |
|         | 31-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 11 since quarter 1, there could have been more (or less) during the period. Although the overall snapshot number of looked after children has reduced this month, the numbers within each placement grouping have also changed, with an increase in higher cost placements such as Residential Care, but a reduction in lower cost placements such as 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 OLA LAC information has a confidence rating of 80% 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.
- This information on number of Looked After Children is provided by the Management Information Unit within FSC Directorate.

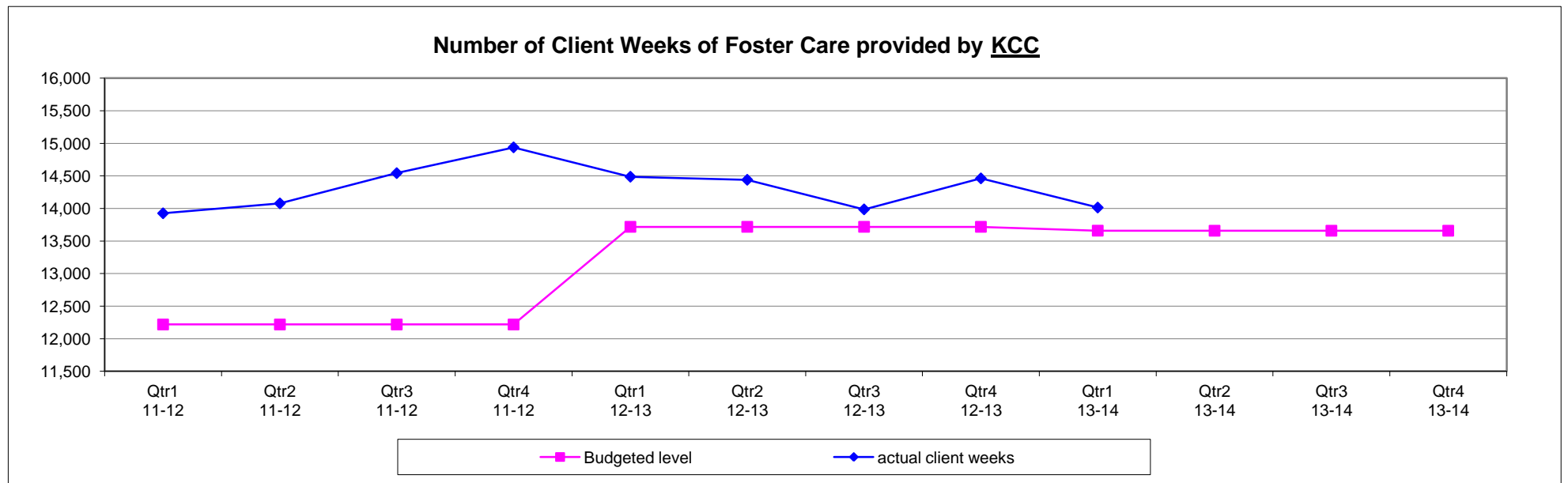


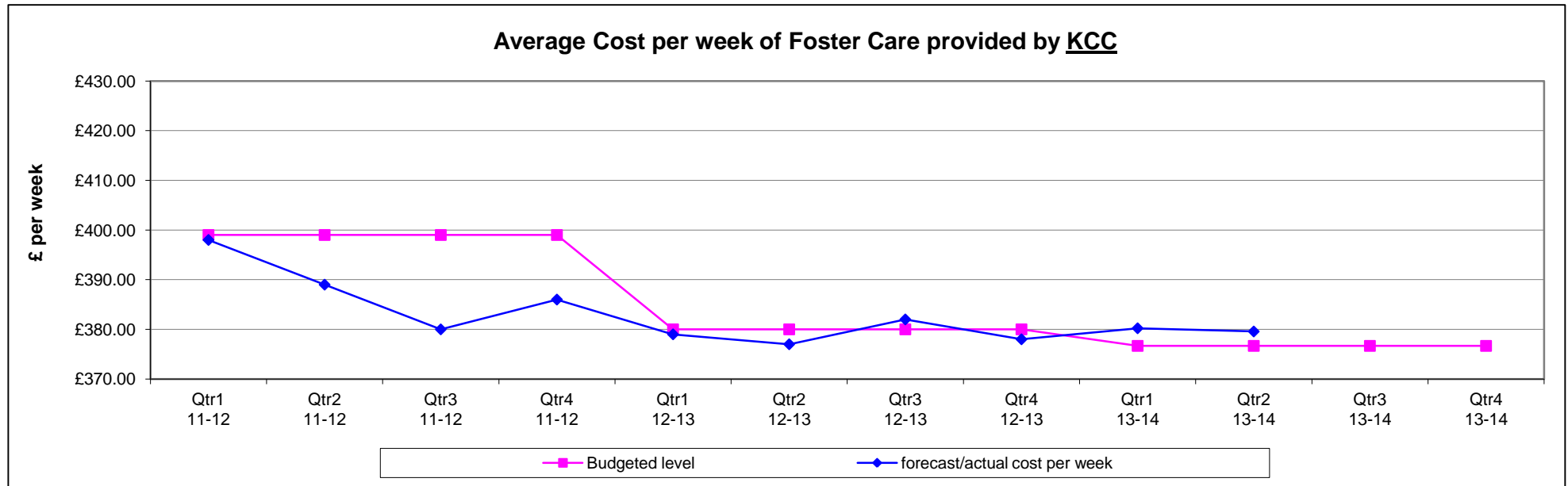


2.2 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

|            | 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        | 4,648         | £376.67                      | £379.57        |
| 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                      |                |
|            | <b>48,876</b> | <b>57,484</b> | <b>£399</b>                  | <b>£386</b>      | <b>54,872</b> | <b>57,375</b> | <b>£380</b>                  | <b>£378</b>      | <b>54,633</b> | <b>18,662</b> | <b>£376.67</b>               | <b>£379.57</b> |

July position





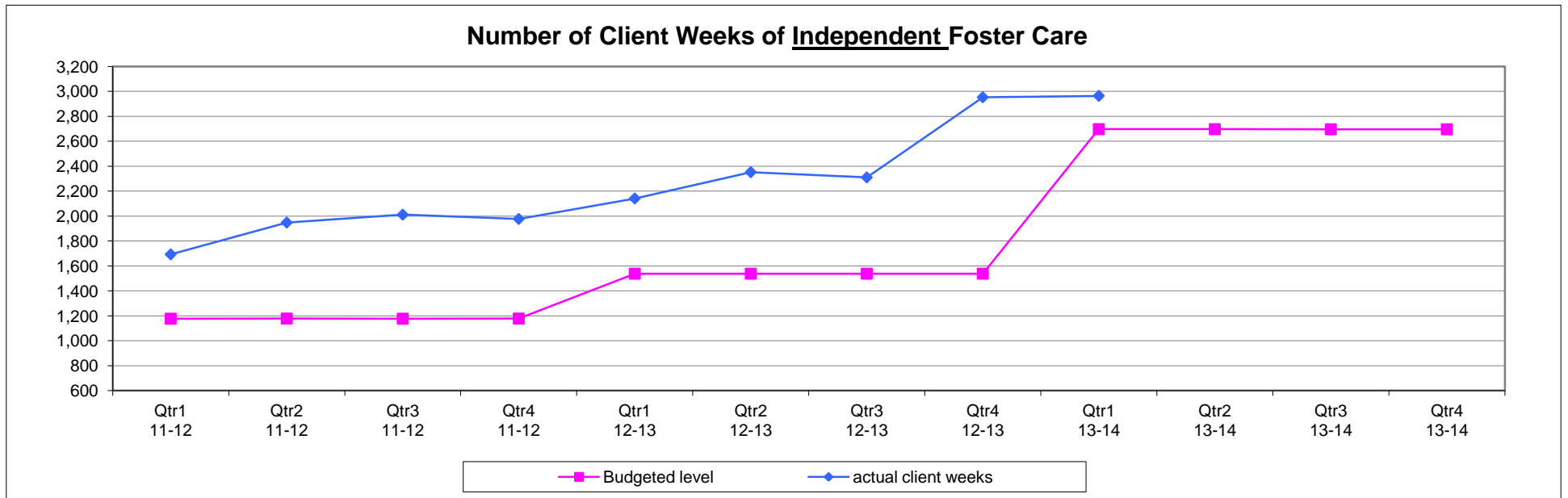
Comments:

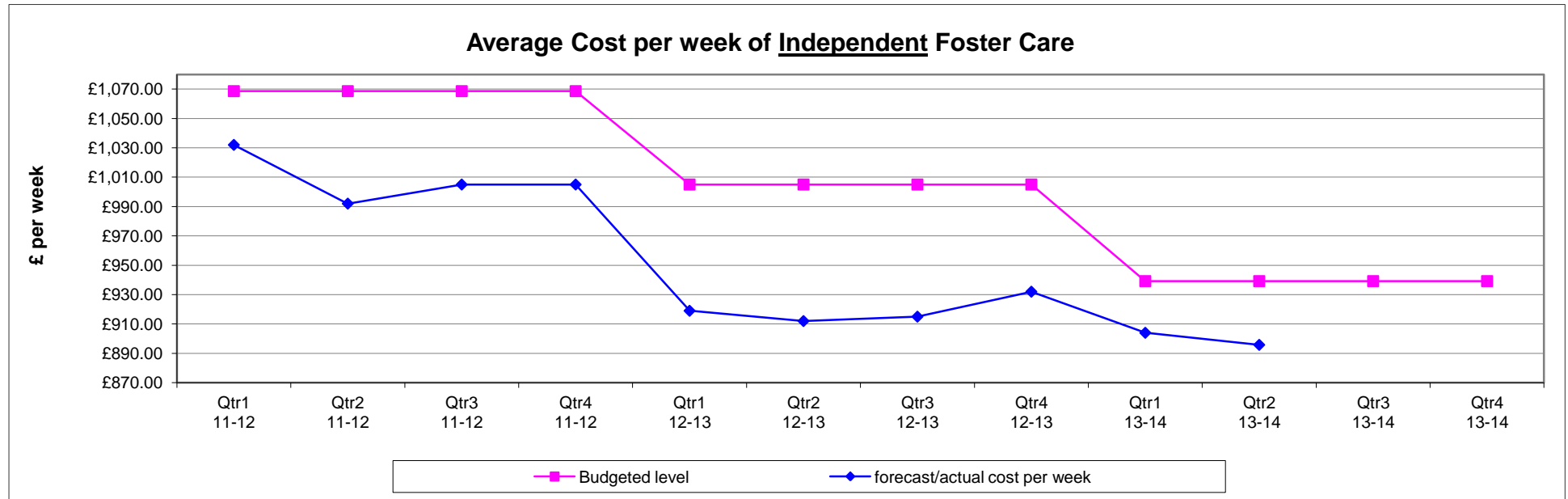
- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an 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 reported to Cabinet on 16 September.
- The forecast number of weeks is 55,893 (excluding asylum), which is 1,260 weeks above the affordable level. At the forecast unit cost of £379.57 per week, this increase in activity gives a pressure of £478k, as shown in table 1.
- The forecast unit cost of £379.57 is +£2.90 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£158k, as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £636k (£478k + £158k).

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         | 1,118        | £939.19                      | £895.80        |
| 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                      |                |
|            | <b>4,710</b> | <b>7,629</b> | <b>£1,069</b>                | <b>£1,005</b>    | <b>6,152</b> | <b>9,756</b> | <b>£1,005</b>                | <b>£932</b>      | <b>10,786</b> | <b>4,082</b> | <b>£939.19</b>               | <b>£895.80</b> |

July position



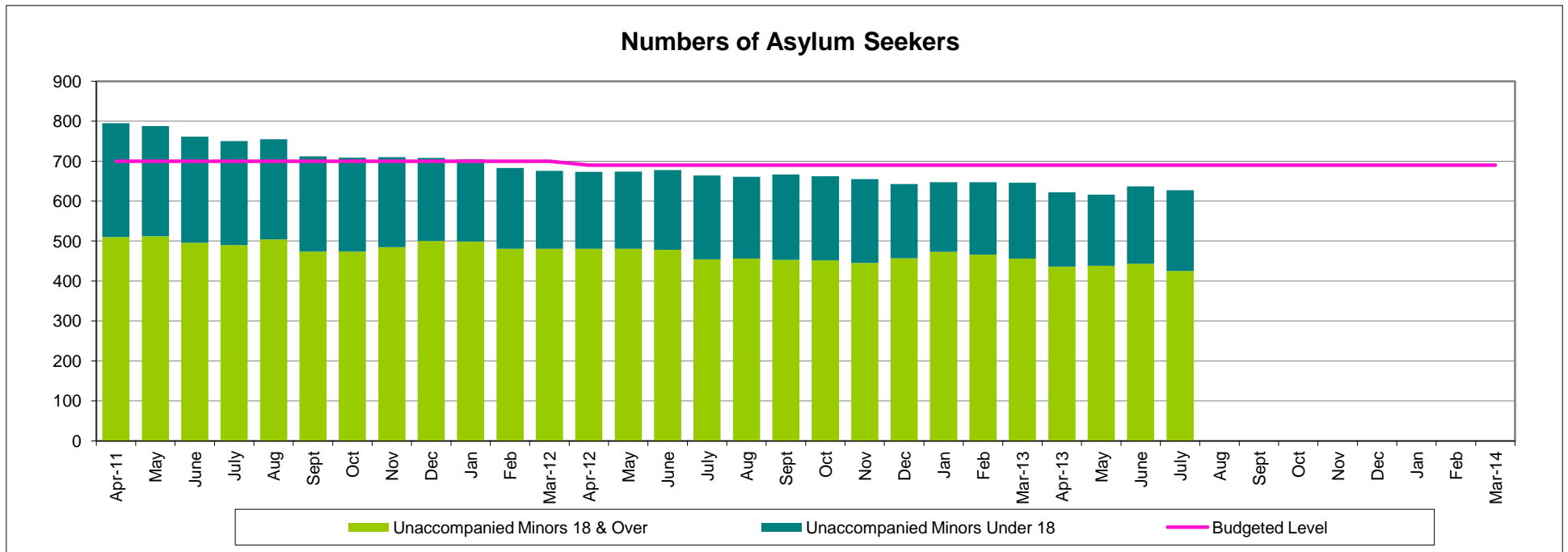


**Comments:**

- 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 reported to Cabinet on 16 September.
- The forecast number of weeks is 12,101 (excluding asylum), which is 1,315 weeks above the affordable level. At the forecast unit cost of £895.80 per week, this increase in activity gives a pressure of £1,178k as shown in table 1.
- The forecast unit cost of £895.80 is -£43.39 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of -£468k as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £710k (£1,178k - £468k)
- The forecast average unit cost of £895.80 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       | <b>795</b> | 192      | 481       | <b>673</b> | 186      | 436       | <b>622</b> |
| May | 276      | 512       | <b>788</b> | 193      | 481       | <b>674</b> | 178      | 438       | <b>616</b> |
| Jun | 265      | 496       | <b>761</b> | 200      | 478       | <b>678</b> | 194      | 443       | <b>637</b> |
| Jul | 260      | 490       | <b>750</b> | 210      | 454       | <b>664</b> | 202      | 425       | <b>627</b> |
| Aug | 251      | 504       | <b>755</b> | 205      | 456       | <b>661</b> |          |           | <b>0</b>   |
| Sep | 238      | 474       | <b>712</b> | 214      | 453       | <b>667</b> |          |           | <b>0</b>   |
| Oct | 235      | 474       | <b>709</b> | 210      | 452       | <b>662</b> |          |           | <b>0</b>   |
| Nov | 225      | 485       | <b>710</b> | 210      | 445       | <b>655</b> |          |           | <b>0</b>   |
| Dec | 208      | 500       | <b>708</b> | 186      | 457       | <b>643</b> |          |           | <b>0</b>   |
| Jan | 206      | 499       | <b>705</b> | 174      | 473       | <b>647</b> |          |           | <b>0</b>   |
| Feb | 202      | 481       | <b>683</b> | 181      | 466       | <b>647</b> |          |           | <b>0</b>   |
| Mar | 195      | 481       | <b>676</b> | 190      | 456       | <b>646</b> |          |           | <b>0</b>   |

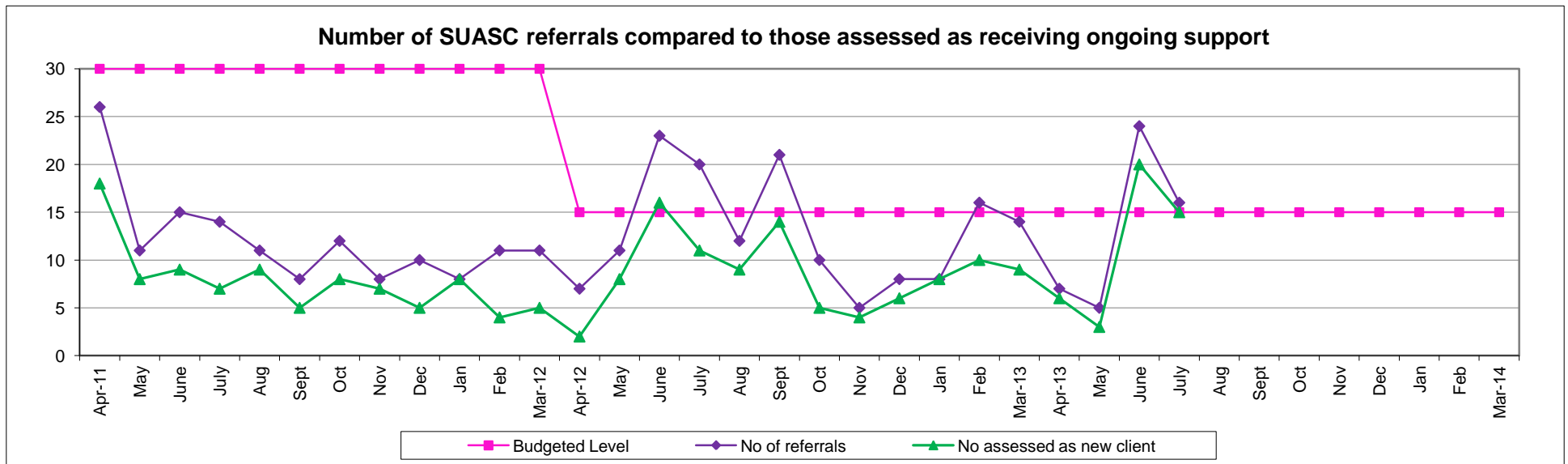


**Comments:**

- 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%        | 16              | 15                         | 94%        |
| 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%        |                 |                            |            |
|     | <b>145</b>      | <b>93</b>                  | <b>64%</b> | <b>155</b>      | <b>102</b>                 | <b>66%</b> | <b>52</b>       | <b>44</b>                  | <b>85%</b> |

