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Corporate Directors

To: CABINET - 22 January 2014

Subject: **REVENUE AND CAPITAL BUDGET MONITORING FOR 2013-14 - OCTOBER**

Classification: **Unrestricted**

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## 1. SUMMARY

1.1 This report provides the budget monitoring position for October 2013-14 for both revenue and capital budgets. Due to revenue finance resources being focused predominately on preparing the 2014-15 budget, which is a separate item on the agenda for this meeting, no activity data is supplied in this report.

As explained in the report to Cabinet in October, this report is presented in the pre-election portfolio structure, and will be for the remainder of the financial year.

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:

- 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.
- iii) **Note** the additional capital spending as a result of the introduction of an emergency highways repair programme, within the EH&W portfolio, following the recent flooding.

## 3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 The net projected variance against the combined portfolio revenue budgets is an underspend of £3.989m, 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 projects, detailed in section 3.6, which will require roll forward to 2014-15, therefore this changes the position to an underspend of -£1.148m as shown in the headline table below. Management action is expected to increase the underspend to -£2.449m. 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 £1.291m reduction in the forecast underspend (excluding schools), as shown in table 1a. This is mainly due to increased costs within the ELS portfolio due to Home to School Transport, both SEN and mainstream, and costs of intervention and prevention work with schools in or at risk of going into special measures together with costs associated with maintaining and improving school Ofsted ratings; further pressure on Specialist Children's Services budgets, particularly legal costs, leaving care costs and children's social care staffing costs. These additional pressures are partially offset by a general increase in underspending within C&C portfolio including early delivery of savings within the Libraries, Registration and Archives service, and further likely savings on net debt costs.
- 3.3 There are two further issues not reflected in this month's forecast:
- a) the costs associated with the Christmas/New Year floods. We are currently gathering information to determine the costs incurred and an update will be reported verbally to this meeting;
  - b) Budget Managers have been asked to think very carefully before committing to any non-essential spend. Based on previous experience we are hoping this will deliver an additional £1m - £2m underspend in this year.

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

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action	Last Report	Movement
<b>Portfolio Totals</b>	+975,378	-3,989	-1,301	-5,290	-6,581	+1,291
Adjustments: - Committed roll forward/ re-phasing <i>(see section 3.6 for detail)</i>		+2,841	-	+2,841	+2,532	+309
<b>Underlying position</b>	<b>+975,378</b>	<b>-1,148</b>	<b>-1,301</b>	<b>-2,449</b>	-4,049	+1,600

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

Portfolio	Budget £'000	Net Variance (before mgmt action) £'000	Proposed Management Action £'000	Net Variance (after mgmt action) £'000	Last Report £'000	Movement £'000
Education, Learning and Skills (ELS)	55,543.3	+461	-	+461	-1,955	+2,416
Specialist Children's Services (SCS)	152,687.6	+3,681	-707	+2,974	+2,498	+476
Specialist Children's Services - Asylum	280.0	+383	-	+383	+383	-
Adult Social Care & Public Health (ASC&PH)	335,261.9	-371	-	-371	-380	+9
Environment, Highways & Waste (EH&W)	151,683.1	+1,622	-	+1,622	+1,667	-45
Customer & Communities (C&C)	76,032.6	-3,263	-	-3,263	-2,395	-868
Regeneration & Economic Development (R&ED)	3,882.2	-	-	-	-	-
Finance & Business Support (F&BS)	135,937.5	-7,006	-	-7,006	-6,578	-428
Business Strategy, Performance & Health Reform (BSP&HR)	57,499.9	+814	-594	+220	+446	-226
Democracy & Partnerships (D&P)	6,569.9	-310	-	-310	-267	-43
<b>TOTAL (excl Schools)</b>	<b>975,378.0</b>	<b>-3,989</b>	<b>-1,301</b>	<b>-5,290</b>	<b>-6,581</b>	<b>+1,291</b>
<i>Schools (ELS Portfolio)</i>	-	+9,625	-	+9,625	+1,881	+7,744
<b>TOTAL</b>	<b>975,378.0</b>	<b>+5,636</b>	<b>-1,301</b>	<b>+4,335</b>	<b>-4,700</b>	<b>+9,035</b>

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

Portfolio	Budget £'000	Variance £'000	Directorate						
			ELS £'000	FSC £'000	E&E £'000	C&C £'000	BSS £'000	FI £'000	
			annex 1	annexes 2&3	annex 4	annex 5	annexes 6&7	annex 8	
Education, Learning and Skills (ELS)	55,543.3	+461	+461						
Specialist Children's Services (SCS)	152,687.6	+3,681		+3,681					
Specialist Children's Services - Asylum	280.0	+383		+383					
Adult Social Care & Public Health (ASC&PH)	335,261.9	-371		-6				-365	
Environment, Highways & Waste (EH&W)	151,683.1	+1,622			+1,622				
Customer & Communities (C&C)	76,032.6	-3,263				-3,263			
Regeneration & Economic Development (R&ED)	3,882.2	-			-			-	
Finance & Business Support (F&BS)	135,937.5	-7,006						-234	-6,772
Business Strategy, Performance & Health Reform (BSP&HR)	57,499.9	+814						+814	-
Democracy & Partnerships (D&P)	6,569.9	-310						-214	-96
<b>TOTAL (excl Schools)</b>	<b>975,378.0</b>	<b>-3,989</b>	<b>+461</b>	<b>+4,058</b>	<b>+1,622</b>	<b>-3,263</b>	<b>+1</b>	<b>-6,868</b>	
<i>Schools (ELS Portfolio)</i>	-	<b>+9,625</b>	<b>+9,625</b>						
<b>TOTAL</b>	<b>975,378.0</b>	<b>+5,636</b>	<b>+10,086</b>	<b>+4,058</b>	<b>+1,622</b>	<b>-3,263</b>	<b>+1</b>	<b>-6,868</b>	

3.6 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 overspend of £4.064m (incl Asylum) assumes some management action is still to be achieved. Recent work has been undertaken to identify management action which is now estimated at £0.707m, which is expected to reduce the pressure to £3.357m. 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 £0.383m, however this assumes that we invoice the Home Office for £2.456m of costs deemed as ineligible against the current grant rules.
- c) Following work to finalise transport for the new academic year, the ELS position includes a £0.777m forecast underspend against Mainstream Home to School Transport and a £2.375m pressure on the SEN Home to School Transport budget, which is a combined +£1.843m movement this month. A detailed exercise is currently being undertaken to ascertain the reason(s) for this significant movement and the outcome of this work will be included in the next report.
- d) The small underspend reported for Adult Social Care of -£0.006m 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.

- e) Within the EH&W portfolio, there are £0.363m of emergency response costs in relation to the October storm forecast this month, but these costs are offset by underspending on other services this month including Waste, which is now reported an underspend of -£1.422m. The pressure on this portfolio is likely to increase as a result of the recent December/January storms and flooding. It should be noted that we currently have a balance of £0.809m in the Emergency Conditions reserve, hence if required, this could be used to offset the £0.363m of emergency costs already reflected in the forecast and up to £0.446m of additional emergency costs relating to the recent severe weather conditions.
- f) The forecast currently assumes unused Public Health grant of £1.607m 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.
- g) An underspend of £1.046m 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 six months, which has increased in the second quarter as expected.
- h) There are a number of pressures against the DSG budget with an unbudgeted drawdown of £1.070m forecast for 2013-14. This will need to be addressed within the overall DSG settlement in the MTFP process and will result in a realignment of DSG funds between delegated and non delegated budgets.
- i) The overall reported position includes £4.993m of additional Government funding announced since the budget was set, however a shortfall of £0.487m against the Education Services Grant is now anticipated as a result of schools converting to academies during this financial year, resulting in an underspend of £4.506m reported against the unallocated financing items budget 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. It should be noted that the draft 2014-15 budget assumes a £4m underspend is transferred to reserves to support next years budget, which will require further net savings of £1.6m to be delivered on top of the current forecast (see paragraphs 3.3 and 3.6e).

### 3.7 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 £2.841m to 2014-15. This relates to:

▪ re-phasing of Kent Youth Employment programme in to 2014-15 and 2015-16 (see annex 1)	+1,376
▪ re-phasing of Vulnerable Learners placements in to 2014-15 (see annex 1)	+122
▪ underspend on Kent Support & Assistance budget for awards (see annex 5)	+1,046
▪ re-phasing of Kent Drug & Alcohol Service, reflecting our base budget commitment to the pooled partnership budget (see annex 5)	+69
▪ 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
▪ re-phasing of training programmes funded from the Independent Sector rolled forward from 2012-13, which is to be spent over the period July 2013 to January 2015 (see annex 7)	+141
	<hr/>
	+2,841

### 3.8 Revenue budget virements/changes to budgets

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

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

#### 4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the Capital Programme 2013-14 is £316.565m. The forecast outturn against this budget is £273.953m giving a variance of -£42.612m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Portfolio/Directorate capital position

Portfolio	3 Year Cash Limit £'000	2013-14 Working Budget £'000	2013-14 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education, Learning and Skills	210,018	149,868	-13,434	-3,067	-10,367	1
Specialist Children's Services	1,325	1,925	-	-	-	2
Adult Social Care & Public Health	92,858	9,824	-5,165	-210	-4,955	3
Environment, Highways & Waste	193,789	77,144	-17,391	-831	-16,560	4
Customer & Communities	11,263	6,182	-1,762	-158	-1,604	5
Regeneration & Economic Development	103,407	38,308	-4,098	-	-4,098	7
Finance & Business Support	-	-	-	-	-	N/A
Business Strategy, Performance & Health Reform	46,534	33,314	-762	-715	-47	7
Democracy & Partnerships	-	-	-	-	-	N/A
<b>TOTAL</b>	<b>659,194</b>	<b>316,565</b>	<b>-42,612</b>	<b>-4,981</b>	<b>-37,631</b>	
Environment, Highways & Waste - additional spending on Highways capital maintenance relating to flood damage ( <i>to be funded in 2013-14 from re-phasing within EH&amp;W portfolio reported above</i> )			2,500		+2,500	
<b>TOTAL</b>	<b>659,194</b>	<b>316,565</b>	<b>-40,112</b>	<b>-4,981</b>	<b>-35,131</b>	

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

- a) The majority of schemes are within budget and on time.
- b) £37.631m of the £42.612m variance is due to rephasing expenditure into future years. The main projects comprising the rephasing are: £1.5m on the basic need programme (ELS) and £5.6m on the Special Schools Review Programme (ELS) to reflect a more realistic profiling of costs, £2.4m on Nursery Provision for 2 year olds (ELS) due to larger projects requiring planning permission, £1.1m on St Johns/Kingsmead due to initial delays on site due to problems with obtaining planning permission, £2.1m on IT Projects and £2.0m on the Learning Disability Good Day Programme (Adults), £3.4m on the highways major maintenance programme due to a detailed review of the highways capital funding being undertaken as part of the 2014-17 MTFP process, £2.6m on Growth without Gridlock (EHW) whilst development work continues to be undertaken, £1.6m on Swale Transfer Station (EHW) due to reprofiling now the site search has been completed, £1m on Land Compensation and Part 1 Claims due to the unpredictable nature of this budget, and £1m on Street Lighting Timing (EHW) due to police liaison with a longer and wider public consultation.
- c) The remaining £4.981m of the £42.612m variance relates to anticipated real project variances. £2.7m of this in the ELS portfolio is being held in anticipation of future pressures, and £1.3m is due to savings on the Joint Waste Projects in Environment, Highways and Waste.
- d) The EH&W portfolio capital monitoring within annex 4 shows £3.4m of re-phasing on the Highways Major Enhancement programme, however following the recent flooding, we have now put in place an emergency programme of work resulting in £2.5m to be funded from this re-phasing as reflected at the bottom of table 2 above.