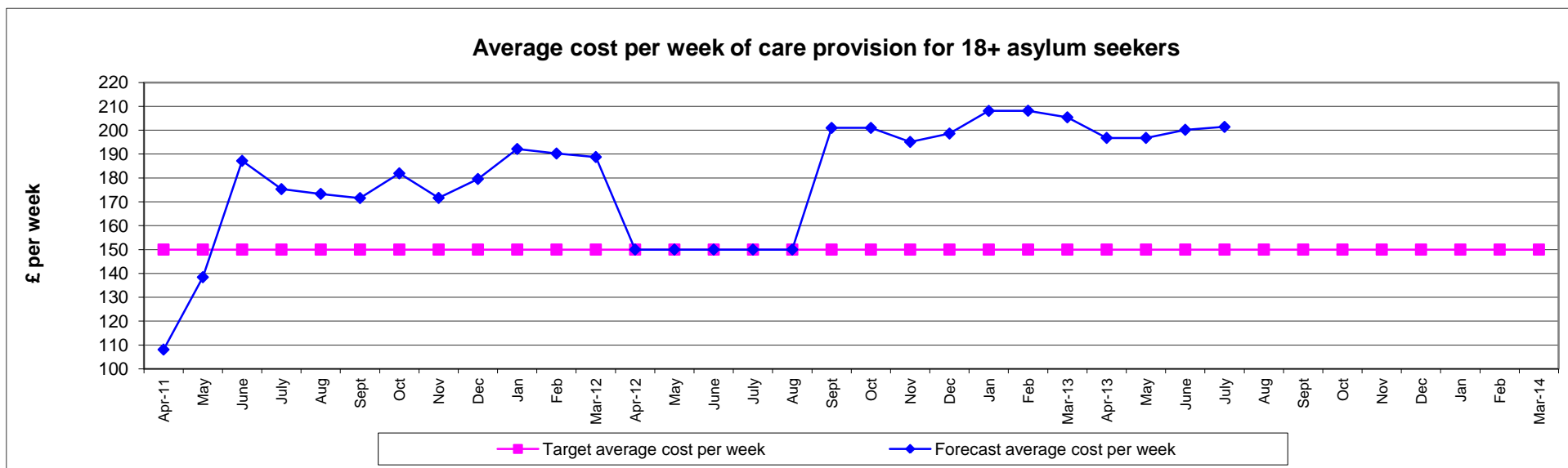


## Comments:

- The average number of referrals per month is now 13, 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 85%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 11 i.e. a 22% 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                          | 201.40                          |
| 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 £201.40, £51.40 above the £150 claimable under the grant rules. This adds £1,116k 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 £1,925k. The forecast outturn against the 2013-14 budget is £1,925k 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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---------------------------------|-----------------------------|-------------------------------|---------|
| <b>Individual Projects</b>                         |                              |                               |                         |                            |  |                                 |                             |                               |         |
| Transforming Short Breaks                          | 1,074                        | 1,674                         | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Service Redesign (Inc Intensive Parenting Centres) | 251                          | 251                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
|  |                              |                               |                         |                            |  |                                 |                             |                               |         |
| <b>Total</b>                                       | <b>1,325</b>                 | <b>1,925</b>                  | <b>0</b>                | <b>0</b>                   |  |                                 |                             |                               |         |

#### 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**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |                 |                             |                   |                                |
|-----|-------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+335,294</b> | <b>-27</b>                  | <b>-</b>          | <b>-27</b>                     |

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

| Budget Book Heading   | Cash Limit |        |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP                                  |
|---|------------|--------|----------|----------|-------------|---|---|
|   | Gross      | Income | Net      | Net      | £'000       |   |   |
|   | £'000      | £'000  | £'000    | £'000    | £'000       |   |   |
| <b>Adult Social Care &amp; Public Health portfolio</b>      |            |        |          |          |             |   |   |
| Strategic Management & Directorate Support budgets          | 6,556.8    | -943.5 | 5,613.3  | +383     | +294        | Legal Charges forecast based on 12-13 outturn                       |   |
|   |            |        |          |          | +89         | Other minor variances   |   |
| <u>Support to Frontline Services:</u>                       |            |        |          |          |             |   |   |
| - Adults Social Care Commissioning & Performance Monitoring | 3,547.9    | -140.2 | 3,407.7  | +23      |             |   |   |
| <u>Adults &amp; Older People:</u>                           |            |        |          |          |             |   |   |
| <u>- Direct Payments</u>                                    |            |        |          |          |             |   |   |
| - Learning Disability                                       | 15,865.8   | 0.0    | 15,865.8 | -146     | -634        | Forecast -2,344 weeks below affordable level of 60,327 weeks        | Demographic pressures & savings will need to be addressed in the MTFP |
|   |            |        |          |          | +484        | Forecast average unit cost +£8.03 above affordable level of £262.50 |   |
|   |            |        |          |          | +224        | one-off direct payments   |   |
|   |            |        |          |          | -190        | recovery of unspent funds from clients                              |   |
|   |            |        |          |          | -30         | Other minor variances   |   |
| - Mental Health   | 817.2      | 0.0    | 817.2    | +101     | -74         | Forecast -872 weeks below affordable level of 10,803 weeks          | Demographic pressures & savings will need to be addressed in the MTFP |
|   |            |        |          |          | +139        | Forecast average unit cost +£12.84 above affordable level of £71.40 |   |
|   |            |        |          |          | +36         | Other minor variances   |   |

| Budget Book Heading   | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP                                  |
|-----------------------|------------|----------|----------|----------|-------------|---|---|
|                       | Gross      | Income   | Net      | Net      |             |   |   |
|                       | £'000      | £'000    | £'000    | £'000    | £'000       |   |   |
| - Older People        | 6,797.2    | 0.0      | 6,797.2  | -276     | -760        | Forecast -4,609 weeks below affordable level of 45,113 weeks  | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | +643        | Forecast average unit cost +£14.25 above affordable level of £150.67  |   |
|                       |            |          |          |          | +296        | one-off direct payments   |   |
|                       |            |          |          |          | -455        | recovery of unspent funds from clients  |   |
| - Physical Disability | 10,586.9   | 0.0      | 10,586.9 | -662     | -840        | Forecast -4,429 weeks below affordable level of 56,463 weeks  | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | +121        | Forecast average unit cost +£2.14 above affordable level of £187.50   |   |
|                       |            |          |          |          | +444        | one-off direct payments   |   |
|                       |            |          |          |          | -387        | recovery of unspent funds from clients  |   |
| Total Direct Payments | 34,067.1   | 0.0      | 34,067.1 | -983     |             |   |   |
| - Domiciliary Care    |            |          |          |          |             |   |   |
| - Learning Disability | 4,285.0    | -726.6   | 3,558.4  | -216     | -164        | Independent Sector: forecast -12,387 hours below affordable level of 94,500 hours   | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | -50         | Independent Sector: forecast average unit cost -£0.53 below affordable level of £13.80  |   |
|                       |            |          |          |          | -2          | Other minor variances   |   |
| - Older People        | 42,637.5   | -1,362.7 | 41,274.8 | -404     | -673        | Independent Sector: forecast -44,877 hours below affordable level of 2,240,067 hours  | Demographic pressures & savings will need to be addressed in the MTFP |
|                       |            |          |          |          | +90         | Independent Sector: forecast average unit cost +£0.04 above affordable level of £14.95  |   |
|                       |            |          |          |          | +174        | Independent sector: costs incurred relating to 2012-13 where insufficient creditors were set up                               |   |
|                       |            |          |          |          | -128        | Underspend on Older People Kent Enablement at Home Service (KEAH) (offset by pressure on physical disability KEAH. See below) |   |
|                       |            |          |          |          | +133        | Other minor variances   |   |

| Budget Book Heading        | Cash Limit |           |           | Variance | Explanation | Management Action/<br>Impact on MTFP  |
|----------------------------|------------|-----------|-----------|----------|-------------|---|
|                            | Gross      | Income    | Net       | Net      |             |   |
|                            | £'000      | £'000     | £'000     | £'000    | £'000       |   |
| - Physical Disability      | 7,576.3    | 0.0       | 7,576.3   | -85      | -406        | Demographic pressures & savings will need to be addressed in the MTFP   |
|                            |            |           |           |          | +197        |   |
|                            |            |           |           |          | +140        |   |
|                            |            |           |           |          | -16         |   |
| Total Domiciliary Care     | 54,498.8   | -2,089.3  | 52,409.5  | -705     |             |   |
| - Non Residential Charging |            |           |           |          |             |   |
| - Learning Disability      | 0.0        | -2,569.3  | -2,569.3  | -135     | -135        | Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings. |
| - Older People             | 0.0        | -11,627.0 | -11,627.0 | +1,717   | +1,717      |   |

| Budget Book Heading                      | Cash Limit |           |           | Variance | Explanation |   | Management Action/<br>Impact on MTFP                                  |
|--|------------|-----------|-----------|----------|-------------|---|---|
|  | Gross      | Income    | Net       | Net      |             |   |   |
|  | £'000      | £'000     | £'000     | £'000    | £'000       |   |   |
| - Physical Disability /<br>Mental Health | 0.0        | -1,459.5  | -1,459.5  | -22      |             |   |   |
| Total Non Residential<br>Charging Income | 0.0        | -15,655.8 | -15,655.8 | +1,560   |             |   |   |
| - Nursing & Residential Care             |            |           |           |          |             |   |   |
| - Learning Disability                    | 76,911.0   | -6,219.8  | 70,691.2  | +897     | +1,292      | Independent Sector: forecast +1,031 weeks above affordable level of 40,086 weeks  | Demographic pressures & savings will need to be addressed in the MTFP |
|  |            |           |           |          | -90         | Leading to an increase in client contributions  |   |
|  |            |           |           |          | +235        | Independent Sector: forecast average unit cost +£5.87 above affordable level of £1,247.27                               |   |
|  |            |           |           |          | -153        | Independent Sector: forecast average unit client contribution -£3.83 above affordable level of -£83.24                  |   |
|  |            |           |           |          | -1,035      | Preserved Rights Independent Sector: forecast -1,111 weeks below affordable level of 27,124 weeks                       |   |
|  |            |           |           |          | +108        | Leading to a shortfall in client contributions  |   |
|  |            |           |           |          | +486        | Preserved Rights Independent Sector: forecast average unit cost +£17.93 above affordable level of £913.28               |   |
|  |            |           |           |          | -78         | Preserved Rights Independent Sector: forecast average unit client contribution -£2.89 above affordable level of -£94.37 |   |
|  |            |           |           |          | +106        | Costs incurred in relation to 2012-13 where insufficient creditors were set up  |   |
|  |            |           |           |          | +26         | Other minor variances   |   |

| Budget Book Heading          | Cash Limit |           |          | Variance | Explanation                          | Management Action/<br>Impact on MTFP   |   |
|------------------------------|------------|-----------|----------|----------|--------------------------------------|--|---|
|                              | Gross      | Income    | Net      | Net      |                                      |  |   |
|                              | £'000      | £'000     | £'000    | £'000    | £'000                                |  |   |
| - Mental Health              | 7,380.2    | -768.4    | 6,611.8  | +475     | +606<br>-14<br>-117                  | Independent Sector: forecast +1,002 weeks above affordable level of 9,895 weeks<br>Independent Sector: forecast average unit cost -£1.40 below affordable level of £605.75<br>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 | +131     | +743<br>-272<br>-35<br>-350<br>+45   | Independent Sector: forecast +1,544 weeks above affordable level of 83,300 weeks<br>Leading to an increase in client contributions<br>Independent Sector: forecast average unit cost -£0.42 below affordable level of £481.80<br>Independent Sector: forecast average unit client contribution -£4.20 above affordable level of -£172.12<br>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 | +126     | +442<br>-189<br>+329<br>-612<br>+156 | Independent Sector: forecast +1,097 weeks above affordable level of 146,064 weeks<br>Leading to an increase in client contributions<br>Independent Sector: forecast average unit cost +£2.25 above affordable level of £400.60<br>Independent Sector: forecast average unit client contribution -£4.19 above affordable level of -£167.74<br>Other minor variances | Demographic pressures & savings will need to be addressed in the MTFP |
| - Physical Disability        | 12,718.9   | -1,752.0  | 10,966.9 | +114     | +344<br>-117<br>-113                 | Independent Sector: forecast +400 weeks above affordable level of 12,933 weeks<br>Independent Sector: forecast average unit cost -£9.02 below affordable level of £868.96<br>Other minor variances   | Demographic pressures & savings will need to be addressed in the MTFP |



| Budget Book Heading                   | Cash Limit         |                    |                    | Variance        | Explanation |  | Management Action/<br>Impact on MTFP                                  |
|---------------------------------------|--------------------|--------------------|--------------------|-----------------|-------------|--|---|
|                                       | Gross              | Income             | Net                | Net             |             |  |   |
| Total Nursing & Residential Care      | £'000<br>227,806.3 | £'000<br>-65,846.4 | £'000<br>161,959.9 | £'000<br>+1,743 | £'000       |  |   |
| - Supported Accommodation             |                    |                    |                    |                 |             |  |   |
| - Learning Disability                 | 32,870.0           | -1,425.0           | 31,445.0           | +785            | +593        | Independent Sector: forecast +58,971 hours above affordable level of 3,168,734 hours   | Demographic pressures & savings will need to be addressed in the MTFP |
|                                       |                    |                    |                    |                 | +570        | Independent Sector: forecast average unit cost +£0.18 above affordable level of £9.87  |   |
|                                       |                    |                    |                    |                 | -170        | unrealised creditors raised in 12-13   |   |
|                                       |                    |                    |                    |                 | -140        | Underspend following the closure of the Bridge Resource Centre. This underspend partially offsets the pressure on in-house day care services (see below) |   |
|                                       |                    |                    |                    |                 | -68         | Other minor variances  |   |
| - Older People                        | 4,540.1            | -4,350.0           | 190.1              | +6              |             |  |   |
| - Physical Disability / Mental Health | 3,430.9            | -248.9             | 3,182.0            | +21             | -162        | Physical Disability Independent Sector: forecast -19,564 hours above affordable level of 238,011 hours   | Demographic pressures & savings will need to be addressed in the MTFP |
|                                       |                    |                    |                    |                 | +436        | Physical Disability Independent Sector: forecast +£1.83 above affordable level of £6.46  |   |
|                                       |                    |                    |                    |                 | -162        | Mental Health Independent Sector: forecast -14,784 hours below affordable level of 151,107 hours   |   |
|                                       |                    |                    |                    |                 | -23         | Mental Health Independent Sector: forecast -£0.15 below affordable level of £11.09   |   |
|                                       |                    |                    |                    |                 | -68         | Other minor variances  |   |
| Total Supported Accommodation         | 40,841.0           | -6,023.9           | 34,817.1           | +812            |             |  |   |

**ANNEX 3**

| Budget Book Heading                            | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------|----------|----------|----------|-------------|---|--------------------------------------|
|  | Gross      | Income   | Net      | Net      |             |   |                                      |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |                                      |
| - Other Services for Adults & Older People     |            |          |          |          |             |   |                                      |
| - Contributions to Vol Orgs                    | 17,868.5   | -4,244.0 | 13,624.5 | +143     | +143        | Various contracts with voluntary organisations are currently being reviewed/re-negotiated or re-commissioned along with investment in new services to support the transformation agenda (including expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community). |                                      |
| - Community Support Services for Mental Health | 1,265.3    | -34.3    | 1,231.0  | -84      |             |   |                                      |
| - Day Care                                     |            |          |          |          |             |   |                                      |
| - Learning Disability                          | 12,715.1   | -174.1   | 12,541.0 | +254     | +110        | 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 offsetting this pressure.   |                                      |
|  |            |          |          |          | +144        | Current demand for services provided by the independent sector  |                                      |
| - Older People                                 | 2,455.5    | -63.1    | 2,392.4  | -6       |             |   |                                      |
| - Physical Disability                          | 1,040.0    | -4.7     | 1,035.3  | +222     | +222        | 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 | +470     |             |   |                                      |

| Budget Book Heading           | Cash Limit |           |           | Variance | Explanation | Management Action/<br>Impact on MTFP   |
|-------------------------------|------------|-----------|-----------|----------|-------------|--|
|                               | Gross      | Income    | Net       | Net      |             |  |
|                               | £'000      | £'000     | £'000     | £'000    | £'000       |  |
| - Other Adult Services        | 4,117.4    | -15,623.0 | -11,505.6 | -2,423   | -2,444      | This budget line holds both transformation savings and some of the NHS support for social care monies, including funds required for 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 budget lines and the compensating funding stream is being reflected here. As the year progresses this situation will be realigned. |
|                               |            |           |           |          | +129        | Current demand for Kent sensory services equipment   |
|                               |            |           |           |          | -116        | The number of hot meals provided to older people continues to fall as clients chose alternative methods to receive this service.   |
|                               |            |           |           |          | +8          | Other minor variances  |
| - Safeguarding                | 1,135.2    | -261.6    | 873.6     | -104     | -104        | Net effect of delays in the recruitment to known vacancies along with anticipated reduced training to be delivered through the Mental Health Capacity Act (MCA) contract   |
| Total Other Services for A&OP | 40,597.0   | -20,404.8 | 20,192.2  | -1,998   |             |  |
| <u>Assessment Services</u>    |            |           |           |          |             |  |
| - Adult Social Care Staffing  | 42,345.4   | -3,862.0  | 38,483.4  | -862     | -415        | 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.   |

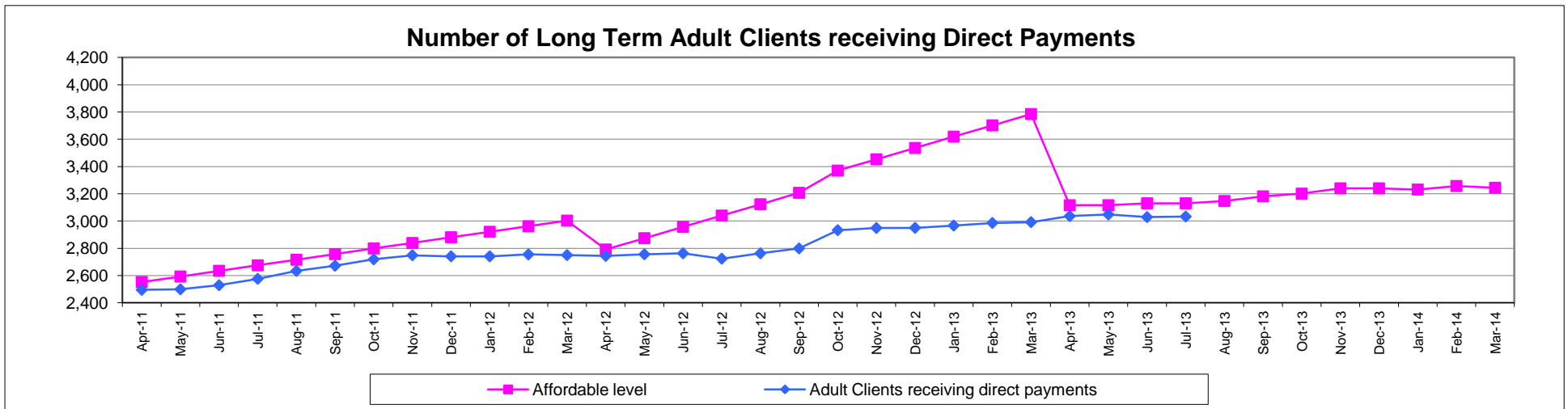
**ANNEX 3**

| Budget Book Heading                            | Cash Limit       |                   |                  | Variance   | Explanation | Management Action/<br>Impact on MTFP  |
|--|------------------|-------------------|------------------|------------|-------------|---|
|  | Gross            | Income            | Net              | Net        |             |   |
|  | £'000            | £'000             | £'000            | £'000      | £'000       |   |
|  |                  |                   |                  |            | -457        | 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 |
|  |                  |                   |                  |            | +10         | Other minor variances   |
| <b>Total ASC&amp;PH portfolio</b>              | <b>450,260.3</b> | <b>-114,965.9</b> | <b>335,294.4</b> | <b>-27</b> |             |   |
| <b>Assumed Mgmt Action</b>                     |                  |                   |                  |            |             |   |
| - ASC&PH portfolio                             |                  |                   |                  |            |             |   |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>450,260.3</b> | <b>-114,965.9</b> | <b>335,294.4</b> | <b>-27</b> |             |   |