#### 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 The position has worsened by £1.600m since the last report, and after taking into account the requirements to roll forward, a £2.449m underspend is currently forecast. In addition, we also need to bear in mind that this position assumes that a significant amount (£1.301m) of management action will be delivered in the last quarter of the year within Specialist Children's Services and Business Strategy, Performance & Health Reform portfolios; assumes the Home Office meet the costs of Asylum (£2.456m), and includes £4.506m of additional Government funding notified since the budget was set. The 2014-15 draft budget assumes that a £4m underspend will be delivered in the current year to support next years budget, therefore we must ensure that pressure continues to be applied to resist spending wherever possible without affecting frontline services. The Corporate Director of Finance & Procurement has recently sent out a staff alert requesting that spending be avoided wherever possible without compromising our customers and the services that they receive, in order to deliver as big an underspend as possible in the current year. Based on previous experience of implementing spending restraints at this point in the financial year, this exercise is anticipated to deliver savings in the region of £1m to £2m.



5.2 There are a number of emerging issues that are being addressed in the 2014-17 draft 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.
- iii) **Note** the additional capital spending as a result of the introduction of an emergency highways repair programme, within the EH&W portfolio, following the recent flooding.

## 7. BACKGROUND DOCUMENTS

None

## 8. CONTACT DETAILS

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**EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY**  
**OCTOBER 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>	+55,543	+461	-	+461
	<b>Schools (£k)</b>	-	+9,625	-	+9,625
	<b>Directorate Total (£k)</b>	<b>+55,543</b>	<b>+10,086</b>	-	<b>+10,086</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
<b>Education, Learning &amp; Skills portfolio</b>							
<b>Delegated Budget:</b>							
Schools & Pupil Referral Units Delegated Budgets	738,605.8	-738,605.8	0.0	+9,625	+1,881	Drawdown from school reserves for 24 expected academy converters and 2 school closures	
					+7,744	Movement from quarter 2 - increase in expected academy converters from 24 to 29 +£449k; expected drawdown of reserves for remaining Kent schools based on schools six month monitoring +£7,295k	
<b>TOTAL DELEGATED</b>	<b>738,605.8</b>	<b>-738,605.8</b>	<b>0.0</b>	<b>+9,625</b>			
<b>Non Delegated Budget:</b>							
Strategic Management & Directorate Support budgets	8,319.6	-8,770.0	-450.4	+312	+524	New Kent Integrated Adolescent Support Service managed by ELS but covering services across directorates	
					-230	<i>DSG variances over a number of headings, all less than £100k in value</i>	
					+84	Other minor variances	
					-66	Movement from quarter 2 ( <i>includes a DSG movement of -£22k</i> )	

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
<u>Children's Services - Education &amp; Personal</u>							
- 14 - 19 year olds	4,778.0	-1,335.8	3,442.2	-1,498	-1,376	<p>Kent Youth Employment programme placements - this underspend will need to be rolled forward to be spent on placements which straddle the financial year, with the scheme continuing until 2015-16.</p> <p>-75 Other minor variances</p> <p>-47 Movement from quarter 2 - an additional roll forward of £122k is requested for vulnerable learner placements</p>	
- Attendance & Behaviour	3,833.9	-2,671.4	1,162.5	-215	-205	<p>Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£146k)</i></p> <p>-60 Other minor variances</p> <p>+50 Movement from quarter 2 <i>(includes a DSG movement of +£39k)</i></p>	
- Connexions	5,696.6	0.0	5,696.6	0			
- Early Years & Childcare	7,376.4	-5,991.6	1,384.8	-154	-85	<p>Quarter 2 reported position</p> <p>-69 Movement from quarter 2 <i>(includes a DSG movement of -£44k)</i></p>	
- Early Years Education	50,900.0	-50,900.0	0.0	+1,187	+1,183	<p><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></p> <p>+1,092 <i>DSG variance - greater than budgeted number of hours being provided for 3 &amp; 4 year olds due to increased parental demand</i></p> <p>-1,092 <i>DSG variance - reduced demand for 2 year old placements</i></p> <p>+4 <i>DSG variance - Movement from quarter 2</i></p>	<p>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.</p>

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Education Psychology Service	3,004.4	-400.0	2,604.4	-382	-191 Traded income from schools for non statutory psychology services  -143 Staff vacancies -32 Other minor variances -16 Movement from quarter 2	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	-355	-80 Minority Community Achievement Service (MCAS) income from schools in excess of costs  -118 Portage staff vacancies and non staff savings offset by the write off of old debts ( <i>includes a DSG variance of -£82k</i> )  -65 Head of Inclusion and Support budget part year vacancies and general non staffing underspends ( <i>includes a DSG variance of -£44k</i> )  -71 Other minor variances -21 Movement from quarter 2 ( <i>includes a DSG movement of -£15k</i> )	
- Statemented Pupils	5,491.1	-5,491.1	0.0	-843	-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>  -184 <i>DSG variance - changes to provision of some statemented support services and to numbers of pupils receiving support</i>  -8 <i>DSG variance - Movement from quarter 2</i>	
	89,722.8	-74,368.9	15,353.9	-2,260		

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<u>School Budgets:</u>						
- Independent Special School Placements	14,924.0	-14,924.0	0.0	+1,028	+3,332 <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
					-2,304 <i>DSG variance - Movement from quarter 2: transfer of budget from school's contingency for High Needs</i>	
- PFI Schools Schemes	23,810.0	-23,810.0	0.0	0		
- Exclusion Services	1,835.7	-1,835.7	0.0	0		
	40,569.7	-40,569.7	0.0	+1,028		
<u>Schools Services:</u>						
- Non Delegated Staff Costs	2,742.2	-2,639.2	103.0	+99	-54 +153 Quarter 2 reported position Movement from quarter 2 - increase in expected claims from school staff undertaking trade union duties	
- Other Schools Services	7,595.1	-7,189.8	405.3	-144	-55 -52 -37 <i>DSG variance - Reduction in spend on the moving of mobile classrooms for schools</i> Other minor variances Movement from quarter 2	
- Redundancy Costs	1,188.7	-1,188.7	0.0	+877	+865 +12 <i>DSG variance - Expected increase in school based staff redundancy costs</i> <i>DSG variance - Movement from quarter 2</i>	
- School Improvement	11,034.8	-8,719.0	2,315.8	+729	+266 -126 Higher costs for the provision of training and development courses in excess of additional income generated Increase in income generated by the Improving Together Network scheme	Income targets for School Improvement will need to be reviewed as part of the MTFP process

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +17 Other minor variances	
					+572 Movement from quarter 2: costs of intervention and prevention work with schools in or at risk of going into special measures, together with costs associated with maintaining and improving school Ofsted ratings +£755k; <i>movement in DSG variance - £170k</i> ; other -£13k.	
- Teachers & Education Staff Pension Costs	7,954.0	-2,684.0	5,270.0	+218	+248 Increase in annual capitalization payments	This pressure is expected to be ongoing & will need to be addressed in the 2014-17 MTFP process
					-30 Movement from quarter 2	
	30,514.8	-22,420.7	8,094.1	+1,779		
<u>Transport Services</u>						
- Home to College Transport & Kent 16+ Travel Card	3,174.2	-1,720.0	1,454.2	-636	+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
					-136 Movement from quarter 2	
- Mainstream HTST	11,517.3	-20.0	11,497.3	-777	-1,567 Lower than budgeted numbers of pupils travelling and the full year impact of transport policy changes, (this forecast remains an estimate until all pupil transport for the new academic year is finalised)	This saving is expected to be ongoing & will be reflected in the 2014-17 MTFP
					+790 Movement from quarter 2 - an exercise is being undertaken to ascertain the reason(s) for this movement and this explanation will be provided in the next report	

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
- SEN HTST	17,207.5	0.0	17,207.5	+2,375	+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
					+1,053	Movement from quarter 2 - an exercise is being undertaken to ascertain the reason(s) for this movement and this explanation will be provided in the next report	
	31,899.0	-1,740.0	30,159.0	+962			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	7,319.1	-4,932.4	2,386.7	+557	-63	Quarter 2 reported position	
					+620	Movement from quarter 2: DSG movement for recoupment expenditure for Kent children with special needs educated in other local authority schools +£598k; other +£22k (including a DSG movement of +£14k)	
TOTAL NON DELEGATED	208,345.0	-152,801.7	55,543.3	+2,378			
- <i>Transfer to(+)/from(-) DSG reserve</i>				-1,917	-3,813	<i>drawdown from DSG reserve to offset +£3,988k of DSG variances explained above, together with other smaller DSG variances</i>	
					+1,896	<i>Movement from quarter 2 - reduced drawdown from DSG reserve to offset -£1,896k of DSG movements shown above</i>	
TOTAL NON DELEGATED after tfr to/from DSG reserve	208,345.0	-152,801.7	55,543.3	+461			
<b>Total ELS portfolio</b>	<b>946,950.8</b>	<b>-891,407.5</b>	<b>55,543.3</b>	<b>+10,086</b>			

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Assumed Mgmt Action</b>					£'000	
- ELS portfolio				0		The directorate is facing an overall pressure of £461k, (£1,959k including roll forward requirements), excluding schools. The Directorate will try to reduce these pressures by considering whether any expenditure within its control can be avoided without affecting front line services. The overspend will be discussed at DMT in January and any more detailed proposals will be reported in the next monitoring report
<b>Total Forecast <u>after</u> mgmt action</b>	<b>946,950.8</b>	<b>-891,407.5</b>	<b>55,543.3</b>	<b>+10,086</b>		



## 2. CAPITAL

2.1 The Education, Learning & Skills Directorate has a working budget (excluding schools ) for 2013-14 of £149,868k. The forecast outturn against the 2013-14 budget is £136,434k giving a variance of - £13,434k.

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

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Annual Planned Enhancement Programme	24,255	12,718	-220	-220	Real - Grant	Underspend to be used to fund overspend on St Johns/Kingsmead.	Green		
Devolved Formula Capital Grants for Pupil Referral Units	537	442	-155	-155	Rephasing	Remaining works in feasibility stage, will not complete before the 31 March.	Green		
<b>Individual Projects</b>									
<b>Basic Need Schemes - to provide additional pupil</b>									
Future Basic Need Schemes	43,506	36,814	-1,471	-1,471	Rephasing	Re-profiling of the basic need budget for the provision of additional places. No delays to completion dates.	Green		
Dunton Green	800	800	-800	-800	-£564k Real Variance Dev Conts -£236k Rephasing	Reduction in forecast to reflect revised developer contribution.	Green		Reduce cash limit by £596k
Goat Lees Primary School, Ashford	2,194	2,951					Green		

**ANNEX 1**

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
Repton Park Primary School, Ashford	19	210					Green		
Ryarsh Primary School, Ryarsh	169	169					Green		
<b>Modernisation Programme -</b> Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Wrotham	8	4					Green		
Modernisation Programme - Future Years	5,992	2,074	-1,875	-1,875	Real - DfE grant	Halfway House to be funded from Priority Schools Building Programme.	Green		
St Johns / Kingsmead Primary School, Canterbury	1,544	2,405	-892	-892	-1,112 Rephasing 220 Real Variance - DfE grant	Rephasing due to initial delays on site due to problems with obtaining planning permission. Overspend is to be funded from the Annual Planned Enhancement Programme.	Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
<b>Special Schools Review</b> - major projects supporting the special schools review									
Special Schools Review phase 1	24	664					Green		
Special Schools Review phase 2	40,330	9,361	-5,581	-5,581	Rephasing	Re-profiling of the SSR budget to reflect latest forecasts.	Green		
The Wyvern School, Ashford (Buxford Site)	1	2					Green		
<b>Primary Improvement Programme</b>	85	236					Green		
<b>Academy Projects:</b>									
Academies Unit Costs	778	1,183					Green		
Maidstone New Build, New Line Learning	0	31					Green		
Longfield New Build	0	358					Green		
Maidstone New Build, Cornwallis	0	67					Green		
Spires New Build	0	2					Green		
Marsh Academy, New Romney	888	887					Green		
The John Wallis C of E Academy	7,615	7,387					Green		
The Knowle Academy	13,557	14,735					Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
Dover Christ Church	10,119	7,791					Green		
Astor of Hever (St Augustine's Academy), Maidstone	9,236	11,199					Green		
Duke of York	21,816	16,968					Green		
Wilmington Enterprise College	7,387	7,289					Green		
Isle of Sheppey Academy	6,108	3,610					Green		
Skidders Kent Academy, Tunbridge Wells	489	1,611					Green		
<b>Building Schools for the Future Projects:</b>									
BSF Wave 3 Build Costs	2,104	905					Green		
BSF Unit Costs (including SecTT)	0	669					Green		
<b>Other Projects:</b>									
Nursery Provision for Two Year Olds	2,468	2,468	-2,368	-2,368	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					Green		
Specialist Schools	0	325	-185	-185	Rephasing	Delays due to lease agreements.	Green		
Platt CEPS	0	91	10	10	Rephasing		Green		

**ANNEX 1**

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
One-off Schools Revenue to Capital	1,881	1,999					Green		
Unit Review	1,108	1,263	-828	-828	Real - Prudential	Good design and cost management reduced overall project costs.	Green		
Vocational Education Centre Programme	0	148					Green		
Sevenoaks Grammar Schools annexe	5,000	0	731	731	Rephasing	Early fees incurred on design and public consultation for both the grammar annex and Free School.	Green		
Hartsdown Academy - contribution to 3G pitch			200	200	Real - Grant	Contribution agreed for Hartsdown Academy.			Increase cash limit by £200k
<b>Total</b>	210,018	149,868	-13,434	-13,434					

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**  
**CHILDREN'S SERVICES SUMMARY**  
**OCTOBER 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>	+152,688	+3,681	-707	+2,974
	<b>Asylum (£k)</b>	+280	+383	-	+383
	<b>Total (£k)</b>	<b>+152,968</b>	<b>+4,064</b>	<b>-707</b>	<b>+3,357</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Specialist Children's Services portfolio</b>						
Strategic Management & Directorate Support budgets	5,979.8	-175.0	5,804.8	-298	-344 underspend on Commissioning staffing budget +72 Other small minor variances -26 Movement from quarter 2	
<b>Children's Services - Children in Care (Looked After)</b>						
- Fostering	38,164.1	-336.0	37,828.1	+444	+102 In House: Forecast 267 weeks above affordable level +385 In House: Forecast unit cost £7.05 above affordable level -97 In House: management action to reduce pressure  +21 In House: Other small minor variances +979 Independent Sector (IFA): Forecast 1,050 weeks above 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/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-68 Independent Sector (IFA): Forecast unit cost £6.36 below affordable level -336 Fostering: management action to reduce pressure  -195 Small reduction in fostering related payments, and Kinship placements +27 Other small minor variances -374 Movement from quarter 2 due to management action now being achieved, and a reduction in the number of in-house foster placements including 16+	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.
- Legal Charges	7,345.4	0.0	7,345.4	+1,222	+682 Increase in legal fees and court charges, due to an increase in number of proceedings. +300 Increase in court fee pricing +240 Movement from quarter 2	This pressure will need to be addressed in the 2014-17 MTFP
- Residential Children's Services	15,371.2	-1,799.9	13,571.3	+170	+66 Independent residential care for Disabled Children: Forecast 21 weeks above affordable level of 2,384 -220 Independent residential care for Disabled Children: Forecast unit cost - £92.44 below affordable level of £3,249.20	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+130 Independent residential care for Disabled Children: reduction in income	
					-38 Secure Accommodation: reduction in placements	
					+98 Other small minor variances	
					+134 Movement from quarter 2 due to an increase in residential placements	
- Virtual School Kent	2,163.6	-718.9	1,444.7	-4	-16 Quarter 2 reported position	
					+12 Movement from quarter 2	
	63,044.3	-2,854.8	60,189.5	+1,832		
<b>Children's Services - Children in Need</b>						
- Children's Centres	15,957.4	-112.6	15,844.8	-930	-656 Minor variances spread across the 97 centres	
					-274 Movement from quarter 2 due to management action now being achieved	
- Preventative Services	16,098.0	-1,559.0	14,539.0	+545	+583 Pressure on commissioned services	
					+116 Increase in direct payments	
					+109 Staffing pressure	
					-89 Other small minor variances	
					-174 Movement from quarter 2 mainly due to reduced pressure on commissioned services and direct payments	
	32,055.4	-1,671.6	30,383.8	-385		
<b>Children's Services - Other Social Services</b>						
- Adoption	11,088.7	-3,707.5	7,381.2	+107	-745 Underspend due to rebadging of eligible spend to the Adoption Reform Grant.	
					+305 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.	



Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+384 Increase in number of guardianship payments partly due to a reduction in Kinship placements reported in Fostering above, together with a general increase in the number of guardianship payments.	
					+163 Movement from quarter 2 mainly due to increased costs of commissioned management service	
- Asylum Seekers	11,883.3	-11,603.3	280.0	+383	+1,207 Pressure relating to under 18 UASC due to costs exceeding grant payable +169 Pressure relating to under 18 UASC due to ineligibility +1,199 Pressure relating to over 18's due to ineligibility, of which £780k relates to All Rights Exhausted (ARE) clients +1,191 Pressure relating to over 18's due to costs exceeding grant payable (see activity section 2.6 below), of which £296k relates to ARE clients -927 Gateway grant not required for infrastructure costs and therefore available to offset other pressures -2,456 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)	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Leaving Care (formerly 16+)	4,555.1	0.0	4,555.1	+1,483	+254	Pressure on staffing budgets	
					+1,008	Additional young people requiring this service, in order to provide stability and continuity whilst they continue their education.	
					+221	Movement from quarter 2 mainly due to an increase in supported accommodation following a reduction in fostering placements	
- Safeguarding	4,679.4	-495.5	4,183.9	-137	+115	Pressure on staffing	
					+4	Other small minor variances	
					-256	Movement from quarter 2 mainly due to a reduction in commitments against the improvement budget	
	32,206.5	-15,806.3	16,400.2	+1,836			
<u>Assessment Services</u>							
- Children's social care staffing	45,247.8	-5,058.5	40,189.3	+1,079	+597	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	
					+482	Movement from quarter 2 partly due to unexpected one off costs and continuation of agency staff remaining in post	
<b>Total SCS portfolio</b>	<b>178,533.8</b>	<b>-25,566.2</b>	<b>152,967.6</b>	<b>+4,064</b>			

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Assumed Mgmt Action</b>							
- SCS portfolio				-707	-1,035	A management action plan was drawn up a few weeks ago, which is hoped will reduce expenditure on some non-essential expenditure, and reduce some agency staff costs for non-front line social work posts. Until further financial evidence is seen of the success of this, the balance of £1,035k is shown here as one figure. It is anticipated that within the next monitoring report this will start to be shown against the relevant budget lines.	
					+328	Movement from quarter 2 due to management action now being achieved in the above forecast (and shown within the relevant A-Z budget lines above)	
<b>Total Forecast <u>after</u> mgmt action</b>	<b>178,533.8</b>	<b>-25,566.2</b>	<b>152,967.6</b>	<b>+3,357</b>			

## 2. CAPITAL

2.1 The Families and Social Care Directorate - Specialist 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.

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

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	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 (Reprovision of Family Centre)	251	251	0	0			Green		
<b>Total</b>	1,325	1,925	0	0					