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  | 3,116                                  | 3,036  | 160  |
| May | 2,593                                  | 2,499  | 89   | 2,874                                  | 2,756  | 147  | 3,116                                  | 3,048  | 155  |
| Jun | 2,635                                  | 2,529  | 90   | 2,957                                  | 2,763  | 133  | 3,130                                  | 3,029  | 109  |
| Jul | 2,675                                  | 2,576  | 125  | 3,040                                  | 2,724  | 156  | 3,130                                  | 3,033  | 136  |
| Aug | 2,716                                  | 2,634  | 141  | 3,123                                  | 2,763  | 167  | 3,147                                  |  |  |
| Sep | 2,757                                  | 2,672  | 126  | 3,207                                  | 2,799  | 147  | 3,181                                  |  |  |
| Oct | 2,799                                  | 2,719  | 134  | 3,370                                  | 2,933  | 185  | 3,201                                  |  |  |
| Nov | 2,839                                  | 2,749  | 122  | 3,453                                  | 2,949  | 119  | 3,240                                  |  |  |
| Dec | 2,881                                  | 2,741  | 111  | 3,536                                  | 2,950  | 109  | 3,240                                  |  |  |
| Jan | 2,921                                  | 2,741  | 130  | 3,619                                  | 2,967  | 117  | 3,231                                  |  |  |
| Feb | 2,962                                  | 2,755  | 137  | 3,702                                  | 2,986  | 127  | 3,257                                  |  |  |
| Mar | 3,003                                  | 2,750  | 117  | 3,785                                  | 2,992  | 105  | 3,244                                  |  |  |
|     |  |  | <b>1,459</b>                                     |  |  | <b>1,681</b>                                     |  |  | <b>560</b>                                       |

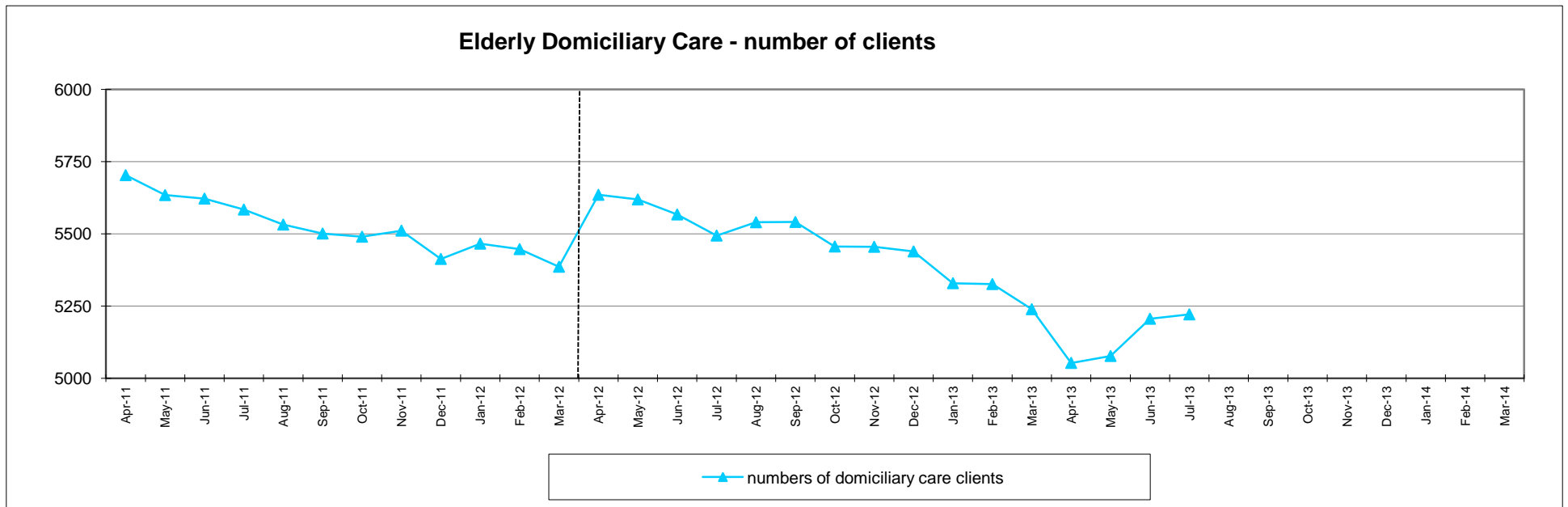


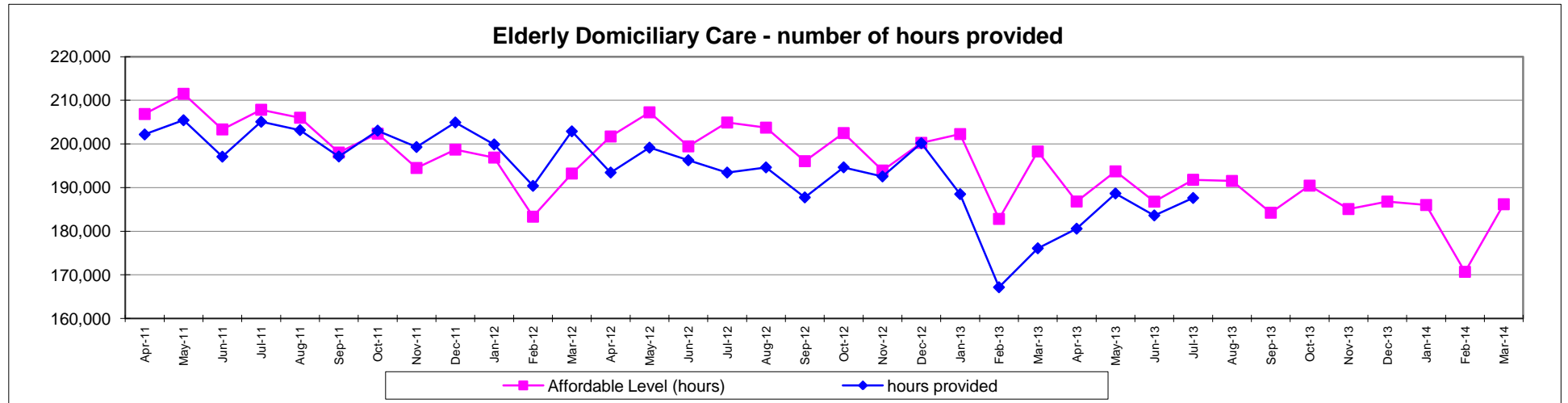
## Comments:

- 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.
- Current activity suggests an underspend on this service and this is reflected in table 1.

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                  | 187,621        | 5,221             |
| 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                  |                |                   |
|     | <b>2,402,516</b>         | <b>2,410,522</b> |                   | <b>2,393,092</b>         | <b>2,283,814</b> |                   | <b>2,240,067</b>         | <b>740,483</b> |                   |





**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 2,195,190 hours of care against an affordable level of 2,240,067, a difference of -44,877 hours. Using the forecast unit cost of £14.99 this reduction in activity reduces the forecast by -£673k, as shown in table 1.
- To the end of July 740,483 hours of care have been delivered against an affordable level of 759,095, a difference of -18,612 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 actual average hours per client per week is 8.3.

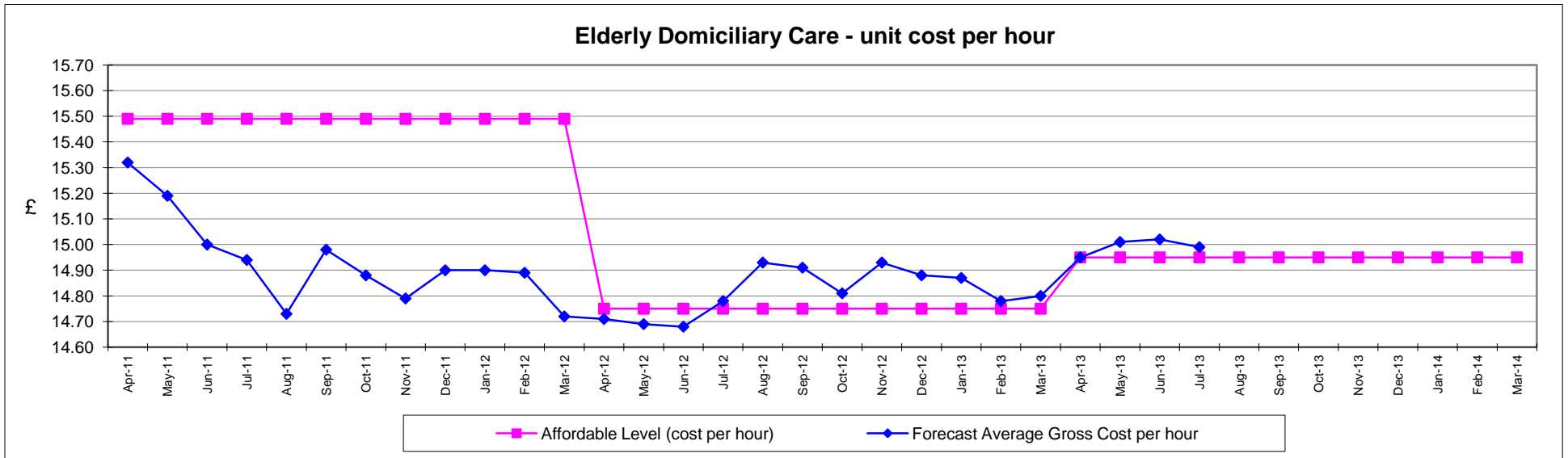


2.3 Average gross cost per hour of older people domiciliary care compared with affordable level:

|     | 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                               | 14.99                                   |
| 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                               |   |

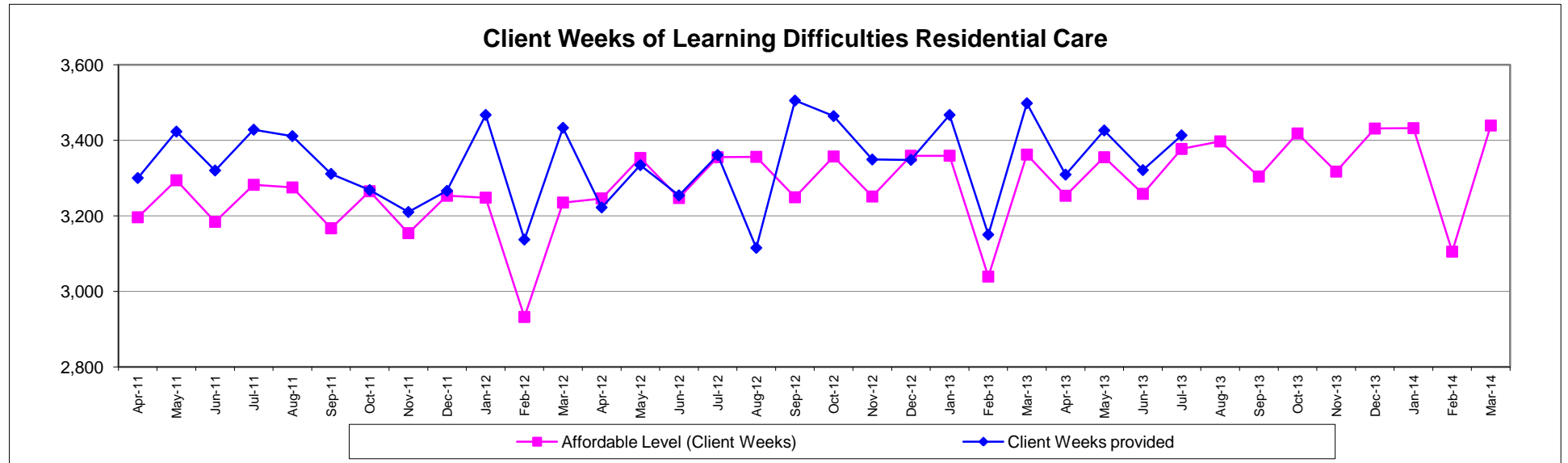
Comments:

- 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 £14.99 is slightly higher than the affordable cost of £14.95 and this difference of +£0.04 increases the forecast by £90k when multiplied by the affordable hours, as shown in table 1.



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                 | 3,253                           | 3,309                 |
| May | 3,294                           | 3,423                 | 3,353                           | 3,334                 | 3,355                           | 3,426                 |
| Jun | 3,184                           | 3,320                 | 3,247                           | 3,254                 | 3,258                           | 3,321                 |
| Jul | 3,282                           | 3,428                 | 3,355                           | 3,361                 | 3,377                           | 3,413                 |
| Aug | 3,275                           | 3,411                 | 3,356                           | 3,115                 | 3,397                           |                       |
| Sep | 3,167                           | 3,311                 | 3,249                           | 3,505                 | 3,304                           |                       |
| Oct | 3,265                           | 3,268                 | 3,357                           | 3,464                 | 3,418                           |                       |
| Nov | 3,154                           | 3,210                 | 3,251                           | 3,349                 | 3,317                           |                       |
| Dec | 3,253                           | 3,266                 | 3,359                           | 3,348                 | 3,431                           |                       |
| Jan | 3,248                           | 3,467                 | 3,359                           | 3,467                 | 3,432                           |                       |
| Feb | 2,932                           | 3,137                 | 3,039                           | 3,150                 | 3,105                           |                       |
| Mar | 3,235                           | 3,433                 | 3,362                           | 3,498                 | 3,439                           |                       |
|     | <b>38,485</b>                   | <b>39,974</b>         | <b>39,533</b>                   | <b>40,067</b>         | <b>40,086</b>                   | <b>13,469</b>         |

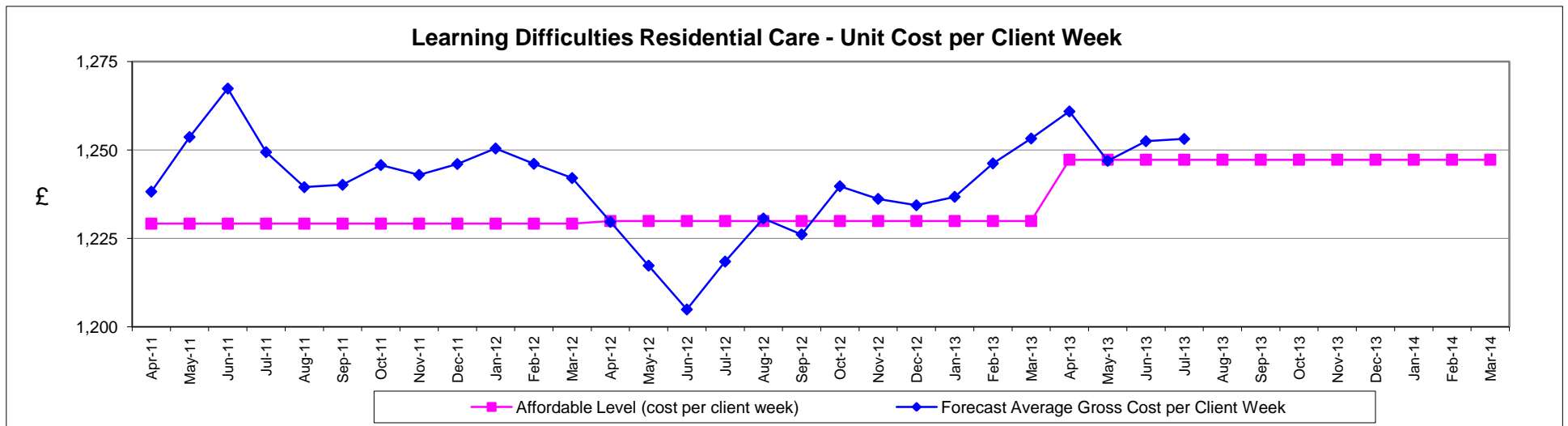


## Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2011-12 was 746, at the end of 2012-13 it was 764 and at the end of July 2013 it was 758. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and Ordinary Residence.
- The current forecast is 41,117 weeks of care against an affordable level of 40,086, a difference of +1,031 weeks. Using the forecast unit cost of £1,253.14 this additional activity increases the forecast by £1,292k, as shown in table 1.
- 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 July 13,469 weeks of care have been delivered against an affordable level of 13,243, a difference of +226 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 September monitoring to be reported to Cabinet in December.

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) £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 | 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                            | 1,253.14                                       |
| 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                            |  |

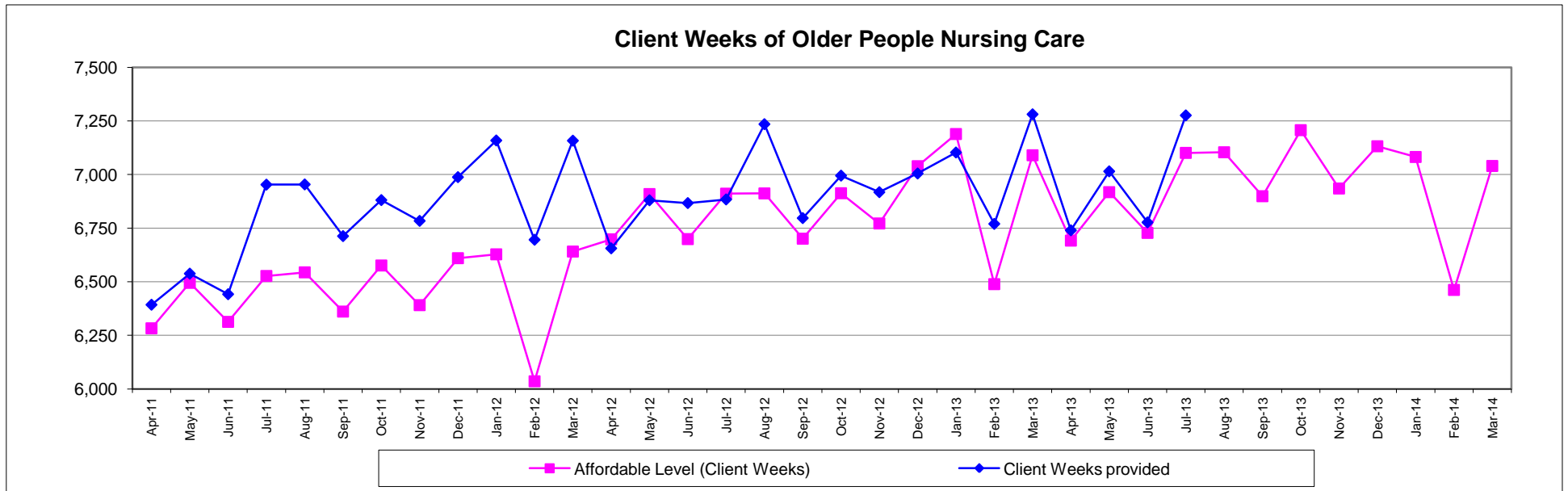


## Comments:

- 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 £1,253.14 is higher than the affordable cost of £1,247.27 and this difference of +£5.87 adds +£235k to the position when multiplied by the affordable weeks, as shown in table 1.