### 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY**  
**ADULTS SERVICES SUMMARY**  
**OCTOBER 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>+334,878</b>	<b>-6</b>	<b>-</b>	<b>-6</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
<b>Adult Social Care &amp; Public Health portfolio</b>							
Strategic Management & Directorate Support budgets	7,019.1	-957.8	6,061.3	+167	+323	Legal Charges	
					-60	Other minor variances	
					-96	Movement from quarter 2	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	3,720.3	-325.7	3,394.6	+22	+16	Quarter 2 reported position	
					+6	Movement from quarter 2	
<u>Adults &amp; Older People:</u>							
<u>- Direct Payments</u>							
- Learning Disability	15,865.8	0.0	15,865.8	+755	-239	Forecast -875 weeks below affordable level of 60,327 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+615	Forecast average unit cost +£10.20 above affordable level of £262.50	
					+431	One-off direct payments	
					-326	Recovery of unspent funds from clients	
					+274	Movement from quarter 2 due to increased numbers of clients in receipt of direct payments and some increases to existing users offset by further recovery of unspent funds	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Mental Health	817.2	0.0	817.2	+36	-94 Forecast -1,107 weeks below affordable level of 10,803 weeks +147 Forecast average unit cost +£13.60 above affordable level of £71.40 +39 Other minor variances -56 Movement from quarter 2	Demographic pressures & savings will need to be addressed in the MTFP
- Older People	6,797.2	0.0	6,797.2	+25	-454 Forecast -2,837 weeks below affordable level of 45,113 weeks +416 Forecast average unit cost +£9.23 above affordable level of £150.67 +434 One-off direct payments -541 Recovery of unspent funds from clients +114 Costs relating to 2012-13 where insufficient creditors were set up +56 Movement from quarter 2	Demographic pressures & savings will need to be addressed in the MTFP
- Physical Disability	10,586.9	0.0	10,586.9	-386	-295 Forecast -1,590 weeks below affordable level of 56,463 weeks -125 Forecast average unit cost -£2.21 below affordable level of £187.50 +537 One-off direct payments -762 Recovery of unspent funds from clients +69 Costs relating to 2012-13 where insufficient creditors were set up +190 Movement from quarter 2 due to increased numbers of clients in receipt of ongoing direct payments, some additional one-off direct payments and a reduction in forecast level of surplus funds recovered	Demographic pressures & savings will need to be addressed in the MTFP
Total Direct Payments	34,067.1	0.0	34,067.1	+430		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Domiciliary Care							
- Learning Disability	4,237.6	-679.2	3,558.4	-521	-146	Independent Sector: forecast -11,209 hours below affordable level of 94,500 hours	Demographic pressures & savings will need to be addressed in the MTFP
					-72	Independent Sector: forecast average unit cost -£0.76 below affordable level of £13.80	
					-100	Unrealised creditors raised in 2012-13	
					-31	Other minor variances	
					-172	Movement from quarter 2 mainly due to release of further unrealised creditors raised in 2012-13	
- Older People	42,599.5	-1,362.7	41,236.8	-203	-507	Independent Sector: forecast -33,753 hours below affordable level of 2,240,067 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+157	Independent Sector: forecast average unit cost +£0.07 above affordable level of £14.95	
					+311	Independent sector: costs incurred relating to 2012-13 where insufficient creditors were set up	
					-143	Underspend on Independent Sector Enablement replaced by increased usage of the Kent Enablement at Home Service (KEAH) (see below)	
					+119	Increased activity on the Older People KEAH service due to reduced usage of Independent Sector Enablement and implementation of transformation plans	
					-217	Use of alternative funding sources to finance the programme of spend for hand held devices for the Older People KEAH service, such as use of reserves or capitalisation where eligible	
					+74	Other minor variances	
					+3	Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability	7,576.3	0.0	7,576.3	-73	-469	Independent Sector: forecast -34,241 hours below affordable level of 518,335 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+285	Independent Sector: forecast average unit cost +£0.55 above affordable level of £13.15	
					+170	Pressure on Physical Disability Kent Enablement at Home Service (KEAH)	
					-2	Other minor variances	
					-57	Movement from quarter 2	
Total Domiciliary Care	54,413.4	-2,041.9	52,371.5	-797			
- Non Residential Charging							
- Learning Disability	0.0	-2,569.3	-2,569.3	-297	-152	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other learning disability community based services (such as Domiciliary, Day Care, Direct Payments & Supported Accommodation) highlighted in this report	Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings.
					-145	Movement from quarter 2 due to further forecast increases in client contributions	
- Older People	0.0	-11,627.0	-11,627.0	+1,724	+1,791	The forecast under-recovery of client contributions towards non-residential care services is in part linked to the current underspend being forecast on other older people community based services highlighted in this report. In addition, this budget was set based on certain assumptions around activity & unit contributions. It is now apparent a realignment of this budget is required which will be addressed in the 2014-17 MTFP.	Realignment of budget with other community based service headings will need to be addressed in the MTFP along with demographic pressures & savings.
					-67	Movement from quarter 2	



Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Physical Disability / Mental Health	0.0	-1,459.5	-1,459.5	-80	-100	The forecast over-recovery of client contributions towards physical disability community based services suggests the average unit income is greater than budgeted and is offsetting the under-recovery of client income linked to the current underspend being forecast on other physical disability services highlighted in this report	
					+33	Other minor variances	
					-13	Movement from quarter 2	
Total Non Residential Charging Income	0.0	-15,655.8	-15,655.8	+1,347			
- Nursing & Residential Care							
- Learning Disability	76,895.0	-6,219.8	70,675.2	+648	+1,297	Independent Sector: forecast +1,038 weeks above affordable level of 40,086 weeks	
					-91	Leading to an increase in client contributions	Demographic pressures & savings will need to be addressed in the MTFP
					+95	Independent Sector: forecast average unit cost +£2.36 above affordable level of £1,247.27	
					-181	Independent Sector: forecast average unit client contribution -£4.51 above affordable level of -£83.24	
					-1,514	Preserved Rights Independent Sector: forecast -1,617 weeks below affordable level of 27,124 weeks	
					+161	Leading to a shortfall in client contributions	Demographic pressures & savings will need to be addressed in the MTFP
					+629	Preserved Rights Independent Sector: forecast average unit cost +£23.20 above affordable level of £913.28	
					-134	Preserved Rights Independent Sector: forecast average unit client contribution -£4.93 above affordable level of -£94.37	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+131 Costs incurred in relation to 2012-13 where insufficient creditors were set up	
					+45 Other minor variances	
					+210 Movement from quarter 2 due to a reduction in forecast for client income and some increases to packages of care for existing clients, offset partly by a small decrease in client numbers	
- Mental Health	7,380.2	-768.4	6,611.8	+671	+732 Independent Sector: forecast +1,189 weeks above affordable level of 9,895 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+95 Forecast average unit cost +£9.59 above affordable level of £605.75	
					-101 Over-recovery of income for clients part funded by health	
					-86 Other minor variances	
					+31 Movement from quarter 2	
- Older People - Nursing	48,633.6	-24,365.0	24,268.6	-845	-25 Independent Sector: forecast -51 weeks below affordable level of 83,362 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					+9 Leading to a shortfall in client contributions	
					+185 Independent Sector: forecast average unit cost +£2.22 above affordable level of £481.80	
					-736 Independent Sector: forecast average unit client contribution -£8.83 above affordable level of -£171.99	
					+76 Other minor variances	
					-354 Movement from quarter 2 mainly due to a reduction in clients in nursing placements	
- Older People - Residential	81,827.1	-32,731.8	49,095.3	+513	+900 Independent Sector: forecast +2,232 weeks above affordable level of 146,064 weeks	Demographic pressures & savings will need to be addressed in the MTFP
					-385 Leading to an increase in client contributions	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+358 Independent Sector: forecast average unit cost +£2.45 above affordable level of £400.60 -701 Independent Sector: forecast average unit client contribution -£4.80 above affordable level of -£167.74 -38 Other minor variances +379 Movement from quarter 2 mainly due to an increase in residential placements, plus some additional costs in relation to in-house services	
- Physical Disability	12,691.6	-1,752.0	10,939.6	+234	+496 Independent Sector: forecast +577 weeks above affordable level of 12,902 weeks -118 Independent Sector: forecast average unit cost -£9.11 below affordable level of £868.96 -120 Other minor variances -24 Movement from quarter 2	Demographic pressures & savings will need to be addressed in the MTFP
Total Nursing & Residential Care	227,427.5	-65,837.0	161,590.5	+1,221		
- Supported Accommodation						
- Learning Disability	32,870.0	-1,425.0	31,445.0	+499	+628 Independent Sector: forecast +62,231 hours above affordable level of 3,168,734 hours +697 Forecast average unit cost +£0.22 above affordable level of £9.87 -287 Unrealised creditors raised in 2012-13 -137 Underspend following the closure of the Bridge Resource Centre. This underspend partially offsets the pressure on in-house day care services (see below) -111 Other minor variances	Demographic pressures & savings will need to be addressed in the MTFP

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000	£'000		
					-291	Movement from quarter 2 due to a net reduction in clients in receipt of supported living, offset by an increase in users of the Supporting Independence Service, and release of unrealised creditors and other amounts relating to 2012-13	
- Older People	4,540.1	-4,350.0	190.1	+3	+4	Quarter 2 reported position	
					-1	Movement from quarter 2	
- Physical Disability / Mental Health	3,430.9	-248.9	3,182.0	-10	-6	Physical Disability Independent Sector: forecast -784 hours below affordable level of 238,011 hours	Demographic pressures & savings will need to be addressed in the MTFP
					+338	Physical Disability Independent Sector: forecast average unit cost +£1.42 above affordable level of £6.46	
					-186	Mental Health Independent Sector: forecast -17,572 hours below affordable level of 151,107 hours	
					-74	Mental Health Independent Sector: forecast average unit cost -£0.49 below affordable level of £11.09	
					-79	Other minor variances	
					-3	Movement from quarter 2	
Total Supported Accommodation	40,841.0	-6,023.9	34,817.1	+492			
- Other Services for Adults & Older People							
- Contributions to Vol Orgs	18,055.1	-4,430.6	13,624.5	+428	+418	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).	
					+10	Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Community Support Services for Mental Health	1,265.3	-34.3	1,231.0	-66			
- Day Care							
- Learning Disability	12,723.4	-182.4	12,541.0	+608	+206	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 partially offsetting this pressure.	
					+334	Current demand for services provided by the independent sector	
					+68	Movement from quarter 2	
- Older People	2,453.9	-63.1	2,390.8	+42	-58	Quarter 2 reported position	
					+100	Movement from quarter 2 due to additional external commissioning and transport costs	
- Physical Disability	1,040.0	-4.7	1,035.3	+180	+255	Current demand for services provided by both the independent sector and the resource centre	
					-75	Movement from quarter 2	
Total Day Care	16,217.3	-250.2	15,967.1	+830			
- Other Adult Services	3,905.8	-15,411.4	-11,505.6	-3,040	-3,051	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. Pressures are being shown against their respective budget lines and the compensating funding stream is being reflected here.	
					+105	Current demand for Kent sensory services equipment	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-125	The number of hot meals provided to older people continues to fall as clients choose alternative methods to receive this service.
					+61	Other minor variances
					-30	Movement from quarter 2
- Safeguarding	1,135.2	-261.6	873.6	-210	-187	Net effect of delays in the recruitment to known vacancies as well as the recommissioning and reduction in the level of training to be delivered through the Mental Health Capacity Act (MCA)
					-23	Movement from quarter 2
Total Other Services for A&OP	40,578.7	-20,388.1	20,190.6	-2,058		
<b>Assessment Services</b>						
- Adult Social Care Staffing	41,904.4	-3,863.7	38,040.7	-830	-495	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.
					-386	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
					-38	Other minor variances
					+89	Movement from quarter 2
<b>Total ASC&amp;PH portfolio</b>	<b>449,971.5</b>	<b>-115,093.9</b>	<b>334,877.6</b>	<b>-6</b>		
<b>Assumed Mgmt Action</b>						
- ASC&PH portfolio						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>449,971.5</b>	<b>-115,093.9</b>	<b>334,877.6</b>	<b>-6</b>		

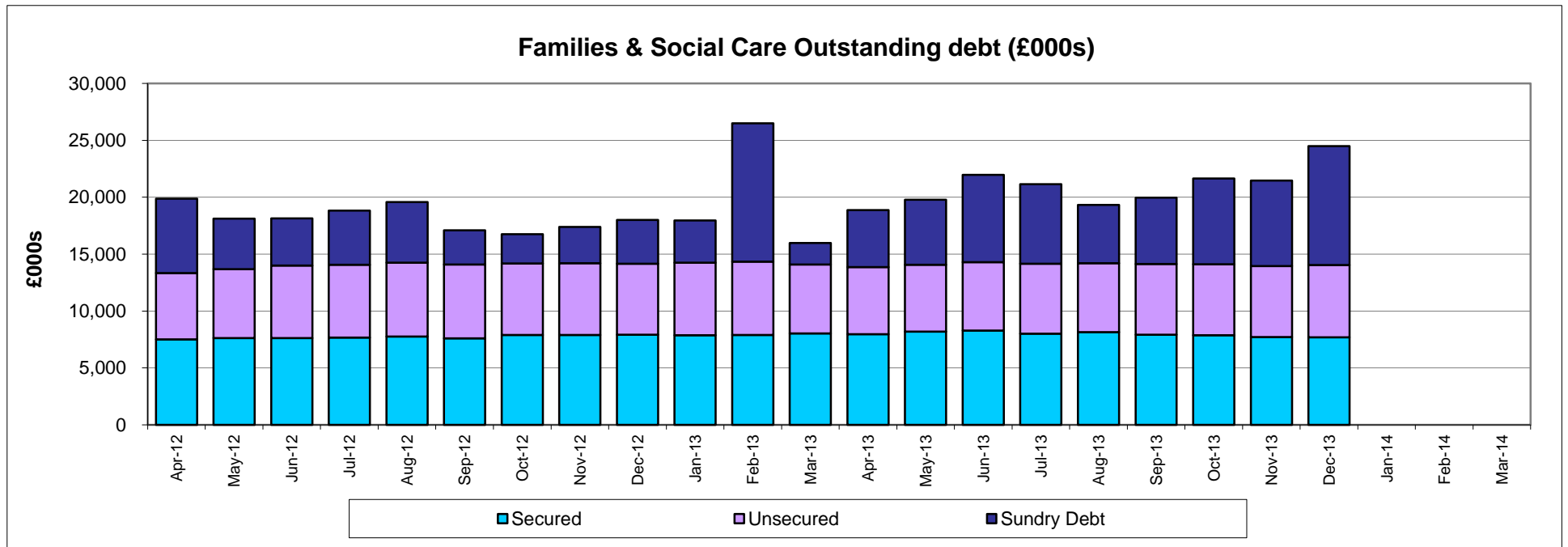
## 2. SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of **December** was **£24.480m** compared with **October's** figure of **£21.646m** (reported to Cabinet in **December**) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is **£10.436m** of sundry debt compared to **£7.533m** in **October**. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is **£14.044m** relating to Social Care (client) debt which is a **small reduction** of **£0.069m** from the last reported position to Cabinet in **December**. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

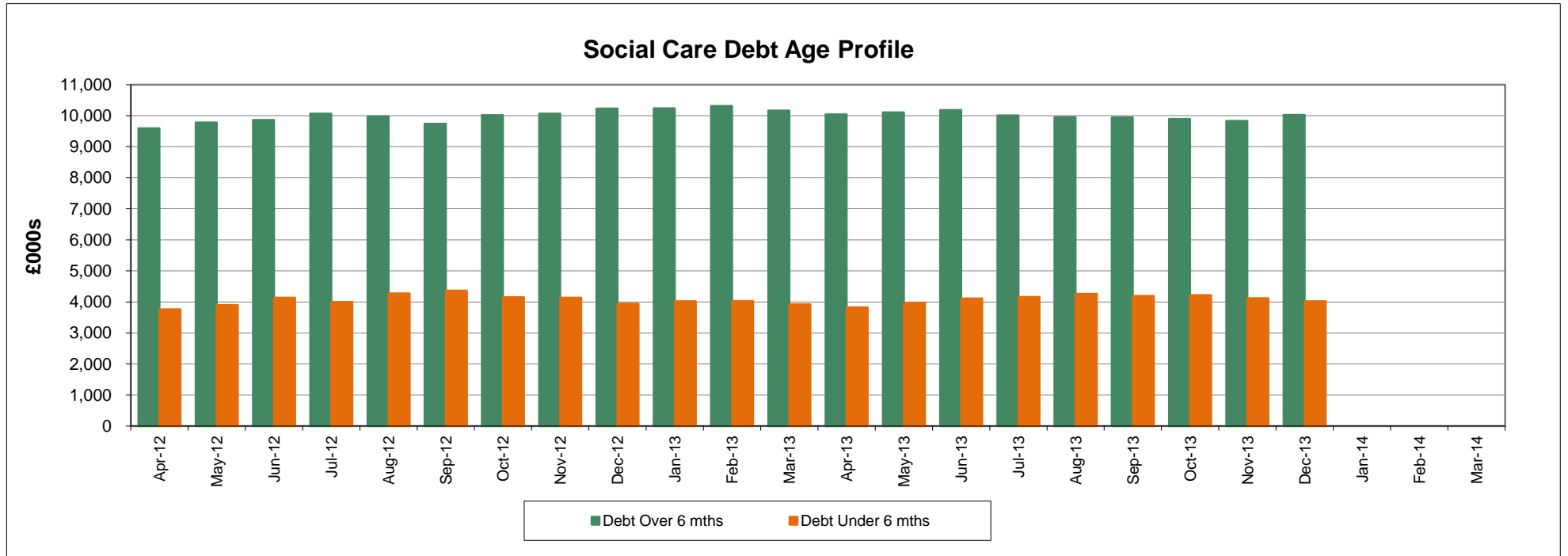
	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Total Social Care Due Debt £000s	Debt Over 6 months £000s	Debt Under 6 months £000s	Secured £000s	Unsecured £000s
Apr-12	19,875	6,530	13,345	9,588	3,757	7,509	5,836
May-12	18,128	4,445	13,683	9,782	3,901	7,615	6,068
Jun-12	18,132	4,133	13,999	9,865	4,134	7,615	6,384
Jul-12	18,816	4,750	14,066	10,066	4,000	7,674	6,392
Aug-12	19,574	5,321	14,253	9,977	4,276	7,762	6,491
Sep-12	17,101	3,002	14,099	9,738	4,361	7,593	6,506
Oct-12	16,747	2,574	14,173	10,020	4,153	7,893	6,280
Nov-12	17,399	3,193	14,206	10,069	4,137	7,896	6,310
Dec-12	17,996	3,829	14,167	10,226	3,941	7,914	6,253
Jan-13	17,965	3,711	14,254	10,237	4,017	7,885	6,369
Feb-13	26,492	12,153	14,339	10,312	4,027	7,903	6,436
Mar-13	15,986	1,895	14,091	10,165	3,926	8,025	6,066
Apr-13	18,859	4,995	13,864	10,037	3,827	7,969	5,895
May-13	19,789	5,713	14,076	10,106	3,970	8,197	5,879
Jun-13	21,956	7,662	14,294	10,183	4,111	8,277	6,017
Jul-13	21,146	6,978	14,168	10,005	4,163	8,015	6,153
Aug-13	19,320	5,116	14,204	9,950	4,254	8,141	6,063
Sep-13	19,950	5,814	14,136	9,943	4,193	7,931	6,205

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Oct-13	21,646	7,533	14,113	9,896	4,217	7,867	6,246
Nov-13	21,471	7,524	13,947	9,830	4,117	7,728	6,219
Dec-13	24,480	10,436	14,044	10,026	4,018	7,694	6,350
Jan-14							
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 Social Care & Public Health Portfolio has a working budget for 2013-14 of £9,824k. The forecast outturn against the 2013-14 budget is £4,659k giving a variance of - £5,165k.

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

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Asset Modernisation	0	373	-373	-373	Rephasing	Projects reprofiled to 14/15	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>									
Community Care Centre - Ebbsfleet	544	0	0	0			Green		
Community Care Centre - Thameside	500	0	0	0			Green		
OP Strategy - Transformation /	7,800	762	-51	-39	Rephasing		Green		
				-12	Real		Green		
<b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme-Community Hubs	3,318	2,291	-1,210	-1,210	Rephasing	Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15	Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Learning Disability Good Day Programme- Community Initiatives	2,430	987	-804	-804	Rephasing	Various schemes - looking at consultation 3rd quarter of 2013 therefore rephasing spend to 14/15	Green		
Rusthall (Tunbridge Wells Respite)	0	45	-45	-45	Rephasing		Green		
Mental Health Strategy	264	264	-264	-198	Real - Prudential	Budget surrendered	Green		Reduce cash limit by £198k
				-66	Rephasing	To be vired to IT strategy	Green		
<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	Green		
Information Technology Projects e.g. Swift Development / Mobile Working	2,477	2,178	-2,068	-2,068	Rephasing	Projects reprofiled to 14/15	Green		
Public Access Development	1,052	0	0	0		Budget surrendered			
<b>Total</b>	<b>92,858</b>	<b>9,824</b>	<b>-5,165</b>	<b>-5,165</b>					

## 1. Status:

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

**ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY**  
**OCTOBER 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>+151,683</b>	<b>+1,622</b>	<b>-</b>	<b>+1,622</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Environment, Highways and Waste portfolio</b>							
Strategic Management & Directorate Support budgets	4,858.5	-21.0	4,837.5	-636	-233	Saving on contractor annual management charge	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-120	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	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-99	Underspend on Legal costs	
					-202	Other minor variances all less than £100k in value	
					+18	Movement from quarter 2	
<u>Community Services:</u>							
- Gypsies & Travellers	714.0	-430.0	284.0	-74	-70	Quarter 2 reported position	
					-4	Movement from quarter 2	
<u>Environment:</u>							
- Environment Management	4,000.8	-1,481.9	2,518.9	-9	-13	Quarter 2 reported position	
					+4	Movement from quarter 2	
<u>Highways:</u>							
- Highways Maintenance							
- Adverse Weather	3,299.9	0.0	3,299.9	+419	+222	Costs of April salting runs beyond normal winter season	