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                           | 7,276                 |
| 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                           |                       |
|     | <b>77,405</b>                   | <b>81,659</b>         | <b>82,322</b>                   | <b>83,391</b>         | <b>83,300</b>                   | <b>27,808</b>         |



## Comments:

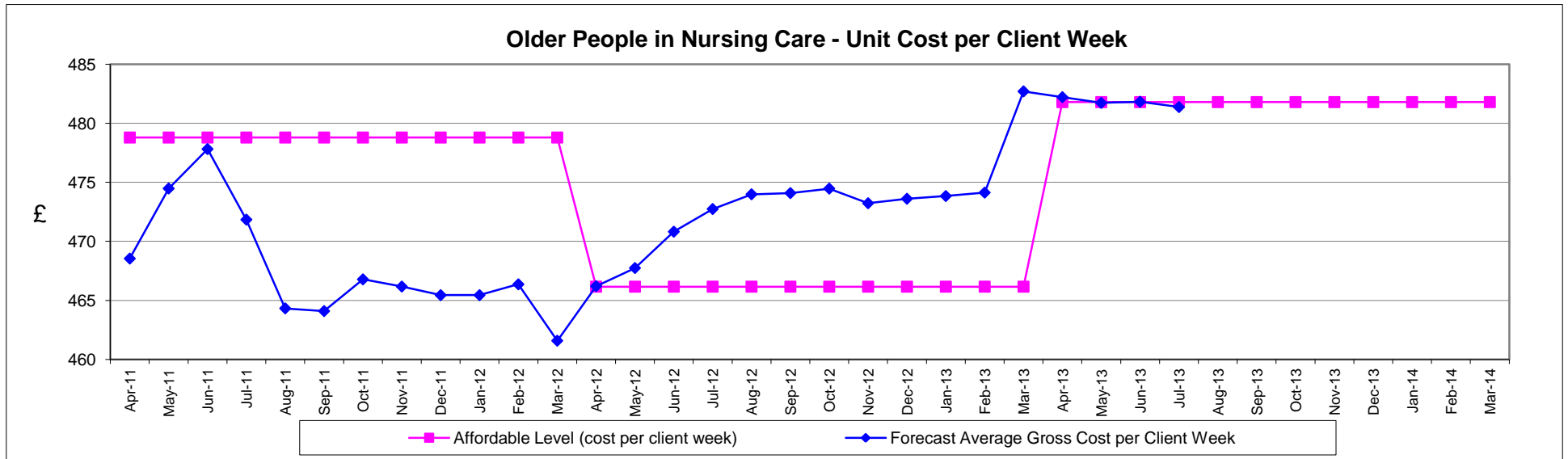
- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2011-12 was 1,479, at the end of 2012-13 it was 1,469 and at the end of July 2013 it was 1,502.
- The current forecast is 84,844 weeks of care against an affordable level of 83,300, a difference of +1,544 weeks. Using the actual unit cost of £481.38, this increased activity adds +£743k on the forecast, as shown in table 1.
- To the end of July 27,808 weeks of care have been delivered against an affordable level of 27,439, a difference of +369 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 September monitoring to be reported to Cabinet in December.

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) £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 | 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                              | 481.38   |
| 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:

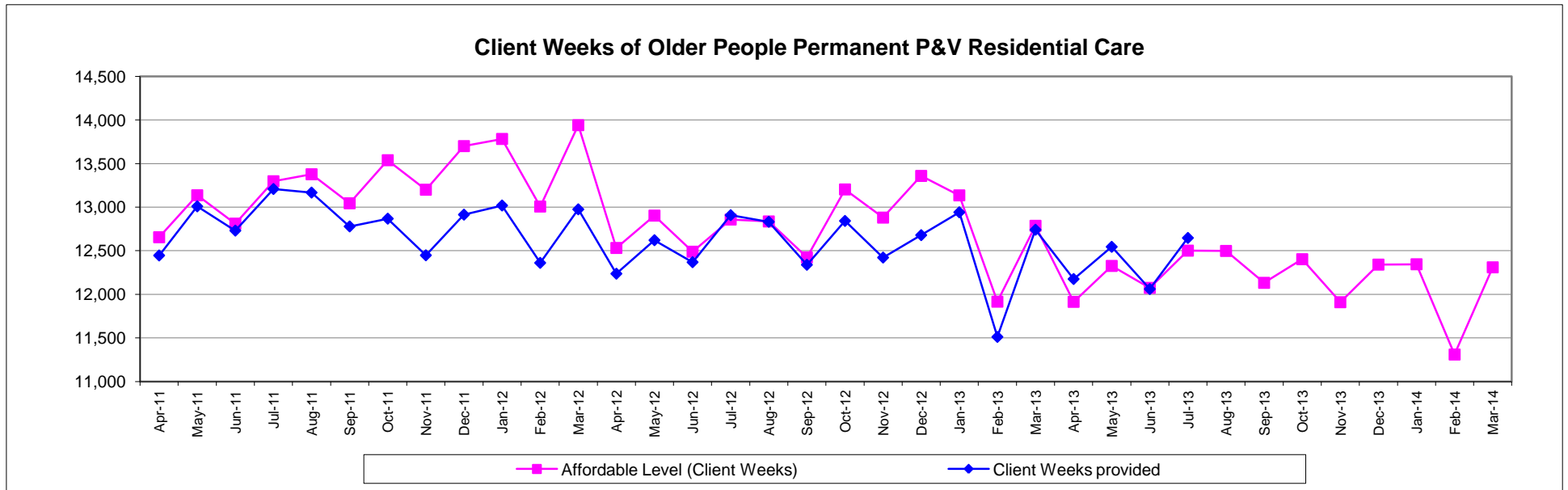
- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The forecast unit cost of £481.38 is slightly higher than the affordable cost of £481.80 and this difference of -£0.42 reduces the position by -£35k when multiplied by the affordable weeks, as shown in table 1.





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                          | 12,647                |
| 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                          |                       |
|     | <b>159,487</b>                  | <b>153,925</b>        | <b>153,320</b>                  | <b>150,443</b>        | <b>146,064</b>                  | <b>49,429</b>         |



## Comments:

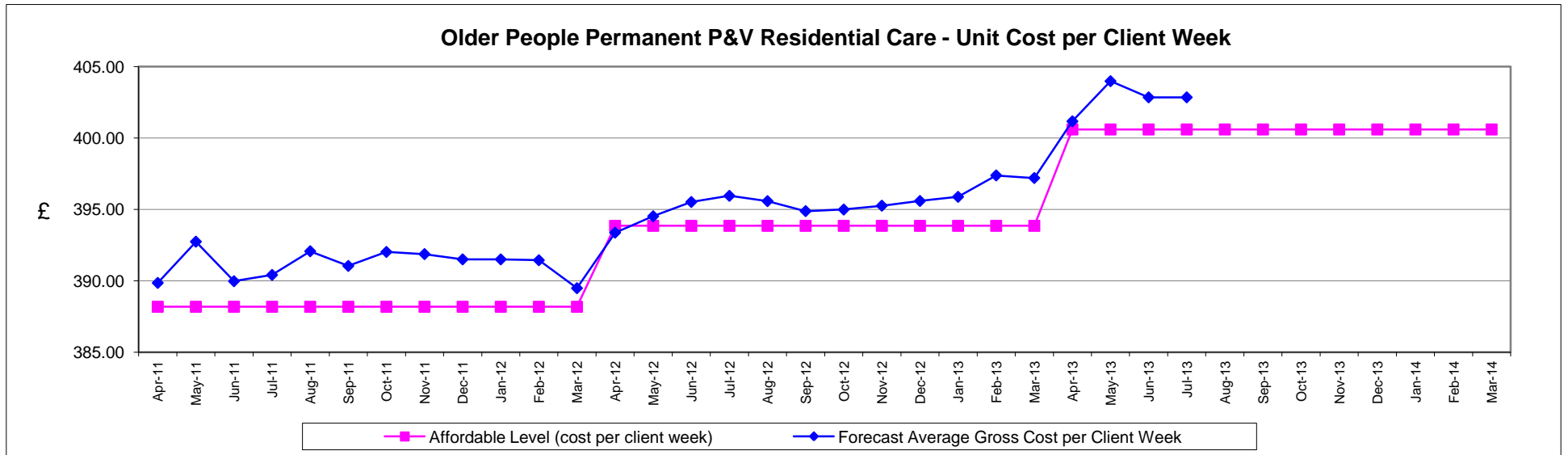
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2011-12 was 2,736, at the end of 2012-13 it was 2,653 and at the end of July 2013 it was 2,676. 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 147,161 weeks of care against an affordable level of 146,064, a difference of +1,097 weeks. Using the forecast unit cost of £402.85 this increased activity adds £442k to the forecast, as shown in table 1.
- To the end of July 49,429 weeks of care have been delivered against an affordable level of 48,815 a difference of +614 weeks. The current year to date activity suggests a higher level of activity than forecast, however the forecast assumes future activity will not be as high in the forthcoming months based on the latest residential trend information.

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                              | 402.85   |
| 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                              |  |

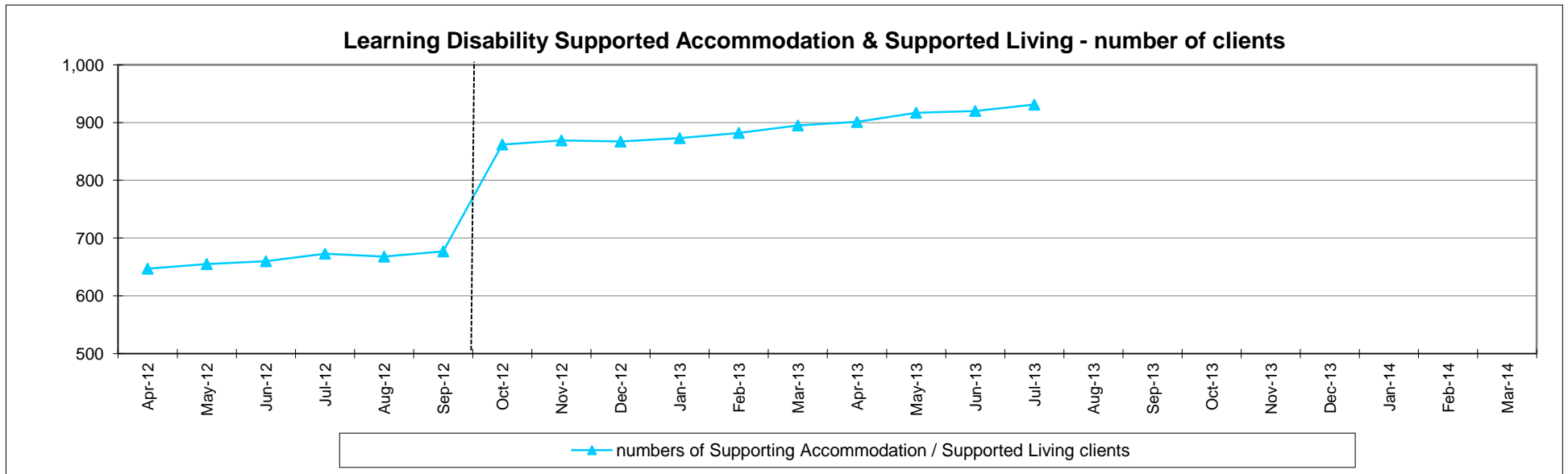
Comments:

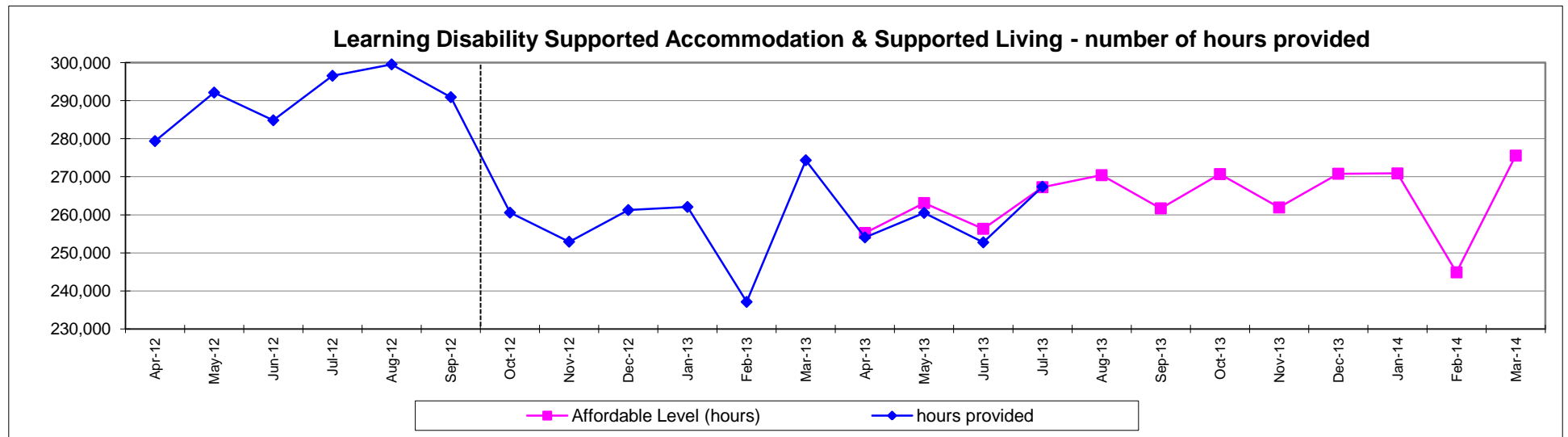
- The forecast unit cost of £402.85 is higher than the affordable cost of £400.60 and this difference of +£2.25 adds +£329k to the position when multiplied by the affordable weeks, as shown in table 1. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, 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               | 255,228                  | 254,067          | 901               |
| May |                          | 292,122          | 655               | 263,089                  | 260,503          | 917               |
| Jun |                          | 284,835          | 660               | 256,321                  | 252,761          | 920               |
| Jul |                          | 296,532          | 673               | 267,255                  | 267,384          | 931               |
| Aug |                          | 299,521          | 668               | 270,414                  |                  |                   |
| Sep |                          | 290,914          | 677               | 261,697                  |                  |                   |
| Oct |                          | 260,574          | 862               | 270,697                  |                  |                   |
| Nov |                          | 252,932          | 869               | 261,922                  |                  |                   |
| Dec |                          | 261,257          | 867               | 270,798                  |                  |                   |
| Jan |                          | 262,070          | 873               | 270,874                  |                  |                   |
| Feb |                          | 237,118          | 882               | 244,883                  |                  |                   |
| Mar |                          | 274,334          | 895               | 275,556                  |                  |                   |
|     | <b>0</b>                 | <b>3,291,574</b> |                   | <b>3,168,734</b>         | <b>1,034,715</b> |                   |





#### Comments:

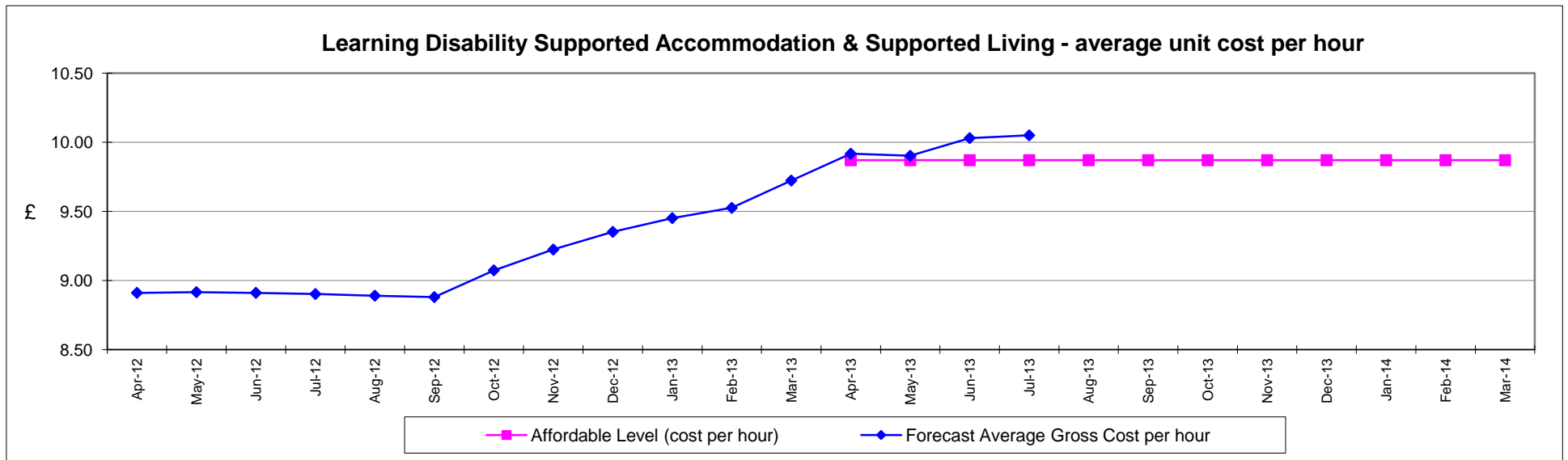
- This indicator has changed from 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The 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 3,227,705 hours of care against an affordable level of 3,168,734, a difference of +58,971 hours. Using the forecast unit cost of £10.05 this increase in activity increases the forecast by +£593k, as shown in table 1.
- To the end of July 1,034,715 hours of care have been delivered against an affordable level of 1,041,893, a difference of -7,178 hours. The forecast number of hours 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                                | 10.05                                   |
| 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 £10.05 is higher than the affordable cost of £9.87 and this difference of +£0.18 increases the forecast by +£570k when multiplied by the affordable hours, as shown in table 1.



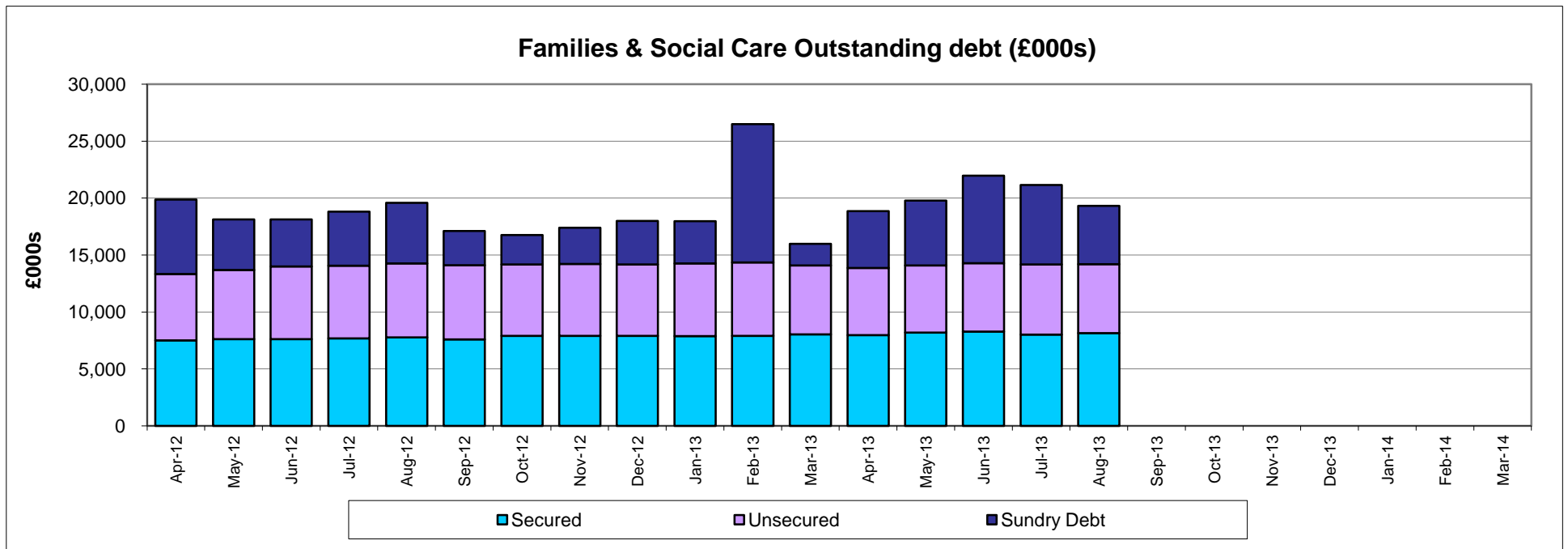
## 2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of August was £19.320m compared with July's figure of £21.146m (reported to Cabinet in September) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £5.116m of sundry debt compared to £6.978m in July. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.204m relating to Social Care (client) debt which is a small increase of £0.036m from the last reported position to Cabinet in September. 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.

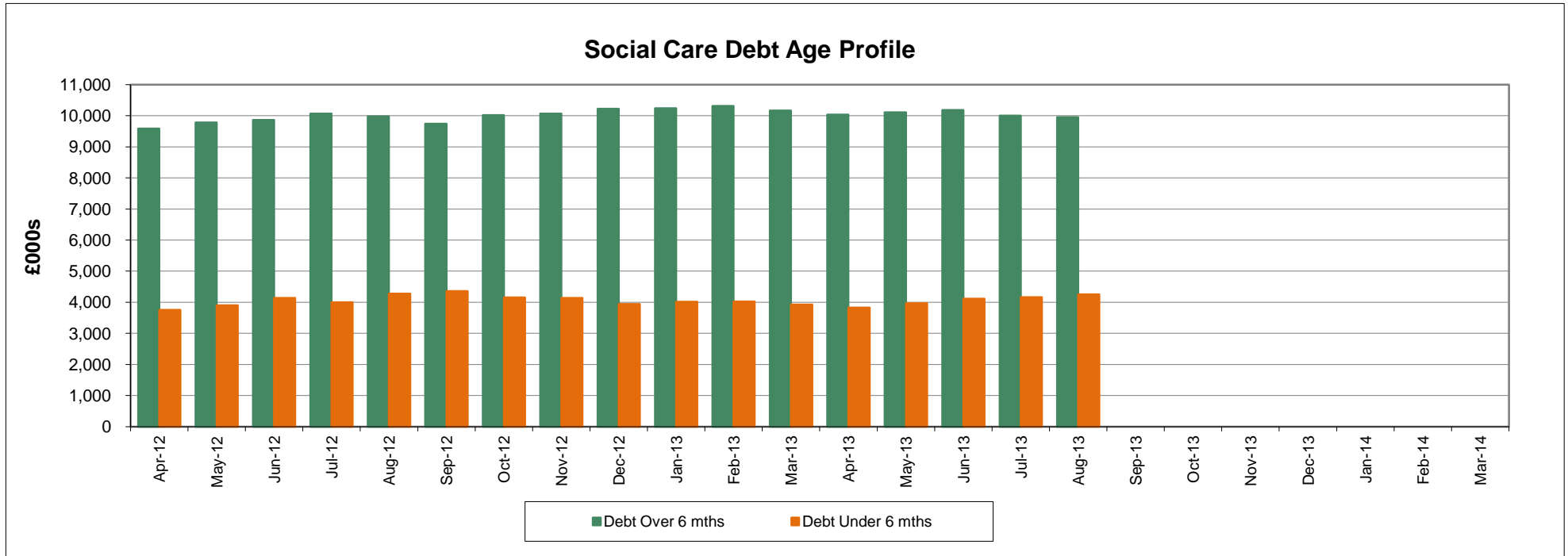
|        | Social Care Debt                               |                      |                                     |                             |                              |                  |                    |
|--------|--|----------------------|-------------------------------------|-----------------------------|------------------------------|------------------|--------------------|
|        | Total Due Debt (Social Care & Sundry)<br>£000s | Sundry Debt<br>£000s | Total Social Care Due Debt<br>£000s | Debt Over 6 months<br>£000s | Debt Under 6 months<br>£000s | Secured<br>£000s | Unsecured<br>£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 | 19,320   | 5,116                | 14,204                              | 9,950                       | 4,254                        | 8,141            | 6,063              |
| 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 £9,344k giving a variance of - £3,015k.

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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>  |                              |                               |                         |                            |  |  |                             |                               |         |
| Asset Modernisation  | 0                            | 373                           | 0                       | 0                          |  |  | Green                       |                               |         |
| Home Support Fund  | 6,600                        | 2,474                         | 0                       | 0                          |  |  | Green                       |                               |         |
| <b>Individual Projects</b>   |                              |                               |                         |                            |  |  |                             |                               |         |
| <b>Kent Strategy for Services for Older People (OP):</b>                                       |                              |                               |                         |                            |  |  | Green                       |                               |         |
| 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                           | -50                     | -50                        | Real - Prudential                            | Underspend 13/14 - Wyllie Telecare.  | Green                       |                               |         |
| <b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b> |                              |                               |                         |                            |  |  |                             |                               |         |
| Learning Disability Good Day Programme- Community Hubs   | 3,318                        | 2,609                         | -1,287                  | -195                       | Real - PEF2                                  | Various schemes - Service needs have changed or been provided through other means, budget no longer required | Green                       |                               |         |
|  |                              |                               |                         | -124                       | Real - Capital receipts                      |  |                             |                               |         |
|  |                              |                               |                         | -968                       | Rephasing                                    |  |                             |                               |         |

| 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 <sup>1</sup> | Explanation of Project Status | Actions |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|-------------------------------|---------|
| Learning Disability Good Day Programme- Community Initiatives                                   | 2,430                        | 2,477                         | -422                    | -132                       | Real - Capital receipts                      | Contribution to a smaller scheme reduced. Budget no longer required.  | Green                       |                               |         |
|   |                              |                               |                         | -290                       | Rephasing                                    | Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15                    | Amber - delayed             |                               |         |
| Rusthall  | 0                            | 45                            | -45                     | -45                        | Rephasing                                    |   | Green                       |                               |         |
| Mental Health Strategy  | 264                          | 264                           | -134                    | -134                       | Rephasing                                    | Various smaller schemes less than £100k rephased to 14-15   | Amber - delayed             |                               |         |
| <b>Active Care / Active Lives Strategy:</b>   |                              |                               |                         |                            |  |   |                             |                               |         |
| PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent | 66,800                       | 0                             | 0                       | 0                          |  |   | Green                       |                               |         |
| <b>Developing Innovative and Modernising Services:</b>  |                              |                               |                         |                            |  |   |                             |                               |         |
| Lowfield St (formerly Trinity Centre, Dartford)   | 1,073                        | 450                           | -350                    | -350                       | Rephasing                                    | Rephasing to 14/15 due to delays in acquiring planning permission - new planning application submitted by developer | Amber - delayed             |                               |         |
| Information Technology Projects e.g. Swift Development / Mobile Working                         | 2,477                        | 2,178                         | 0                       | 0                          |  |   | Green                       |                               |         |
| Public Access Development   | 1,052                        | 727                           | -727                    | -727                       | Rephasing                                    | Rephasing to 14/15 to align with New Ways of Working Programme.   | Amber - delayed             |                               |         |
| <b>Total</b>  | <b>92,858</b>                | <b>12,359</b>                 | <b>-3,015</b>           | <b>-3,015</b>              |  |   |                             |                               |         |

<sup>1</sup> Project Status: Green = on time and within budget; Amber = either delayed completion date or over budget; Red = both delayed and over budget

**ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                               |                 |                             |                   |                                |
|-----|-------------------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Directorate Total (£k)</b> | <b>+151,744</b> | <b>+2,652</b>               | <b>-</b>          | <b>+2,652</b>                  |

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

| Budget Book Heading                                | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP |
|--|------------|----------|----------|----------|-------------|---|--------------------------------------|
|  | Gross      | Income   | Net      | Net      |             |   |                                      |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |                                      |
| <b>Environment, Highways and Waste portfolio</b>   |            |          |          |          |             |   |                                      |
| Strategic Management & Directorate Support budgets | 4,869.9    | -21.0    | 4,848.9  | -290     | -233        | Saving on contractor annual management charge   |                                      |
|  |            |          |          |          | -57         | Other minor variances   |                                      |
| <u>Community Services:</u>                         |            |          |          |          |             |   |                                      |
| - Gypsies & Travellers                             | 714.0      | -430.0   | 284.0    | 0        |             |   |                                      |
| <u>Environment:</u>                                |            |          |          |          |             |   |                                      |
| - Environment Management                           | 3,994.6    | -1,474.7 | 2,519.9  | +6       |             |   |                                      |
| <u>Highways:</u>                                   |            |          |          |          |             |   |                                      |
| - Highways Maintenance                             |            |          |          |          |             |   |                                      |
| - Adverse Weather                                  | 3,299.9    | 0.0      | 3,299.9  | +364     | +222        | Costs of April salting runs   |                                      |
|  |            |          |          |          | +158        | Balance of 12/13 costs including snow emergency costs for which insufficient provision was made |                                      |
|  |            |          |          |          | -16         | 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 | +3,959   | +4,017      | Find and fix repair of pot holes  |                                      |
|  |            |          |          |          | -99         | Underspend on depot maintenance   |                                      |
|  |            |          |          |          | +41         | Other minor variances   |                                      |
| - Highway drainage                                 | 3,265.8    | 0.0      | 3,265.8  | 0        |             |   |                                      |
| - Streetlight maintenance                          | 4,050.3    | -154.0   | 3,896.3  | 0        |             |   |                                      |
|  | 26,820.1   | -823.0   | 25,997.1 | +4,323   |             |   |                                      |

| Budget Book Heading                              | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP  |
|--|------------|----------|----------|----------|-------------|---|---|
|  | Gross      | Income   | Net      | Net      |             |   |   |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |   |
| - Highways Management:                           |            |          |          |          |             |   |   |
| - Development Planning                           | 2,110.9    | -1,310.0 | 800.9    | -85      |             |   |   |
| - Highways Improvements                          | 1,875.3    | -82.0    | 1,793.3  | -419     | -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. |   |
|  |            |          |          |          | -51         | Other minor variances   |   |
| - Road Safety                                    | 3,257.6    | -2,234.0 | 1,023.6  | +48      |             |   |   |
| - Streetlight energy                             | 4,795.0    | 0.0      | 4,795.0  | 0        |             |   |   |
| - Traffic management                             | 5,874.2    | -3,421.1 | 2,453.1  | -104     | -104        | Number of variances all under £100k in value, including increased permit income and income from rechargeable works                                      |   |
| - Tree maintenance, grass cutting & weed control | 3,252.8    | 0.0      | 3,252.8  | +265     | +170        | 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  |   |
|  |            |          |          |          | -211        | Savings on the transfer of the contract to a new contractor   | Part of this saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |          |          |          | +162        | Removal of tree stumps  |   |
|  |            |          |          |          | -36         | Other minor variances   |   |
|  | 21,165.8   | -7,047.1 | 14,118.7 | -295     |             |   |   |
| <u>Planning &amp; Transport Strategy:</u>        |            |          |          |          |             |   |   |
| - Planning & Transport Policy                    | 1,491.9    | 0.0      | 1,491.9  | -56      |             |   |   |
| - Planning Applications                          | 1,079.9    | -600.0   | 479.9    | +103     | +198        | Reduction in income for planning applications due to the current economic climate   |   |
|  |            |          |          |          | -95         | Other minor variances   |   |
|  | 2,571.8    | -600.0   | 1,971.8  | +47      |             |   |   |

| Budget Book Heading                    | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP   |
|--|------------|----------|----------|----------|-------------|---|--|
|  | Gross      | Income   | Net      | Net      |             |   |  |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |  |
| <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   |  |
| - Freedom Pass                         | 15,643.0   | -2,459.0 | 13,184.0 | +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  | -449     | -524        | 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 |  |
|  |            |          |          |          | -143        | Staff vacancies   |  |
|  |            |          |          |          | +220        | Reduced income from ELS due to fewer entitled scholars using the subsidised bus routes  | This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP  |
|  |            |          |          |          | -2          | Other minor variances   |  |
| - Transport Operations                 | 1,127.4    | -214.5   | 912.9    | +1       |             |   |  |
| - Transport Planning                   | 484.6      | -228.0   | 256.6    | -29      |             |   |  |
|  | 42,962.1   | -4,382.5 | 38,579.6 | -792     |             |   |  |
| <u>Waste Management</u>                |            |          |          |          |             |   | Impact of the current Waste forecast on the 2014-17 MTFP: 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.          |
| - Waste Operations                     | 1,762.0    | 0.0      | 1,762.0  | -201     | -127        | Vacancy management and removal of a post  |  |
|  |            |          |          |          | -74         | Other minor variances   |  |
| - Recycling & Diversion from Landfill: |            |          |          |          |             |   |  |
| - Household Waste Recycling Centres    | 8,241.0    | -1,982.0 | 6,259.0  | -498     | -251        | Forecast lower volumes of materials managed at sites resulting in reduced haulage fees  |  |

| Budget Book Heading                              | Cash Limit     |                 |              | Variance     | Explanation  | Management Action/<br>Impact on MTFP |
|--|----------------|-----------------|--------------|--------------|--|--------------------------------------|
|  | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |  |                                      |
|  |                |                 |              |              | £'000<br>+238 Management and contract fees for Richborough site expected to be closed for 2013/14 but remains open<br>-383 Haulage and management costs associated with the new combined Ashford HWRC and transfer station now included in the Haulage & Transfer Stations A-Z line<br>-71 Reduced recycling bonus payments due to reduced waste volumes at HWRC<br>-96 Additional income from the sale of metal as prices remain stable and high<br>+65 Other minor variances |                                      |
| - Partnership & Waste Co-ordination              | 606.0          | -168.0          | 438.0        | -10          |  |                                      |
| - Payments to Waste Collection Authorities (DCs) | 6,068.0        | -102.0          | 5,966.0      | -231         | -143 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<br>-110 Reduced recycling credit payments to Waste Collection Authorities<br>+22 Other minor variances   |                                      |
| - Recycling Contracts & Composting               | 9,030.0        | -1,571.0        | 7,459.0      | -163         | +520 Price increases for hardcore due to changes in legislation<br>-306 Forecast reduction of 14,400 tonnes in hardcore, wood, garden waste and other materials offset by an increase in food waste<br>+469 Reduced income from the East Kent Contract due to changes in market prices   |                                      |

| Budget Book Heading                          | Cash Limit |          |          | Variance | Explanation | Management Action/<br>Impact on MTFP  |   |
|--|------------|----------|----------|----------|-------------|---|---|
|  | Gross      | Income   | Net      | Net      |             |   |   |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |   |
|  |            |          |          |          | +184        | East Kent Contract: Forecast reduction of 4,100 tonnes of saleable material, (together with an increase of 6,300 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   |   |
|  |            |          |          |          | +350        | Additional costs of processing mixed materials, including glass at the new Materials Recycling Facility (MRF) for Mid and West Kent   |   |
|  |            |          |          |          | -1,559      | Savings due to the closure of the MRF and the opening of a Transfer Station at the Allington site to manage materials from the Mid Kent Contract, which offset the pressure on the new Mid and West Kent MRF and additional costs on disposal contracts |   |
|  |            |          |          |          | +3          | Other minor variances   |   |
|  | 23,945.0   | -3,823.0 | 20,122.0 | -902     |             |   |   |
| - Waste Disposal:                            |            |          |          |          |             |   |   |
| - Closed Landfill Sites & Abandoned Vehicles | 864.0      | -180.0   | 684.0    | -155     | -127        | Net saving on the termination of the Operation Cubit contract   | This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP |
|  |            |          |          |          | -28         | Other minor variances   |   |
| - Disposal Contracts                         | 28,836.0   | -156.0   | 28,680.0 | +867     | -216        | Forecast reduced tonnage of residual waste to be managed (-16,100 tonnes)   |   |
|  |            |          |          |          | +1,899      | Forecast increase of tonnage throughput at the Allington Waste to energy Facility (resulting in reduction sent to Landfill) (+20,100 tonnes)  |   |



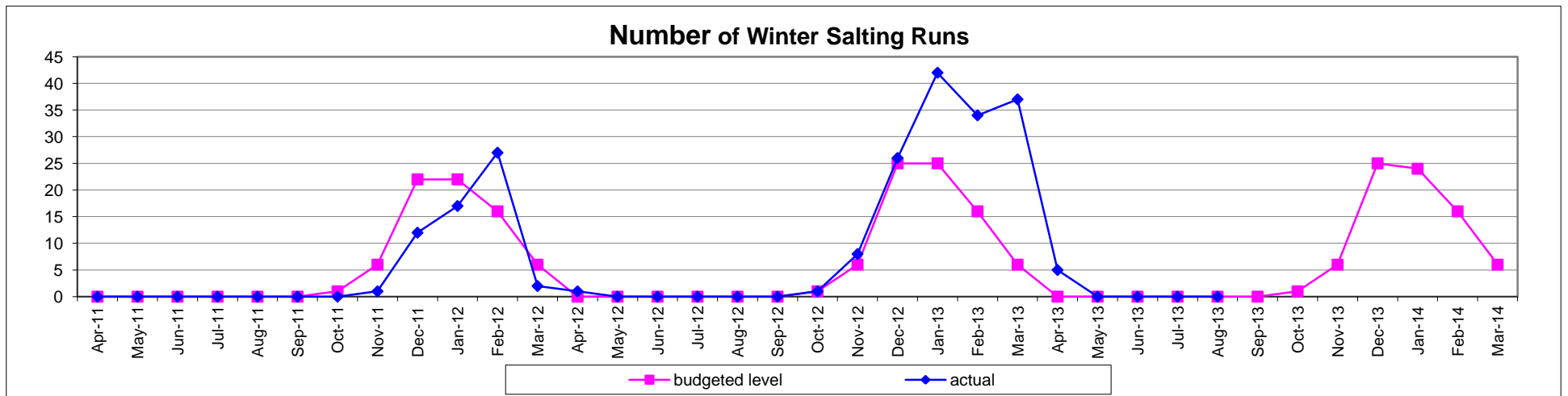
| Budget Book Heading           | Cash Limit     |                 |              | Variance     | Explanation  | Management Action/<br>Impact on MTFP |
|-------------------------------|----------------|-----------------|--------------|--------------|--|--------------------------------------|
|                               | Gross<br>£'000 | Income<br>£'000 | Net<br>£'000 | Net<br>£'000 |  |                                      |
|                               |                |                 |              |              | -1,859 Saving on contracted payments to Allington Waste to Energy Plant due to 19,700 tonnes less waste being processed via the facility during April-June as a result of extended maintenance<br>+1,183 Allington Waste to Energy contractual changes due to the closure of the MRF and the opening of a Transfer Station at the Allington site which has resulted in a pressure which is offset by savings on the Recycling and Composting budget reported above<br>-119 Saving on managing hazardous and clinical waste<br>-21 Other minor variances  |                                      |
| - Haulage & Transfer Stations | 9,579.0        | -75.0           | 9,504.0      | +1,230       | +387 Delays in the closure of the Hawkinge transfer station<br>+122 Haulage and management costs associated with the new combined Ashford HWRC and transfer station together with reduced expenditure at the Ashford transfer station due to the delays in the closure of the Hawkinge site<br>-179 Forecast reduced tonnage managed at sites<br>+229 New arrangements at Allington transfer station to enable the receipt of food and dry recyclable waste<br>+547 East Kent Contract Haulage fee budget set only for January to March but payments are being incurred for the whole financial year |                                      |