## ANNEX 4

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					+159	Balance of 2012-13 costs including snow emergency costs for which insufficient provision was made	
					+8	Other minor variances	
					+30	Movement from quarter 2	
- Bridges & Other Structures	2,588.1	-182.0	2,406.1	-55	+18	Quarter 2 reported position	
					-73	Movement from quarter 2	
- General maintenance & emergency response	13,616.0	-487.0	13,129.0	+4,588	+4,153	Find and fix repair of pot holes	This underspend is contributing to the 2014-17 MTFP savings target.
					+164	Increase in maintenance on high speed roads, and type of maintenance being undertaken, as a consequence of find and fix activity	
					-207	Underspend on depot maintenance	
					-73	Other minor variances	
					+551	Movement from quarter 2: further increase in maintenance on high speed roads +£231k; emergency response costs in relation to the October storm +£363k; other -£43k	
- 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	+4,952			
- Highways Management:							
- Development Planning	2,110.9	-1,310.0	800.9	-160	-48	Additional income from developers	
					-98	Other minor variances	
					-14	Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Highways Improvements	1,875.3	-82.0	1,793.3	-474	-200	Temporary staff no longer required for Member Highway Fund as the backlog has been cleared	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP  This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-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.	
					-99	Other minor variances	
					-7	Movement from quarter 2	
- Road Safety	3,257.6	-2,234.0	1,023.6	+51	+45	Quarter 2 reported position	
					+6	Movement from quarter 2	
- Streetlight energy	4,795.0	0.0	4,795.0	+850	+950	Price increase for 2013-14	This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-200	Rebate on 2012-13 costs following final volume and price reconciliation	
					+100	Movement from quarter 2: increase in price pressure	
- Traffic management	5,870.7	-3,421.1	2,449.6	-433	-141	Additional income from roadworks and enforcements	
					-92	Other minor variances	
					-190	Movement from quarter 2: further income from roadworks & enforcements and permit scheme income -£182k; other -£8k	
- Tree maintenance, grass cutting & weed control	3,252.8	0.0	3,252.8	-232	+170	Additional weed control treatment required following complaints from District Councils in particular concerning weeds causing a trip hazard	Part of this saving is expected to be ongoing and will be reflected in the 2014-17 MTFP
					+162	Removal of tree stumps	
					+120	Additional expenditure in respect of bus route clearance	
					-192	Savings on the transfer of the contract to a new contractor	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-183	Duplicate orders raised and receipted in error in 2012-13	
					-37	Other minor variances	
					-272	Movement from quarter 2: procurement savings -£125k; other -£147k.	
	21,162.3	-7,047.1	14,115.2	-398			
<u>Planning &amp; Transport Strategy:</u>							
- Planning & Transport Policy	1,491.9	0.0	1,491.9	-60	-48	Quarter 2 reported position	
					-12	Movement from quarter 2	
- Planning Applications	1,079.9	-600.0	479.9	+112	+217	Reduction in income for planning applications due to the current economic climate	
					-84	Staffing underspend	
					-17	Other minor variances	
					-4	Movement from quarter 2	
	2,571.8	-600.0	1,971.8	+52			
<u>Transport Services:</u>							
- Concessionary Fares	16,672.0	-27.0	16,645.0	-633	-376	Fewer replacement bus passes expected to be issued in 2013-14 than budgeted	
					-269	Reduced bus operator costs due to reduced journeys being taken	
					+16	Other minor variances	
					-4	Movement from quarter 2	
- Freedom Pass	15,643.0	-2,459.0	13,184.0	+109	+97	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.
					+12	Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Subsidised Bus Routes	8,960.1	-1,454.0	7,506.1	-294	-415	Funding awarded for price rises has proved to be in excess of what is required and contracts re-tendered in year have generally not increased	This saving is expected to be ongoing and will be reflected in the 2014-17 MTFP  This pressure is expected to be ongoing and will be reflected in the 2014-17 MTFP
					-145	Staff vacancies	
					+200	Additional costs of service provision due to a existing contractor going into liquidation	
					+131	Reduced income from ELS due to fewer entitled scholars using the subsidised bus routes	
					-2	Other minor variances	
					-63	Movement from quarter 2	
- Transport Operations	1,127.4	-214.5	912.9	+14	+12	Quarter 2 reported position	
					+2	Movement from quarter 2	
- Transport Planning	558.4	-228.0	330.4	-19	-24	Quarter 2 reported position	
					+5	Movement from quarter 2	
	42,960.9	-4,382.5	38,578.4	-823			
<u>Waste Management</u>							Impact of the current Waste forecast on the 2014-17 MTFP:
- Waste Operations	1,736.0	0.0	1,736.0	-184	-150	Sale of previous year landfill allowances, under the Landfill Allowance Trading Scheme, to another local authority	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.
					-61	Vacancy management and removal of a post	
					-84	Other minor variances	
					+111	Movement from quarter 2: sale of landfill allowances moved to Landfill A-Z line (see below) +£150k; other -£39k.	



Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Recycling & Diversion from Landfill:							
- Household Waste Recycling Centres	8,240.2	-1,982.0	6,258.2	-623	-380	Forecast lower volumes of materials managed at sites resulting in reduced haulage fees	
					+239	Management and contract fees for Richborough site expected to be closed for 2013-14 but remains open	
					-348	Haulage and management costs associated with the new combined Ashford HWRC and transfer station now included in the Haulage & Transfer Stations A-Z line	
					-102	Reduced recycling bonus payments due to reduced waste volumes at HWRC	
					-57	Additional income from the sale of recyclable materials	
					+49	Other minor variances	
					-24	Movement from quarter 2	
- Partnership & Waste Co-ordination	606.0	-168.0	438.0	-83	-21	Quarter 2 reported position	
					-62	Movement from quarter 2	
- Payments to Waste Collection Authorities (DCs)	6,068.0	-102.0	5,966.0	-228	-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	
					-96	Reduced recycling credit payments to Waste Collection Authorities	
					+25	Other minor variances	
					-14	Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Recycling Contracts & Composting	9,030.0	-1,571.0	7,459.0	-495	+524 Price increases for hardcore due to changes in legislation	
					-504 Forecast reduction of 21,400 tonnes in hardcore, wood, garden waste and other materials offset by an increase in food waste	
					+494 Reduced income from the East Kent Contract due to changes in market prices	
					+207 East Kent Contract: Forecast reduction of 4,600 tonnes of saleable material, (together with an increase of 6,600 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	
					+370 Additional costs of processing mixed materials, including glass at the new Materials Recycling Facility (MRF) for Mid and West Kent	
					-1,692 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	
					+2 Other minor variances	
					-72 Movement from quarter 2	
	23,944.2	-3,823.0	20,121.2	-1,429		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	864.0	-180.0	684.0	-128	-114	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
					-20	Other minor variances	
					+6	Movement from quarter 2	
- Disposal Contracts	28,836.0	-156.0	28,680.0	-648	-1,285	Forecast reduced tonnage of residual waste to be managed through Allington Waste to energy Facility (-14,000 tonnes)	
					-78	Reduced disposal costs due to lower residual waste sent to landfill (-7,400)	
					+1,899	Forecast increase of tonnage throughput at the Allington Waste to energy Facility (resulting in reduction sent to Landfill) (+20,100 tonnes)	
					-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	
					+1,154	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	
					-124	Saving on managing hazardous and clinical waste	
					-12	Other minor variances	
					-343	Movement from quarter 2 due to reduced waste tonnage processed at Allington Waste to energy facility (resulting in an increase sent to Landfill - see below)	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Haulage & Transfer Stations	9,562.0	-75.0	9,487.0	+1,181	+368	Delays in the closure of the Hawkinge transfer station
					+161	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
					-327	Forecast reduced tonnage managed at sites
					+220	New arrangements at Allington transfer station to enable the receipt of food and dry recyclable waste
					+628	East Kent Contract Haulage fee budget set only for January to March but payments are being incurred for the whole financial year
					+206	Extra contract payments for managing waste in Thanet and Canterbury under the East Kent Contract as the new service is being rolled out
					-38	Reduced haulage of residual waste from Canterbury and Thanet to Allington due to extended maintenance at the Allington Waste to Energy Facility
					-37	Movement from quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Landfill Tax	7,571.0	0.0	7,571.0	-234	-549	Forecast reduction in the volume of waste sent to landfill due to overall reduction in residual waste of 7,400 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) offset by an increase in waste diverted to landfill due to extended maintenance at Allington Waste to Energy facility (+19,700 tonnes)
					+315	Movement from quarter 2: sale of landfill allowances moved from Waste Operations A-Z line (see above) - £150k; increase in waste sent to landfill +£465k (partly resulting from a reduction in waste processed at Allington Waste to energy facility - see above)
	46,833.0	-411.0	46,422.0	+171		
- Commercial Services	0.0	-4,899.0	-4,899.0			
<b>Total E,H &amp; W portfolio</b>	<b>175,601.6</b>	<b>-23,918.5</b>	<b>151,683.1</b>	<b>+1,622</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>176,258.2</b>	<b>-24,575.1</b>	<b>151,683.1</b>	<b>+1,622</b>		
<b>Assumed Mgmt Action</b>						
- EHW portfolio						
- R&E portfolio						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>176,258.2</b>	<b>-24,575.1</b>	<b>151,683.1</b>	<b>+1,622</b>		

## 2. CAPITAL

2.1 The Enterprise & Environment Directorate has a working budget for 2013-14 of £77,144k. The forecast outturn against the 2013-14 budget is £59,753k giving a variance of -£17,391k.

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

Budget Book Heading	Three year cash limit per budget	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	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. The maintenance programme is currently being reviewed to achieve the expected budget reduction target of £3400k.	Green		
Integrated Transport Schemes under £1 million	12,513	5,295	54	388	Real-Dft grant	Additional grant has been awarded to carry out Sustainable transport schemes.	Green		
				60	Real-Ex Developer	Completion of some S106 conditions within the time frame.			
				-394	Rephasing	Some of the s106 schemes are at outline design stage with programmed delivery in 14-15.			