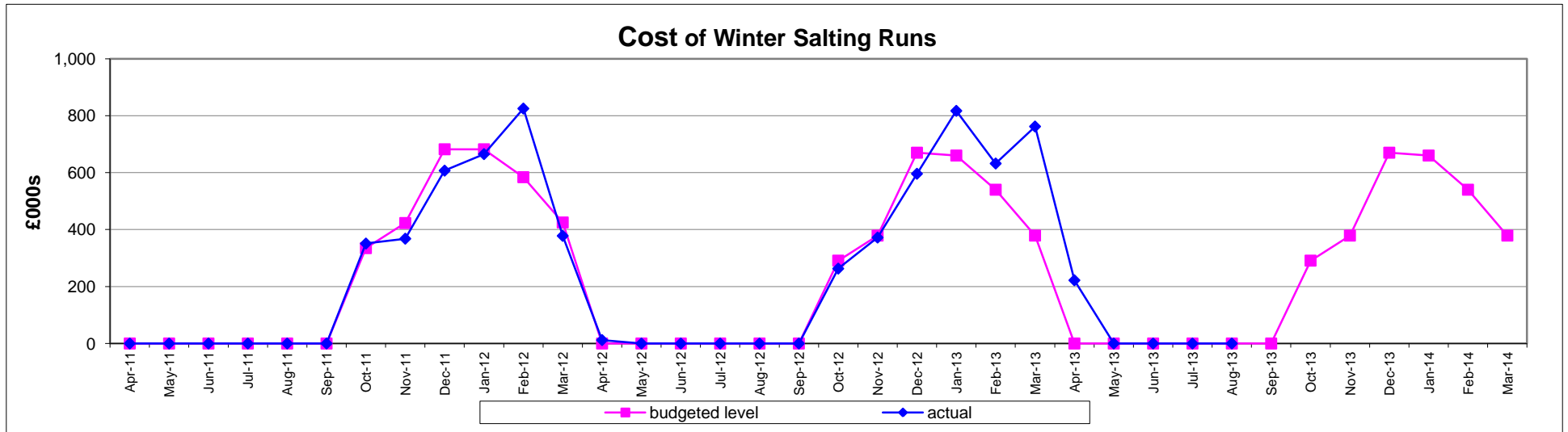
| Budget Book Heading                            | Cash Limit       |                  |                  | Variance      | Explanation   | Management Action/<br>Impact on MTFP |
|--|------------------|------------------|------------------|---------------|---|--------------------------------------|
|  | Gross<br>£'000   | Income<br>£'000  | Net<br>£'000     | Net<br>£'000  |   |                                      |
|  |                  |                  |                  |               | £'000<br>+264 Extra contract payments for managing waste in Thanet and Canterbury under the East Kent Contract as the new service is being rolled out<br>-144 Reduced haulage of residual waste from Canterbury and Thanet to Allington due to extended maintenance at the Allington Waste to Energy Facility<br>+4 Other minor variances   |                                      |
| - Landfill Tax                                 | 7,571.0          | 0.0              | 7,571.0          | -1,186        | -1,186 Forecast reduction in the volume of waste sent to landfill due to an overall reduction in residual waste (-16,100 tonnes), together with a net reduction of 400 tonnes due to planned diversion of waste to be processed at the Allington Waste to Energy Facility (-20,100 tonnes) offset by an increase in waste diverted to landfill due to extended maintenance at the Allington WtE Facility (+19,700 tonnes) |                                      |
|  | 46,850.0         | -411.0           | 46,439.0         | +756          |   |                                      |
| - Commercial Services                          | 0.0              | -4,899.0         | -4,899.0         |               |   |                                      |
| <b>Total E,H &amp; W portfolio</b>             | <b>175,655.3</b> | <b>-23,911.3</b> | <b>151,744.0</b> | <b>+2,652</b> |   |                                      |
| <b>Regeneration &amp; Enterprise portfolio</b> |                  |                  |                  |               |   |                                      |
| Development Staff & Projects                   | 656.6            | -656.6           | 0.0              | 0             |   |                                      |
| <b>Total E&amp;E controllable</b>              | <b>176,311.9</b> | <b>-24,567.9</b> | <b>151,744.0</b> | <b>+2,652</b> |   |                                      |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                  |               |   |                                      |
| - EHW portfolio                                |                  |                  |                  |               |   |                                      |
| - R&E portfolio                                |                  |                  |                  |               |   |                                      |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>176,311.9</b> | <b>-24,567.9</b> | <b>151,744.0</b> | <b>+2,652</b> |   |                                      |

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                  | -            |
|     | <b>73</b>           | <b>59</b> | <b>3,131</b>         | <b>3,194</b> | <b>79</b>           | <b>149</b> | <b>2,919</b>         | <b>3,454</b> | <b>78</b>           | <b>5</b> | <b>2,919</b>         | <b>222</b>   |





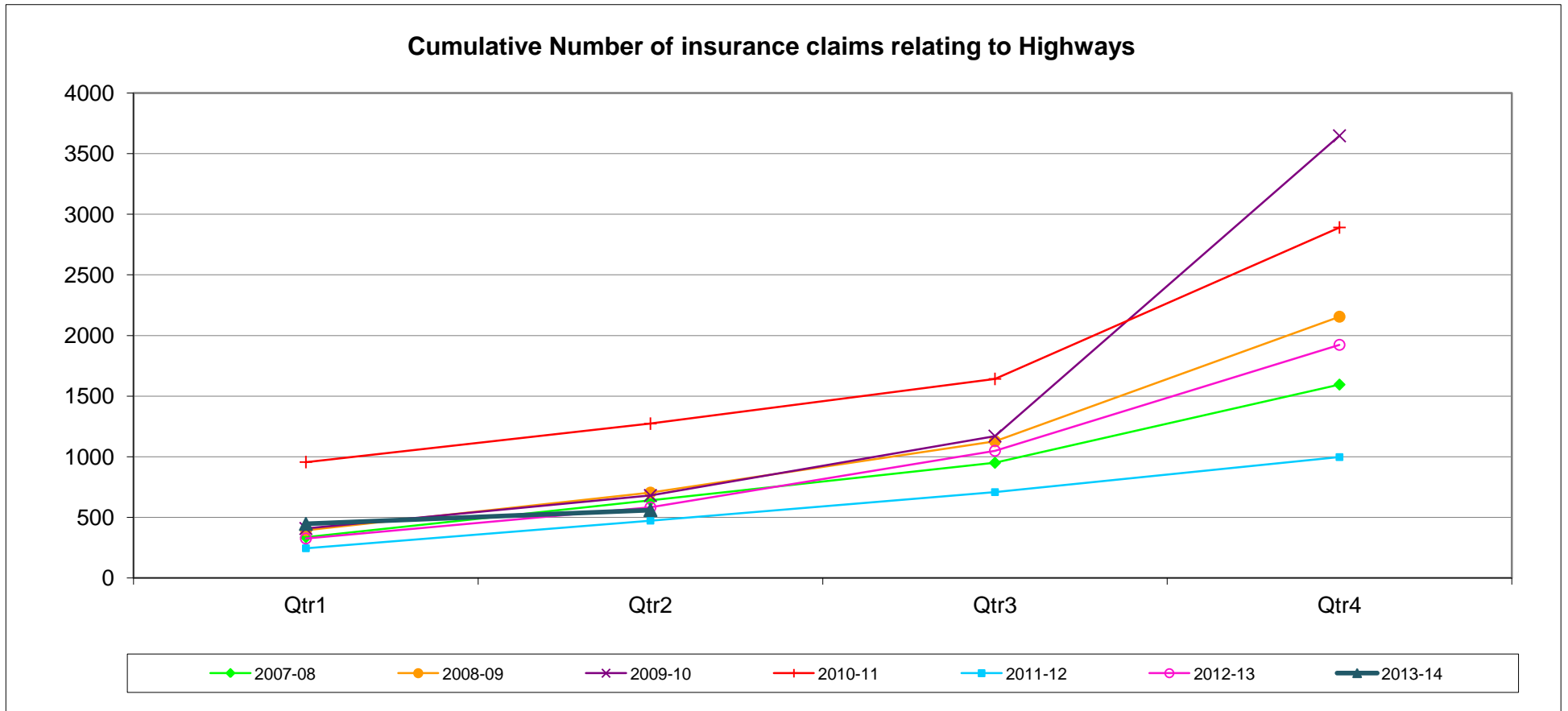
**Comments:**

- 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 | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims | Cumulative no. of claims |
| Apr to Jun | 337                      | 393                      | 408                      | 956                      | 245                      | 326                      | 446                      |
| Jul to Sep | 640                      | 704                      | 680                      | 1,273                    | 473                      | 582                      | 560                      |
| Oct to Dec | 950                      | 1,128                    | 1,170                    | 1,642                    | 708                      | 1,049                    |                          |
| Jan to Mar | 1,595                    | 2,155                    | 3,647                    | 2,891                    | 997                      | 1,923                    |                          |

represents position as at 31 August 2013



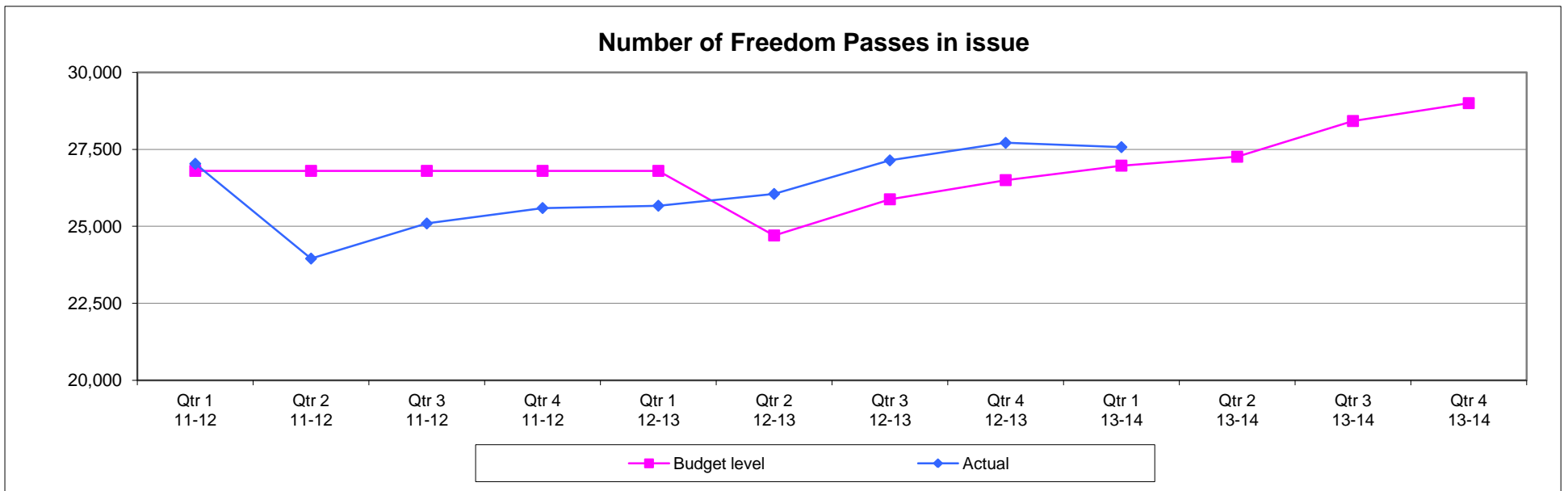
## Comments:

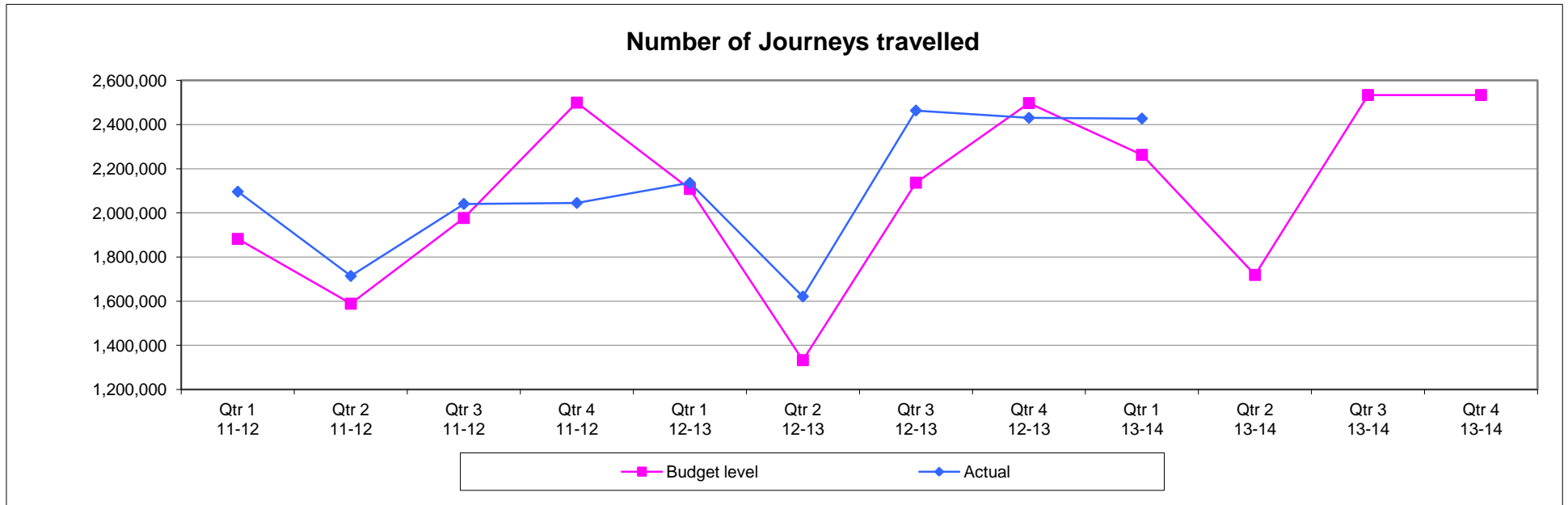
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 31st August 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                |                |
|       |              |        | <b>7,947</b>         | <b>7,896</b>   |              |        | <b>8,076</b>         | <b>8,652</b>   |              |        | <b>9,050</b>         | <b>2,428</b>   |

The data for this activity indicator is only provided on a quarterly basis from our external provider MCL Transport Services.





**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. There is a forecast pressure of £70k on the Freedom Pass budget due to the higher than budgeted number of journeys, as reflected in table 1 of this annex.
- 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.



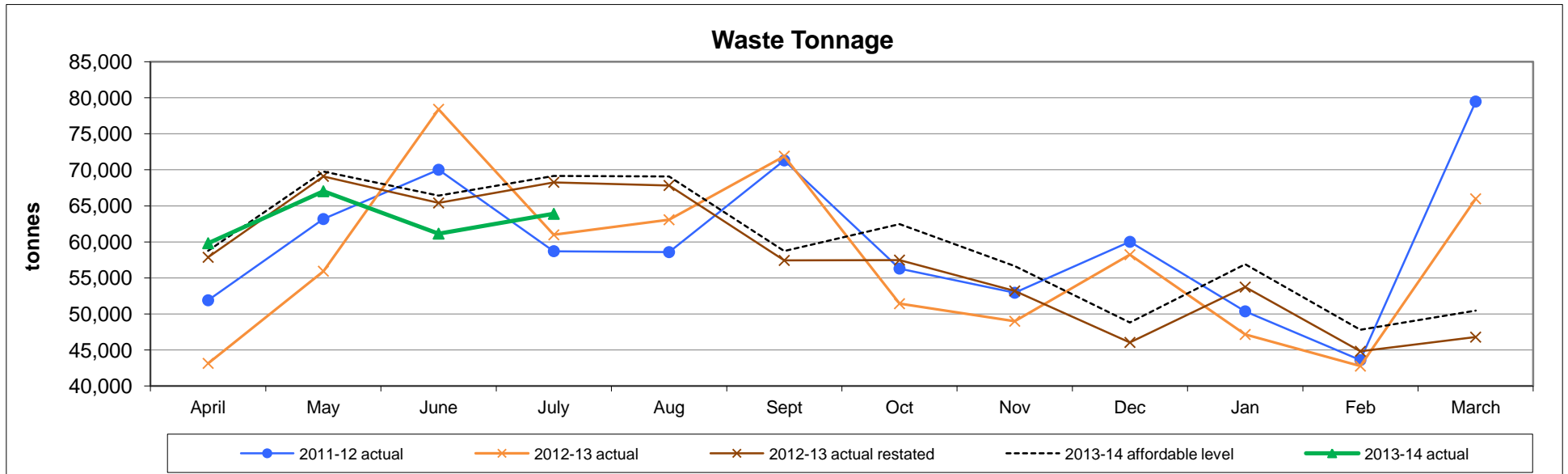
2.4 Waste Tonnage

|     | 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             | 63,894          |
| 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             |                 |
|     | <b>716,351</b> | <b>687,945</b> | <b>687,945</b>     | <b>715,000</b>     | <b>251,878</b>  |

^ 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 four months of the year is approximately 12,000 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 3.4% lower for the first four months 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 April to July of 2013-14 and forecasts for August to March, the overall volume of waste to be managed this financial year is expected to be approximately 686,700 tonnes, which is 28,300 tonnes below the affordable level and equates to a saving of £2.025m. 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 £0.347m. The risk is that the current forecast underspend could reduce during the year as market prices for recyclable materials fall.
- The figures in Table 1 of section 1.2 are based on actual activity between April and June. The July activity figure suggests the underspend will increase and if verified, this will be reflected in the next monitoring report.

### 3. CAPITAL

3.1 The Enterprise & Environment Directorate has a working budget for 2013-14 of £77,144k. The forecast outturn against the 2013-14 budget is £63,973k giving a variance of - £13,171k.

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 <sup>1</sup> | Explanation of Project Status | Actions |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| <b>Rolling Programmes</b>   |                              |                               |                         |                            |  |  |                             |                               |         |
| 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                       | 5,295                         | -530                    | -190                       | Real - DfT grant                             | To fund three IT schemes to be delivered by PROW (C&C).  | Green                       |                               |         |
|   |                              |                               |                         | -340                       | Rephasing                                    | Some of the s106 schemes are at outline design stage with the likelihood of delivery in 14-15. |                             |                               |         |
| 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                       |                               |         |

| 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 <sup>1</sup> | Explanation of Project Status  | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---|-----------------------------|--|---------|
| Members' Highway Fund  | 6,600                        | 2,472                         | 0                       | 0                          |  |   | Green                       |  |         |
| <b>Individual Projects</b>   |                              |                               |                         |                            |  |   |                             |  |         |
| <b>Environment and Waste:</b>  |                              |                               |                         |                            |  |   |                             |  |         |
| Capital Plant and Equipment  | 0                            | 0                             | 9                       | 9                          | Real - Revenue                               |   | Green                       |  |         |
| Coldharbour Gypsy Site   | 672                          | 888                           | 0                       | 0                          |  |   | Amber                       | Scheme delayed due to significant utility problems during construction period, adverse weather conditions and increased site security. |         |
| 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                       |  |         |
| Sandwich Sea Defences  | 2,328                        | 656                           | -203                    | -203                       | Rephasing                                    | Contribution profile has been revised.  | Green                       |  |         |
| <b>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs)</b> |                              |                               |                         |                            |  |   |                             |  |         |
| East Kent Joint Waste Project  | 1,576                        | 1,593                         | -511                    | -511                       | Real - Prudential                            | Review of the contract resulted in changes to the type and number of containers used and a lower price than originally estimated. | Green                       |  |         |
| HWRC - Tonbridge and Malling   | 1,300                        | 0                             | 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 <sup>1</sup> | Explanation of Project Status | Actions |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| HWRC - West Kent                              | 600                          |                               |                         |                            |  |  | Green                       |                               |         |
| Mid Kent Joint Waste Project - Invest to Save | 4,440                        | 4,440                         | -812                    | -812                       | Real - Prudential / Revenue                  | Funding for infrastructure improvements as originally planned at local Borough Council depot no longer required because alternative arrangements to manage waste streams have now been put in place. | Green                       |                               |         |
| TS/HWRC - Ashford                             | 500                          | 1,715                         | 0                       | 0                          |  |  | Green                       |                               |         |
| TS/HWRC - Swale                               | 3,530                        | 1,880                         | -1,630                  | -1,630                     | Rephasing                                    | Site search completed; study to redevelop existing site is underway. Contract work is expected to start in 14-15   | Green                       |                               |         |
| <b>Kent Highway Services:</b>                 |                              |                               |                         |                            |  |  |                             |                               |         |
| Ashford Ring Road - Major Road Scheme         | 91                           | 93                            | 0                       | 0                          |  |  | Green                       |                               |         |
| East Kent Access Phase 2 - Major Road Scheme  | 3,958                        | 1,316                         | -607                    | -607                       | Rephasing                                    | Rephasing is due to delay in dealing with Part 1 claims due to mobilisation of the new term consultant.  | Green                       |                               |         |
| 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                       |                               |         |

## 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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| Kent Thameside Strategic Transport Programme           | 11,764                       | 2,243                         | 0                       | 0                          |  |  | Green                       |                               |         |
| Kent Highway Partnership - Co-location Depots          | 40                           | 48                            | 8                       | 8                          | Real -External other                         |  | Green                       |                               |         |
| Rushenden Link (Sheppey) - major road scheme           | 635                          | 490                           | -386                    | -386                       | 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                           | -465                    | -465                       | 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                       |                               |         |
| <b>Ashford's Future Schemes</b>                        |                              |                               |                         |                            |  |  |                             |                               |         |
| A28 Chart Road   | 7,600                        | 1,800                         | -1,800                  | -1,800                     | Rephasing                                    | Original budget profile assumed Growing Places funding which 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 <sup>1</sup> | 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                       |                               |         |
| <b>Total</b>                           | <b>193,789</b>               | <b>77,144</b>                 | <b>-13,171</b>          | <b>-13,171</b>             |  |  |                             |                               |         |

## 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**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                               |                |                             |                   |                                |
|-----|-------------------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                               | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Directorate Total (£k)</b> | <b>+76,250</b> | <b>-1,673</b>               | <b>-</b>          | <b>-1,673</b>                  |

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

| Budget Book Heading                                      | Cash Limit |          |          | Variance | Explanation |   | Management Action/<br>Impact on MTFP   |
|--|------------|----------|----------|----------|-------------|---|--|
|  | Gross      | Income   | Net      | Net      |             |   |  |
|  | £'000      | £'000    | £'000    | £'000    | £'000       |   |  |
| <b>Customer &amp; Communities portfolio</b>              |            |          |          |          |             |   |  |
| Strategic Management & Directorate Support budgets       | 3,112.8    | -978.0   | 2,134.8  | -52      |             |   |  |
| <u>Support to Frontline Services:</u>                    |            |          |          |          |             |   |  |
| - Communication & Consultation                           | 3,033.7    | -11.0    | 3,022.7  | +8       |             |   |  |
| <u>Other Services for Adults &amp; Older People</u>      |            |          |          |          |             |   |  |
| - Social Fund (Kent Support & Assistance Service - KSAS) | 3,469.0    | -3,469.0 | 0.0      | -823     | -668        | Lower than anticipated demand for awards in the first four months for this new pilot scheme. In accordance with Key Decision 12/01939, funding for KSAS awards 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. |  |
|  |            |          |          |          | -155        | Staffing/administration costs   |  |
| - Supporting People                                      | 24,856.5   | 0.0      | 24,856.5 | -1,327   | -1,327      | Primarily due to effective contract management, with variations negotiated with providers where contracts were under-utilised or demand was lower than anticipated  | Demand and capacity will be reviewed throughout the year to ensure they remain sufficient and with a view to achieving a permanent reduction/saving. |
|  | 28,325.5   | -3,469.0 | 24,856.5 | -2,150   |             |   |  |



| Budget Book Heading                                 | Cash Limit |           |          | Variance | Explanation |  | Management Action/<br>Impact on MTFP                                 |
|---|------------|-----------|----------|----------|-------------|--|--|
|   | Gross      | Income    | Net      | Net      |             |  |  |
|   | £'000      | £'000     | £'000    | £'000    | £'000       |  |  |
| <b>Children's Services:</b>                         |            |           |          |          |             |  |  |
| - Youth Service                                     | 8,611.0    | -2,365.8  | 6,245.2  | +89      |             |  |  |
| - Youth Offending Service                           | 5,419.7    | -2,424.6  | 2,995.1  | +33      |             |  |  |
|   | 14,030.7   | -4,790.4  | 9,240.3  | +122     |             |  |  |
| <b>Community Services:</b>                          |            |           |          |          |             |  |  |
| - Arts Development (incl Turner Contemporary)       | 2,128.8    | 0.0       | 2,128.8  | -41      |             |  |  |
| - Community Learning Services                       | 15,125.4   | -15,354.7 | -229.3   | 0        |             |  |  |
| - Community Safety                                  | 659.2      | -284.9    | 374.3    | -1       |             |  |  |
| - Community Wardens                                 | 2,652.4    | 0.0       | 2,652.4  | -13      |             |  |  |
| - Contact Centre & Citizen's Advice Help Line       | 3,522.2    | -1,116.1  | 2,406.1  | +596     | +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 have been identified to mitigate the impact of this in the current year. | This saving is already reflected within the base budget for 2014-15. |
|   |            |           |          |          | +23         | Other minor variances  |  |
| - Gateways  | 2,504.1    | -359.0    | 2,145.1  | +17      |             |  |  |
| - Libraries, Registration & Archives Services (LRA) | 19,091.2   | -5,216.5  | 13,874.7 | -60      | -100        | Increased Registration income for wedding ceremonies taking place in 2013/14   |  |
|   |            |           |          |          | +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  |  |
|   |            |           |          |          | +40         | Other minor variances  |  |

| Budget Book Heading                                 | Cash Limit       |                  |                 | Variance      | Explanation |   | Management Action/<br>Impact on MTFP |
|---|------------------|------------------|-----------------|---------------|-------------|---|--------------------------------------|
|   | Gross            | Income           | Net             | Net           |             |   |                                      |
|   | £'000            | £'000            | £'000           | £'000         | £'000       |   |                                      |
| - 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           | +25           |             |   |                                      |
| - Supporting Employment                             | 1,085.9          | -335.0           | 750.9           | 0             |             |   |                                      |
|   | 55,684.9         | -30,219.0        | 25,465.9        | +523          |             |   |                                      |
| <u>Environment:</u>                                 |                  |                  |                 |               |             |   |                                      |
| - Country Parks                                     | 1,493.8          | -990.7           | 503.1           | -15           |             |   |                                      |
| - Countryside Access (incl PROW)                    | 2,772.9          | -1,116.7         | 1,656.2         | -28           |             |   |                                      |
|   | 4,266.7          | -2,107.4         | 2,159.3         | -43           |             |   |                                      |
| <u>Local Democracy:</u>                             |                  |                  |                 |               |             |   |                                      |
| - Community Engagement                              | 720.3            | 0.0              | 720.3           | +12           |             |   |                                      |
| - Local Scheme & Member Grants                      | 1,256.0          | 0.0              | 1,256.0         | 0             |             |   |                                      |
|   | 1,976.3          | 0.0              | 1,976.3         | +12           |             |   |                                      |
| <u>Public Health:</u>                               |                  |                  |                 |               |             |   |                                      |
| - Drug & Alcohol Services                           | 19,027.3         | -17,775.5        | 1,251.8         | -974          | -954        | Delay in some new public health grant funded projects                                 |                                      |
|   |                  |                  |                 |               | -20         | Local Area Single Assessment & Referral (LASAR) Service                               |                                      |
| - <i>Tfr to(+)/from(-) Public Health reserve</i>    |                  |                  |                 | +954          | +954        | <i>transfer to Public Health reserve of underspending against public health grant</i> |                                      |
| - Drug & Alcohol Services base funded variance      |                  |                  |                 | -20           |             |   |                                      |
|   |                  |                  |                 |               |             |   |                                      |
| <u>Regulatory Services:</u>                         |                  |                  |                 |               |             |   |                                      |
| - Coroners  | 2,867.3          | -475.0           | 2,392.3         | +1            |             |   |                                      |
| - Emergency Planning                                | 778.5            | -169.0           | 609.5           | -17           |             |   |                                      |
| - Trading Standards (incl Kent Scientific Services) | 3,926.8          | -785.8           | 3,141.0         | -57           | -120        | Staffing vacancies  |                                      |
|   |                  |                  |                 |               | +63         | Other minor variances   |                                      |
|   | 7,572.6          | -1,429.8         | 6,142.8         | -73           |             |   |                                      |
| <b>Total C&amp;C portfolio</b>                      | <b>137,030.5</b> | <b>-60,780.1</b> | <b>76,250.4</b> | <b>-1,673</b> |             |   |                                      |

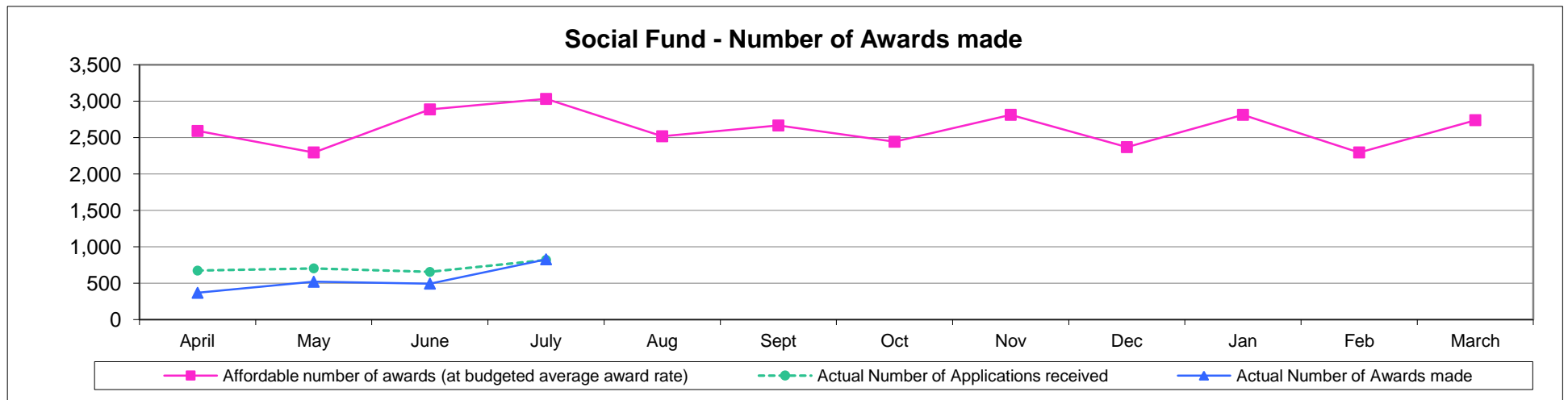
| Budget Book Heading                            | Cash Limit       |                  |                 | Variance      | Explanation |  | Management Action/<br>Impact on MTFP |
|--|------------------|------------------|-----------------|---------------|-------------|--|--------------------------------------|
|  | Gross            | Income           | Net             | Net           |             |  |                                      |
|  | £'000            | £'000            | £'000           | £'000         | £'000       |  |                                      |
| <b>Assumed Mgmt Action</b>                     |                  |                  |                 |               |             |  |                                      |
| - C&C portfolio                                |                  |                  |                 |               |             |  |                                      |
| <b>Total Forecast <u>after</u> mgmt action</b> | <b>137,030.5</b> | <b>-60,780.1</b> | <b>76,250.4</b> | <b>-1,673</b> |             |  |                                      |

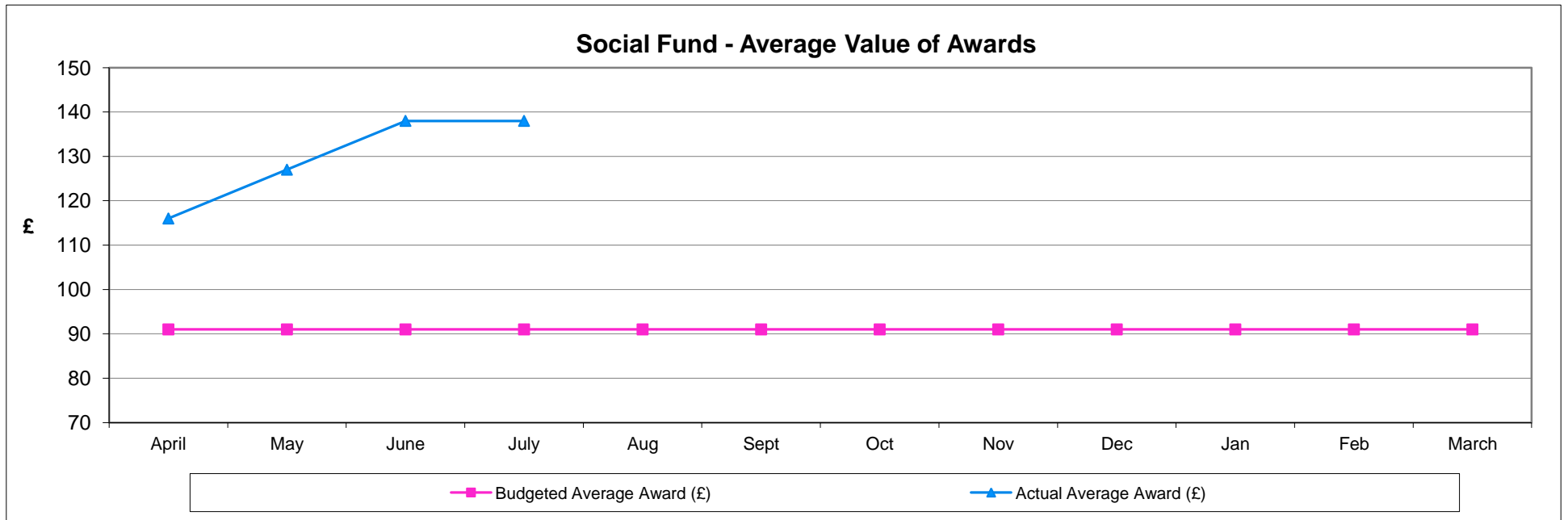
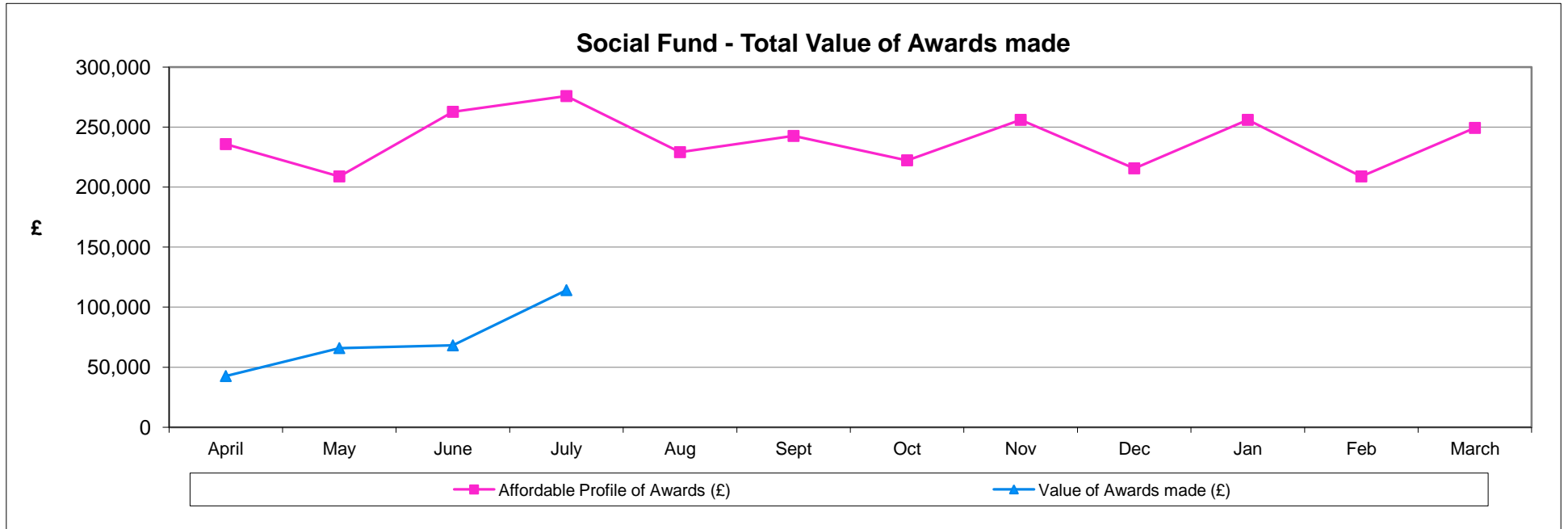
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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 (£) | 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  | 820                                    | 828                          | 275,800                          | 114,188                  | 91                         | 138                      |
| 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                         |                          |
|     | <b>31,462</b>  | <b>2,852</b>                           | <b>2,210</b>                 | <b>2,863,000</b>                 | <b>290,916</b>           | <b>91</b>                  | <b>132</b>               |

\* 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 only given in very extreme circumstances. 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 and only in very exceptional circumstances e.g. where an individual may be at risk, cash awards may be made. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- Applications are prioritised at the time of the application. High priority applications should receive the award within 24 hours. However, approval of awards for lower priority cases e.g. applications for furniture from low risk households may be slower. Actual awards made in any month can therefore exceed the number of applications for the month due to the processing of low priority cases from the previous month.
- 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 generally 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 under the new scheme these are offered only in extreme circumstances, as explained above. 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 65% 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 £6,990k. The forecast outturn against the 2013-14 budget is £6,700k giving a variance of - £290k.