Budget Book Heading	Three year cash limit per budget	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Land compensation and Part 1 claims arising from completed projects	2,834	2,348	-1,055	18	Real-ExDeveloper	Anticipated outturn is more than the original estimated. This will be claimed from the developers.	Green		
				-1,073	Rephasing	Spend prediction is particularly difficult for LCA Part 1 expenditure which is often an aggregate of many small claims where progress is highly dependent on the action of claimants, their agents and responses to legal checks.			
Major Schemes - Preliminary Design Fees	400	350	0	0			Green		
Members' Highway Fund	6,600	2,472	0	0			Green		
<b>Individual Projects</b>									
<b>Planning and Environment</b>									
Coldharbour Gypsy Site	672	888	0	0			Green		
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		

Budget Book Heading	Three year cash limit per budget	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
North Farm Development	3,000	125	600	600	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		
Growth without Gridlock initiatives	5,000	2,750	-2,620	-2,620	Rephasing	Development work for Thanet Parkway and Lorry Parking / Operation Stack.	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		
HWRC - Site Improvements-Herne Bay	0	0	-19	-19	Real-Prudential	Scheme completed during last financial year. Surplus creditor	Green		
HWRC-West Kent	600						Green		



Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
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 put in place.	Green		Cash Limit adjustment required
TS/HWRC - Ashford	500	1,715	-50	-50	Rephasing	Project final fees will be settled in 14-15	Green		
TS-North Farm			69	69	Real-Prudential	Additional spend on retention payment.	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>Highways and Transportation</b>									
Ashford Ring Road - Major Road Scheme	91	93	0	0			Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
East Kent Access Phase 2 - Major Road Scheme	3,958	1,316	-800	-800	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard. Overall on the project there is a forecast underspend of £476k which relates to a review of residual risk contingency.	Green		
Cyclopark initiative	0	176	0	0			Green		
Kent Thameside Strategic Transport Programme	11,764	2,243	-2,085	-2,085	Rephasing	The design and development of the Rathmore Road Link has been extended whilst further traffic assessment work for the determination of the planning application submitted in April 2012. Also, work has will be re-phased to account for the development of the transport strategy for Dartford Town Centre and the completion of the S106 Agreement for the Lowfield Street	Green		
Kent Highway Partnership - Co-location Depots	40	48	40	40	Real -Prudential		Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
Preston Highway Depot	0	0	24	24	Real -Prudential		Green		
Rushenden Link (Sheppey) - major road scheme	635	490	-440	-440	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
Sittingbourne Northern Relief Road - major road scheme	2,799	814	-637	-637	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
Street Lighting Column - Replacement Scheme	3,750	1,250	0	0			Green		
Street Lighting Timing - Invest to Save	2,906	2,131	-1,042	-1,042	Rephasing	Police liaison with longer and wider public consultation resulting in implementation being re-scheduled.	Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0			Green		
A228 Leybourne & West Malling Corridor	0	0	0	0					

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
South East Maidstone Strategic Link - Major Road Scheme	0	0	0	0					
<b>Ashford's Future Schemes</b>									
A28 Chart Road	7,600	1,800	-1,800	-1,800	Rephasing	Original budget profile assumed on Growing Places funding support and this has not materialised. Project will only proceed if external funding is secured.	Green		
Drovers Roundabout junction	220	370	-280	-192	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		
				-88	Real- Grant	Review of the scheme has recommended minor sign and road marking changes.			
Orchard Way Railway bridge	15,000	0	0	0			Green		
Victoria Way	239	424	-405	-405	Rephasing	Extension of LCA Part 1 claims due to completion of several major schemes. The new term consultant is to double check noise claims in line with new industry standard.	Green		

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
Westwood Relief Strategy-Porthole Lane	0	800	-285	-285	Rephasing	Rephasing to reflect revised profiling of project.	Green		
<b>Total</b>	193,789	77,144	-17,391	-17,391					

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**  
**OCTOBER 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>+76,033</b>	<b>-3,263</b>	<b>-</b>	<b>-3,263</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Customer &amp; Communities portfolio</b>						
Strategic Management & Directorate Support budgets	3,112.8	-978.0	2,134.8	-121	-55	Quarter 2 reported position
					-66	Movement from Quarter 2
<u>Support to Frontline Services:</u>						
- Communication & Consultation	3,004.6	-11.0	2,993.6	-33		
<u>Other Services for Adults &amp; Older People</u>						
- Social Fund (Kent Support & Assistance Service - KSAS)	3,469.0	-3,469.0	0.0	-1,046	-1,001	Lower than anticipated demand for awards since inception of 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.
					-45	Movement from Quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Supporting People	24,856.5	0.0	24,856.5	-1,385	-1,067	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.  This saving is expected to be ongoing and the full year effect will be reflected in the 2014-17 MTFP
					-376	A realignment of the profile and regularity of contract payments, differing to the initial budget assumptions, which results in a lower cost in 2013-14.	
					-608	Cessation of Floating Support in Lieu (FSIL) of Accommodation contracts in November 2013.	
					+516	Following the cessation of FSIL above, additional one-off Floating Support Services were commissioned until March 2014 to align with the Troubled Families Programme	
					+150	New one-off commission in relation to support for rough sleepers (Hostels Plus).	
	28,325.5	-3,469.0	24,856.5	-2,431			
<u>Children's Services:</u>							
- Youth Service	8,611.0	-2,365.8	6,245.2	+118	-127	Staff vacancies	
					+195	Other minor variances which are individually below £100k	
					+50	Movement from Quarter 2	
- Youth Offending Service	5,419.7	-2,424.6	2,995.1	-110	+64	Quarter 2 reported position	
					-174	Movement from Quarter 2 due to a number of small changes	
	14,030.7	-4,790.4	9,240.3	+8			
<u>Community Services:</u>							
- Arts Development (incl Turner Contemporary)	2,128.8	0.0	2,128.8	-38	-34	Quarter 2 reported position	
					-4	Movement from Quarter 2	

## ANNEX 5

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
- Community Learning Services	14,444.3	-14,673.6	-229.3	+3	+2	Quarter 2 reported position	
					+1	Movement from Quarter 2	
- Community Safety	659.2	-284.9	374.3	+12			
- Community Wardens	2,652.4	0.0	2,652.4	-70	-69	Quarter 2 reported position	
					-1	Movement from Quarter 2	
- Contact Centre & Citizen's Advice Help Line	3,816.1	-1,411.4	2,404.7	+329	+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.
					-117	Other minor variances which are individually below £100k	
					-127	Movement from Quarter 2 : including -£53k staffing vacancies following changes to the Out of Hours service from 1 November and -£19k computing costs to be recharged to KSAS	
- Gateways	2,515.1	-370.0	2,145.1	-27	-2	Quarter 2 reported position	
					-25	Movement from Quarter 2	
- Libraries, Registration & Archives Services (LRA)	18,832.0	-5,149.7	13,682.3	-560	-120	Increased Registration income for both wedding ceremonies conducted in 2013/14 & from premises' licences	Income cash limits and national trends will be reviewed and taken into account in setting future years' budgets.
					+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.	



Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000			
					£'000		
					-95	Other minor variances which are individually below £100k	
					-406	Movement from Quarter 2: including early delivery of savings in anticipation of 2014-15 budget reductions	
- 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	1,881.3	-1,093.0	788.3	-46	-45	Quarter 2 reported position	
					-1	Movement from Quarter 2	
- Supporting Employment	1,085.9	-335.0	750.9	-84	-1	Quarter 2 reported position	
					-83	Movement from Quarter 2	
	54,674.8	-29,402.7	25,272.1	-481			
<u>Environment:</u>							
- Country Parks	1,493.8	-990.7	503.1	-3	-17	Quarter 2 reported position	
					+14	Movement from Quarter 2	
- Countryside Access (incl PROW)	2,670.6	-1,014.4	1,656.2	+1	+6	Quarter 2 reported position	
					-5	Movement from Quarter 2	
	4,164.4	-2,005.1	2,159.3	-2			
<u>Local Democracy:</u>							
- Community Engagement	735.3	0.0	735.3	0			
- Local Scheme & Member Grants	1,256.0	0.0	1,256.0	0			
	1,991.3	0.0	1,991.3	0			
<u>Public Health:</u>							
- Drug & Alcohol Services	19,027.3	-17,775.5	1,251.8	-1,226		Delay in commencement of some of the pooled partnership projects. These underspends are treated differently depending on how they are funded, as shown below:	
					-1,140	- Public health funded element (see transfer to reserves below)	
					-17	Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-68 - KCC funded element, for which roll forward will be required to fund our obligation to the partnership -1 Movement from Quarter 2 -20 Local Area Single Assessment & Referral (LASAR) Service +20 Movement from Quarter 2 - Underachievement of income	
- Tfr to(+)/from(-) Public Health reserve				+1,157	+1,140 transfer to Public Health reserve of underspending against public health grant +17 Movement from Quarter 2	
- Drug & Alcohol Services base funded variance				-69		
<u>Regulatory Services:</u>						
- Coroners	2,867.3	-475.0	2,392.3	-37	-14 Quarter 2 reported position -23 Movement from Quarter 2	
- Emergency Planning	778.5	-169.0	609.5	-30	-33 Quarter 2 reported position +3 Movement from Quarter 2	
- Trading Standards (incl Kent	3,916.9	-785.8	3,131.1	-67	-154 Staffing vacancies +82 Other minor variances +5 Movement from Quarter 2	
	7,562.7	-1,429.8	6,132.9	-134		
<b>Total C&amp;C portfolio</b>	<b>135,894.1</b>	<b>-59,861.5</b>	<b>76,032.6</b>	<b>-3,263</b>		
<b>Assumed Mgmt Action</b>						
- C&C portfolio						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>135,894.1</b>	<b>-59,861.5</b>	<b>76,032.6</b>	<b>-3,263</b>		

## 2. CAPITAL

2.1 The Customer & Communities Directorate has a working budget for 2013-14 of £6,182k. The forecast outturn against the 2013-14 budget is £4,420k giving a variance of -£1,762k.

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

Budget Book Heading	Three year cash limit per Budget Book (£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	840	-335	-335	Rephasing	Rephasing to 14/15 due to review of Service	Green		
Management and Modernisation of Assets - Vehicles	380	292	0	0			Green		
Public Rights of Way - Structural Improvements	2,449	1,030	0	0			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 per Budget Book (£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	-125	-125	Rephasing	2 external projects rephased to 14/15 due to delays in sourcing additional funding, 1 project withdrawn and grant will need to be reallocated.	Amber-Delayed	2 external projects rephased to 14/15 due to delays in sourcing additional funding, 1 project withdrawn and grant will need to be reallocated.	
<b>Individual Projects</b>									
Community Learning and Skills Service Reprovision	457	482	-482	-482	Rephasing	Project has been deferred to 14/15 pending decision on lease extension.	Green		
Gateways - Continued Rollout of Programme	2,192	1,198	-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 - approval to spend agreed recently received hence spend realigned to 14/15.	Green		
Libraries Invest to Save	0	5	-5	-5	Real - Prudential		Green		
New Community Facilities at Edenbridge	0	69	0	0			Green		
Tunbridge Wells Library	0	288	0	0			Green		

Budget Book Heading	Three year cash limit per Budget Book (£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
Replacement and Enhancement of Core Website	455	309	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	-148	-148	Real - Underspend	Underspend on Public Realm work.	Green		
Ramsgate Library - Insurance Betterment	0	0	0	0			Green		
Youth Reconfiguration	0	83	0	0			Green		
Cheesemans Green Library, Ashford	350	0	0	0			Green		
Dartford and Gravesham NHS Trust Capital Contribution	0	128	0	0			Green		
Winter Gardens Rendezvous Site - Prelim Works	100	100	0	0			Green		
Integrated Youth Service - Youth Hub Reprovision	1,100	50	0	0			Green		
<b>Total</b>	11,263	6,182	-1,762	-1,762					