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 <sup>1</sup> | Explanation of Project Status | Actions                        |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|--------------------------------|
| <b>Rolling Programmes</b>   |                              |                               |                         |                            |  |  |                             |                               |                                |
| Country Parks Access and Development  | 0                            | 193                           | 0                       | 0                          |  |  | Green                       |                               |                                |
| Library Modernisation Programme - adaptations and improvements to existing facilities | 1,380                        | 996                           | 59                      | 59                         | Real - Developer Contributions               | Additional Developer Contributions received for works at Tunbridge Wells Library for modernisation works | Green                       |                               | Increase cash limit by £59.1k  |
| Management and Modernisation of Assets - Vehicles                                     | 380                          | 164                           | 128                     | 128                        | Real - Revenue reserve                       | Purchase of Equipment for Kent Scientific Services - reserve held.                                       | Green                       |                               | Increase cash limit by £127.8k |
| Public Rights of Way - Structural Improvements  | 2,449                        | 928                           | 190                     | 190                        | Real - grant                                 | Three additional schemes in the PROW programme to be funded from E&E DFT grant.                          | Green                       |                               |                                |
| 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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| Village Halls and Community Centres - Capital Grants | 600                          | 321                           | 0                       | 0                          |  |  | Green                       |                               |         |
| <b>Individual Projects</b>                           |                              |                               |                         |                            |  |  |                             |                               |         |
| Community Learning and Skills Service Reprovision    | 457                          | 482                           | 0                       | 0                          |  |  | Green                       |                               |         |
| Gateways - Continued Rollout of Programme            | 2,192                        | 718                           | -662                    | -662                       | Rephasing                                    | Customer Relationship Manager (CRM) - rephasing to 14/15 & 15/16 - delays due to the ICT infrastructure investment and the need to align requirements to the single customer record. Swanley Gateway has now received approval to spend. | Green                       |                               |         |
| 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                       |                               |         |
| Kent Library and History Centre                      | 0                            | 188                           | 0                       | 0                          |  |  | Green                       |                               |         |
| Youth Reconfiguration                                | 0                            | 83                            | 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 <sup>1</sup> | Explanation of Project Status | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---------------------------------|-----------------------------|-------------------------------|---------|
| Cheesemans Green Library, Ashford                | 350                          | 0                             | 0                       | 0                          |  |                                 | Green                       |                               |         |
| Replacement and Enhancement of Core Website      | 455                          | 355                           | 0                       | 0                          |  |                                 | Green                       |                               |         |
| 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                       |                               |         |
|  |                              |                               |                         |                            |  |                                 |                             |                               |         |
| <b>Total</b>                                     | <b>11,263</b>                | <b>6,990</b>                  | <b>-290</b>             | <b>-290</b>                |  |                                 |                             |                               |         |

## 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**  
**JULY 2013-14 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 |
|     | <b>Total (£k)</b> | <b>+384</b> | <b>-808</b>                                       | <b>+450</b>                       | <b>-358</b>  |

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

| Budget Book Heading                                    | Cash Limit |           |       | Variance | Explanation | Management Action/<br>Impact on MTFP   |
|--|------------|-----------|-------|----------|-------------|--|
|  | Gross      | Income    | Net   | Net      |             |  |
|  | £'000      | £'000     | £'000 | £'000    | £'000       |  |
| <b>Adult Social Care &amp; Public Health portfolio</b> |            |           |       |          |             |  |
| <u>Public Health:</u>                                  |            |           |       |          |             |  |
| - Public Health Management & Support                   | 441.3      | -57.0     | 384.3 | -358     | -358        | 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 Programmes                  | 6,346.4    | -6,346.4  | 0.0   | 0        |             |  |
| - Drug & Alcohol Services                              | 662.7      | -662.7    | 0.0   | 0        |             |  |
| - Healthy Weight                                       | 2,516.4    | -2,516.4  | 0.0   | 0        |             |  |
| - NHS Health Check Programme                           | 2,321.8    | -2,321.8  | 0.0   | 0        |             |  |
| - Other Public Health Services                         | 5,590.3    | -5,590.3  | 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                               | 12,538.6   | -12,538.6 | 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 | -808     |             |  |

**ANNEX 6**

| Budget Book Heading                               | Cash Limit      |                  |              | Variance    | Explanation |  | Management Action/<br>Impact on MTFP |
|---|-----------------|------------------|--------------|-------------|-------------|--|--------------------------------------|
|   | Gross           | Income           | Net          | Net         |             |  |                                      |
|   | £'000           | £'000            | £'000        | £'000       | £'000       |  |                                      |
| - <i>tfr to(+)/from(-) Public Health reserve</i>  |                 |                  |              | <b>+450</b> | <b>+450</b> | <i>Transfer of underspend on staffing to reserve</i> |                                      |
| <b>Total ASC&amp;PH portfolio (Public Health)</b> | <b>38,291.0</b> | <b>-37,906.7</b> | <b>384.3</b> | <b>-358</b> |             |  |                                      |

**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**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |                |                             |                   |                                |
|-----|-------------------|----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit     | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+78,993</b> | <b>-819</b>                 | <b>-</b>          | <b>-819</b>                    |

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

| Budget Book Heading                                | Cash Limit     |                 |                | Variance  | Explanation  | Management Action/<br>Impact on MTFP  |
|--|----------------|-----------------|----------------|-----------|--|---|
|  | Gross          | Income          | Net            | Net       |  |   |
|  | £'000          | £'000           | £'000          | £'000     | £'000  |   |
| <b>Regeneration &amp; Enterprise portfolio</b>     |                |                 |                |           |  |   |
| Directorate Management & Support                   | 172.2          | 0.0             | 172.2          | +3        |  |   |
| Development Staff & Projects                       | 5,018.7        | -1,333.7        | 3,685.0        | +1        |  |   |
| <b>Total R&amp;E portfolio</b>                     | <b>5,190.9</b> | <b>-1,333.7</b> | <b>3,857.2</b> | <b>+4</b> |  |   |
| <b>Finance &amp; Business Support portfolio</b>    |                |                 |                |           |  |   |
| Finance & Procurement                              | 18,749.6       | -7,390.1        | 11,359.5       | -437      | -579 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.<br>+140 Under-recovery of income by Schools Financial Services.<br>+2 Other 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/<br>Impact on MTFP   |
|---|-----------------|-----------------|-----------------|-------------|--|--|
|   | Gross           | Income          | Net             | Net         |  |  |
|   | £'000           | £'000           | £'000           | £'000       | £'000  |  |
| - Support for Local Council Tax Support Schemes                     | 1,253.0         | 0.0             | 1,253.0         | -3          |  |  |
| <b>Total F&amp;BS portfolio</b>                                     | <b>21,446.8</b> | <b>-7,390.1</b> | <b>14,056.7</b> | <b>-440</b> |  |  |
| <b>Business Strategy, Performance &amp; Health Reform portfolio</b> |                 |                 |                 |             |  |  |
| 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   | 3,254.1         | -56.7           | 3,197.4         | -185        | -87 One-off rolled forward funding from 12-13 for Health Reform to support the development of seven new Health and Wellbeing Boards to be aligned with the NHS Clinical Commissioning Groups is to be spent over the period June 2013 to May 2015, therefore roll forward will be required.<br><br>-98 Other minor variances   |  |
| Property & Infrastructure   | 30,789.5        | -5,091.7        | 25,697.8        | +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.<br><br>The use of non-ringfenced 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. |

| Budget Book Heading                                     | Cash Limit       |                  |                 | Variance    | Explanation | Management Action/<br>Impact on MTFP  |
|---|------------------|------------------|-----------------|-------------|-------------|---|
|   | Gross            | Income           | Net             | Net         |             |   |
|   | £'000            | £'000            | £'000           | £'000       | £'000       |   |
| Human Resources   | 16,499.0         | -5,707.5         | 10,791.5        | -281        | -233        | Underspend against training budget following approval of all directorate workforce development plans. |
|   |                  |                  |                 |             | -105        | Additional income generated through providing recruitment services to schools                         |
|   |                  |                  |                 |             | +57         | Other minor variances   |
| Information & Communication Technology                  | 35,261.7         | -16,425.8        | 18,835.9        | -4          |             |   |
| - <i>Transfer to(+)/from(-) DSG reserve</i>             |                  |                  |                 | 0           |             |   |
| <b>Total BSP&amp;HR portfolio</b>                       | <b>99,095.0</b>  | <b>-44,271.7</b> | <b>54,823.3</b> | <b>-220</b> |             |   |
| <b>Democracy &amp; Partnerships portfolio</b>           |                  |                  |                 |             |             |   |
| Finance - Internal Audit                                | 1,175.9          | -34.0            | 1,141.9         | -71         |             |   |
| Business Strategy - International & Partnerships        | 854.1            | -173.0           | 681.1           | -92         |             |   |
| 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           |             |   |
| <b>Total D&amp;P portfolio</b>                          | <b>6,465.9</b>   | <b>-210.0</b>    | <b>6,255.9</b>  | <b>-163</b> |             |   |
| <b>Total BSS Controllable (excl. Public Health)</b>     | <b>132,198.6</b> | <b>-53,205.5</b> | <b>78,993.1</b> | <b>-819</b> |             |   |
| <b>Assumed Management</b>                               |                  |                  |                 |             |             |   |
| - R&E portfolio   |                  |                  |                 |             |             |   |
| - F&BS portfolio  |                  |                  |                 |             |             |   |
| - BSP&HR portfolio                                      |                  |                  |                 |             |             |   |
| - D&P portfolio   |                  |                  |                 |             |             |   |
| <b>Total Forecast <u>after</u> mgmt action</b>          | <b>132,198.6</b> | <b>-53,205.5</b> | <b>78,993.1</b> | <b>-819</b> |             |   |



### 3. CAPITAL

3.1 The working budget for 2013-14 is £71,742k. The forecast outturn against the 2013-14 budget is £70,673k giving a variance of - £1,069k.

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 <sup>1</sup> | Explanation of Project Status   | Actions                    |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|---|----------------------------|
| <b>Rolling Programmes</b>                        |                              |                               |                         |                            |  |  |                             |   |                            |
| Corporate Property Strategic Capital             | 7,950                        | 2,650                         | -120                    | -120                       | Real - Grant                                 | Grant required to cover ELS section 106 costs in revenue | Green                       |   | Reduce cash limit by £120k |
| Disposal Costs                                   | 910                          | 250                           | 0                       |                            |  |  | Green                       |   |                            |
| Modernisation of Assets                          | 9,521                        | 4,888                         | 0                       |                            |  |  | Green                       |   |                            |
| <b>Individual Projects</b>                       |                              |                               |                         |                            |  |  |                             |   |                            |
| Connecting with Kent                             | 532                          | 361                           | 0                       | 0                          |  |  | Green                       |   |                            |
| HR Recruitment Management System                 | 125                          | 125                           | 0                       | 0                          |  |  | Green                       |   |                            |
| HR System Development                            | 226                          | 113                           | 0                       | 0                          |  |  | Green                       |   |                            |
| Innovative Schemes Fund                          | 3,000                        | 1,000                         | 0                       | 0                          |  |  | Green                       |   |                            |
| New Ways of Working                              | 24,000                       | 19,934                        | 0                       | 0                          |  |  | Green                       |   |                            |
| Sustaining Kent - Maintaining the Infrastructure | 270                          | 1,917                         | 0                       | 0                          |  |  | Green                       |   |                            |
| ORACLE Release 12                                | 0                            | 230                           | 0                       | 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 <sup>1</sup> | Explanation of Project Status  | Actions |
|----------------------------------|------------------------------|-------------------------------|-------------------------|----------------------------|--|---------------------------------|-----------------------------|--|---------|
| ORACLE Self Service Development  | 0                            | 44                            | 0                       | 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                       | 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                           | 35                      | 35                         | Real   |                                 | 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                       | 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.          |         |
| <b>Total</b>                     | <b>46,534</b>                | <b>33,434</b>                 | <b>-85</b>              | <b>-85</b>                 |  |                                 |                             |  |         |

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 <sup>1</sup> | Explanation of Project Status   | Actions |
|--|------------------------------|-------------------------------|-------------------------|----------------------------|--|---------------------------------|-----------------------------|---|---------|
| <b>Individual Projects</b>             |                              |                               |                         |                            |  |                                 |                             |   |         |
| Dover Priory Station Approach Road     | 0                            | -3                            | 0                       | 0                          |  |                                 | Green                       |   |         |
| Broadband                              | 23,500                       | 2,650                         | 0                       | 0                          |  |                                 | Amber                       | Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU the completion date is now 31/03/2016. |         |
| Empty Property Initiative              | 7,500                        | 3,710                         | 0                       | 0                          |  |                                 | Green                       |   |         |
| Eurokent Road (East Kent)              | 65                           | 84                            | 0                       | 0                          |  |                                 | Green                       |   |         |
| Folkestone Heritage Quarter            | 380                          | 402                           | 0                       | 0                          |  |                                 | Green                       |   |         |
| Incubator Development                  | 0                            | 262                           | 0                       | 0                          |  |                                 | Green                       |   |         |
| LIVE Margate                           | 6,800                        | 6,508                         | 0                       | 0                          |  |                                 | Green                       |   |         |
| Managed Work Space - The Old Rectory   | 160                          | 174                           | 0                       | 0                          |  |                                 | Green                       |   |         |
| Marsh Million                          | 0                            | 100                           | 0                       | 0                          |  |                                 | Green                       |   |         |
| No Use Empty - Rented Affordable Homes | 750                          | 750                           | 0                       | 0                          |  |                                 | Green                       |   |         |
| Old Town Hall                          | 94                           | 25                            | 0                       | 0                          |  |                                 | Green                       |   |         |
| Regeneration Fund Projects             | 5,061                        | 3,555                         | 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 <sup>1</sup> | Explanation of Project Status | Actions |
|---|------------------------------|-------------------------------|-------------------------|----------------------------|--|--|-----------------------------|-------------------------------|---------|
| Regional Growth Fund, including Expansion East Kent | 37,200                       | 14,384                        | 0                       | 0                          |  |  | Green                       |                               |         |
| 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                       | 0                          |  |  | Green                       |                               |         |
| TIGER   | 20,000                       | 4,000                         | 0                       | 0                          |  |  | Green                       |                               |         |
| Tram Road/Tontine Street Road Works                 | 0                            | 74                            | 0                       | 0                          |  |  | Green                       |                               |         |
|   |                              |                               |                         |                            |  |  |                             |                               |         |
| <b>Total</b>  | <b>103,407</b>               | <b>38,308</b>                 | <b>-984</b>             | <b>-984</b>                |  |  |                             |                               |         |

## 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**  
**JULY 2013-14 MONITORING REPORT**

**1. REVENUE**

|     |                   |                 |                             |                   |                                |
|-----|-------------------|-----------------|-----------------------------|-------------------|--------------------------------|
| 1.1 |                   | Cash Limit      | Variance Before Mgmt Action | Management Action | Net Variance after Mgmt Action |
|     | <b>Total (£k)</b> | <b>+126,173</b> | <b>-6,770</b>               | <b>-</b>          | <b>-6,770</b>                  |

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

| Budget Book Heading                             | Cash Limit |        |          | Variance | Explanation | Management Action/<br>Impact on MTFP   |
|---|------------|--------|----------|----------|-------------|--|
|   | Gross      | Income | Net      | Net      |             |  |
|   | £'000      | £'000  | £'000    | £'000    | £'000       |  |
| <b>Finance &amp; Business Support Portfolio</b> |            |        |          |          |             |  |
| Carbon Reduction Commitment Levy                | 400.0      | 0.0    | 400.0    | -190     | -190        | Anticipated underspend in line with 2012-13 outturn  |
| Contribution to/from Reserves                   | -6,430.0   | 0.0    | -6,430.0 | +1,234   | +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. |
|   |            |        |          |          | -636        | Drawdown from Insurance Reserve to cover forecast overspend against the Insurance Fund.  |
| Underspend rolled forward from previous years   | -5,000.0   | 0.0    | -5,000.0 | 0        |             |  |
| Insurance Fund                                  | 4,679.0    | 0.0    | 4,679.0  | +636     | +636        | 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/<br>Impact on MTFP   |  |
|---|------------------|-----------------|------------------|---------------|-------------|--|--|
|   | Gross            | Income          | Net              | Net           |             |  |  |
|   | £'000            | £'000           | £'000            | £'000         | £'000       |  |  |
| Net Debt Charges (incl Investment Income)                           | 130,552.2        | -8,648.0        | 121,904.2        | -1,178        | +1,582      | Shortfall in interest on cash balances in view of lower than anticipated interest rates expected on future deposits                                      | A change to the treasury strategy to expand the range of types of investment which can be made was approved by Cabinet in September, which is expected to increase investment income.  |
|   |                  |                 |                  |               | -2,760      | Savings on debt charges as no new borrowing in first four months 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   | 3,258.0          | 0.0             | 3,258.0          | -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  |  |
| <b>Total F&amp;BS portfolio</b>                                     | <b>132,191.0</b> | <b>-8,684.0</b> | <b>123,507.0</b> | <b>-6,674</b> |             |  |  |
| <b>Business Strategy, Performance &amp; Health Reform portfolio</b> |                  |                 |                  |               |             |  |  |
| Contribution to IT Asset Maintenance Reserve                        | 2,352.0          | 0.0             | 2,352.0          | 0             |             |  |  |

**ANNEX 8**

| Budget Book Heading                           | Cash Limit       |                 |                  | Variance      | Explanation |   | Management Action/<br>Impact on MTFP |
|---|------------------|-----------------|------------------|---------------|-------------|---|--------------------------------------|
|   | Gross            | Income          | Net              | Net           |             |   |                                      |
|   | £'000            | £'000           | £'000            | £'000         | £'000       |   |                                      |
| <b>Democracy &amp; Partnerships portfolio</b> |                  |                 |                  |               |             |   |                                      |
| Audit Fees                                    | <b>314.0</b>     | <b>0.0</b>      | <b>314.0</b>     | -96           | -96         | Forecast based on anticipated fees as notified by our external auditors |                                      |
| <b>Total Controllable</b>                     | <b>134,857.0</b> | <b>-8,684.0</b> | <b>126,173.0</b> | <b>-6,770</b> |             |   |                                      |

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   | 104.67  |
| Aug | 86.33                   | 94.13   | 106.57  |
| 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.