### 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**  
**OCTOBER 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>-815</b>	<b>+450</b>	<b>-365</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Adult Social Care &amp; Public Health portfolio</b>						
<u>Public Health:</u>						
- Public Health Management & Support	441.3	-57.0	384.3	-365	-365	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	5,746.1	-5,746.1	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		
	<b>38,446.8</b>	<b>-38,062.5</b>	<b>384.3</b>	<b>-815</b>		

**ANNEX 6**

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- <i>tr 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>38,446.8</b>	<b>-38,062.5</b>	<b>384.3</b>	<b>-365</b>			

**BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY**  
**BUSINESS STRATEGY AND SUPPORT (EXCL. PUBLIC HEALTH) SUMMARY**  
**OCTOBER 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>+79,315</b>	<b>+366</b>	<b>-594</b>	<b>-228</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Regeneration &amp; Enterprise portfolio</b>						
Directorate Management & Support	172.2	0.0	172.2	+3		
Development Staff & Projects	5,043.7	-1,333.7	3,710.0	-3		
<b>Total R&amp;E portfolio</b>	<b>5,215.9</b>	<b>-1,333.7</b>	<b>3,882.2</b>	<b>0</b>		
<b>Finance &amp; Business Support portfolio</b>						
Finance & Procurement	18,707.1	-7,375.8	11,331.3	-231	-585 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.  +145 Under-recovery of income by Schools Financial Services  +81 Other minor variances  +128 Movement from Quarter 2 due to a number of small changes	These budgets will be realigned in the 2014-17 MTFP
- <i>Transfer to(+)/from(-) DSG reserve</i>				0		



Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Local Democracy:							
- Grants to District Councils	703.0	0.0	703.0	0			
- Other Local Democracy costs incl. County Council Elections	741.2	0.0	741.2	0			
- Support for Local Council Tax Support Schemes	1,253.0	0.0	1,253.0	-3			
<b>Total F&amp;BS portfolio</b>	<b>21,404.3</b>	<b>-7,375.8</b>	<b>14,028.5</b>	<b>-234</b>			
<b>Business Strategy, Performance &amp; Health Reform portfolio</b>							
Strategic Management & Directorate Support budgets	3,093.3	-4,520.0	-1,426.7	-4			
Governance & Law	10,245.1	-12,407.9	-2,162.8	+188	+188	Movement from Quarter 2 due to +£49k of increased agency costs and +£139k reduction in external income	
Business Strategy	3,254.1	-56.7	3,197.4	-208	-87	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.	
					-112	Other minor variances	
					-9	Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Property & Infrastructure	30,959.4	-5,247.3	25,712.1	+1,420	+1,665	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, recognising service pressures, 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.	The revised timelines to the New Ways of Working programme plan including service pressures, have been costed and the related savings will need to be re-phased in the 2014-17 MTFP.
					+918	Statutory testing (primarily legionella, asbestos and electrical) and additional maintenance costs due to the poor state of repair of the buildings transferred across to Corporate Landlord.	This will need to be addressed as a pressure in the 2014-17 MTFP.
					-750	Use of non-ringfenced DfE capital grant to fund revenue expenditure which cannot be capitalised	The use of this grant will need to be quantified each year dependent on expected eligible spend. The current year assumes £750k and any expected future variations from this will need to be addressed in the MTFP.
					-400	Additional income from Kent Commercial Services for leasing of property at commercial rates	
					-252	Additional demands to support the capital programme have resulted in additional capitalisation of staff time (eg ELS Basic Need Programme)	
					-107	Savings realised from the Park and Ride ticket scheme	This saving will be reflected in the 2014-17 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+346	Other minor variances, incl. spend on utilities, cleaning, grounds maintenance & agency staff.
Human Resources	16,883.1	-6,197.0	10,686.1	-569	-185	Underspend against training budget following approval of all directorate workforce development plans.
					-112	Additional income generated through providing recruitment services to schools
					-55	Other minor variances
					-217	Movement from Quarter 2 due to - £141k re-phasing of training programmes funded from the Independent Sector, rolled forward from 2012-13, which is being spent over the period July 2013 to January 2015, therefore roll forward will be required again to 2014-15; -£76k of other small changes.
Information & Communication Technology	35,540.9	-16,399.1	19,141.8	-13	+1,875	Costs associated with the Integrated Children's System (ICS)
					-1,875	Drawdown from the IT Asset Maintenance Reserve to fund the costs of ICS
					+400	Pressure resulting from expenditure on Thin Client. Thin client computing essentially moves the point of processing from the end user device to a central server enabling users to access applications via any device capable of displaying an internet browser.
					-400	Drawdown from IT Asset Maintenance Reserve for Thin Client costs.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-419 One off rebate from BT for changes to circuit use.	
					+400 Alternative provision of telephony through unified communications.	
					-37 Other minor variances	
					+43 Movement from Quarter 2	
- Transfer to(+)/from(-) DSG reserve				0		
<b>Total BSP&amp;HR portfolio</b>	<b>99,975.9</b>	<b>-44,828.0</b>	<b>55,147.9</b>	<b>+814</b>		
<b>Democracy &amp; Partnerships portfolio</b>						
Finance - Internal Audit	1,175.9	-34.0	1,141.9	-110	-104 Taking time to recruit to staffing vacancies due to specialist nature of posts.	
					+30 Other minor variances	
					-36 Movement from Quarter 2	
Business Strategy - International & Partnerships	854.1	-173.0	681.1	-64		
Democratic & Member Services	3,937.6	-74.7	3,862.9	-40		
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>6,537.6</b>	<b>-281.7</b>	<b>6,255.9</b>	<b>-214</b>		
<b>Total BSS Controllable (excl. Public Health)</b>	<b>133,133.7</b>	<b>-53,819.2</b>	<b>79,314.5</b>	<b>+366</b>		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<b>Assumed Management</b>							
- R&E portfolio							
- F&BS portfolio							
- BSP&HR portfolio				-594	-367	The Directorate is wholly committed to delivering a small underspend by the end of the financial year, to allow for the roll-forward within Business Strategy, and will continue to consider all options to ensure this happens. This includes Property Group Managers being tasked with delivering in year savings and efficiencies in non-critical areas of expenditure to reduce the overall pressure within the division.	
					-227	Movement from Quarter 2 - there are ongoing contractual negotiations which are anticipated to deliver a one-off saving this year. If this, or other savings do not materialise, then the re-phasing for which roll forward requirements have been identified will need to be managed within the 2014-15 budget allocations.	
- D&P portfolio							
<b>Total Forecast <u>after</u> mgmt action</b>	<b>133,133.7</b>	<b>-53,819.2</b>	<b>79,314.5</b>	<b>-228</b>			

## 2. CAPITAL

2.1 The working budget for the Business Strategy & Support Directorate for 2013-14 is £71,622k. The forecast outturn against the 2013-14 budget is £66,762k giving a variance of - £4,860k.

2.2 **Table 2a** below details the Business Strategy, Performance & Health Reform Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Corporate Property Strategic Capital	7,950	2,530	-750	-750	Real - grant	Property group has used £750k of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.	Green		
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				Green		
HR Recruitment Management System	125	125	0				Green		
HR System Development	226	113	-47	-47	Rephasing		Green		
Innovative Schemes Fund	3,000	1,000	0				Green		
New Ways of Working	24,000	19,934	0				Green		

## ANNEX 7

Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
Sustaining Kent - Maintaining the Infrastructure	270	1,917	0				Green		
ORACLE Release 12	0	230	0				Green		
ORACLE Self Service Development	0	44	0				Green		
Property Asset Management System	0	297	0				Green		
Enterprise Resource Programme	0	877	35	35	Real - prudential	To be funded from underspend in E&E capital programme.	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				Green		
Total	46,534	33,314	-762	-762					

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

Budget Book Heading	Three year cash limit per budget	2013-14 Working Budget (£000)	2013-14 Variance (£000)	Variance Break-down (£000)	Rephasing / Real Variance and Funding Stream	Explanation of In-Year Variance >£100k	Project Status <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Broadband	23,500	2,650	-1,000	-1,000	Rephasing	Due to delays at a national level in finalising the BDUK procurement framework and the UK state aid notification with the EU.	Green		
Dover Priory Station Approach Road	0	-3	0				Green		
Empty Property Initiative	7,500	3,710	0				Green		
Eurokent Road (East Kent)	65	84	-64	-64	Rephasing		Green		
Folkestone Heritage Quarter	380	402	-300	-300	Rephasing	Re-alignment of budget to agree with updated project plan, this has not effected the completion date.	Green		
Incubator Development	0	262	-86	-86	Rephasing		Green		
LIVE Margate	6,800	6,508	0				Green		
Managed Work Space - The Old Rectory	160	174	0				Green		
Marsh Million	0	100	0				Green		
No Use Empty - Rented Affordable Homes	750	750	0				Green		



Budget Book Heading	Three year cash limit per budget book (£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 >£100k	Project Status 1	Explanation of Project Status	Actions
Old Town Hall	94	25							
Regeneration Fund Projects	5,061	3,555	0						
Regional Growth Fund including Expansion East Kent	37,200	14,384	-1,500	-1,500		Re-phasing is due to changes to the draw down rules for the Journey Time Improvement element of the scheme, which has affected the timing of the claims.			
Rural Broadband Demonstration Project	1,897	1,568	-1,148	-1,148	Rephasing	Spend will be incurred on four or five local schemes over the next two years with the remainder of the funding being kept as a contingency. The rephasing is not expected to impact on the completion date of the overall project.	Green		
Swale Parklands	0	65	0				Green		
TIGER	20,000	4,000	0				Green		
Tram Road/Tontine Street Road Works	0	74	0				Green		
Total	103,407	38,308	-4,098	-4,098					

## 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**  
**OCTOBER 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>+124,575</b>	<b>-6,868</b>	<b>-</b>	<b>-6,868</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<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	-1,178	+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.
					-2,275	Drawdown from Prudential Equalisation - Minimum Revenue Provision (MRP) Smoothing Reserve to cover the increase in MRP as a result of more assets being completed in 2012-13 than expected (see net debt charges below).
					-618	Drawdown from Insurance Reserve to cover forecast overspend against the Insurance Fund.
					-155	Movement from quarter 2 relating to further pressure on the Insurance Fund (see Insurance Fund A-Z line below)

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
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	+773	+618	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.	
					+155	Movement from quarter 2 (see contributions to/from reserves A-Z line above)	
Modernisation of the Council	3,500.0	0.0	3,500.0	0		£1.5m of this budget is requested to be vired to Business Strategy to cover the initial costs of Facing the Challenge. If other Modernisation of the Council costs in year exceed the remaining budget, these will be met from the Workforce Reduction reserve, in line with usual practice.	
Net Debt Charges (incl Investment Income)	128,537.2	-8,648.0	119,889.2	+512	+1,553	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 six months or in foreseeable future	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					+2,275	Increase in MRP. In recent years, we have adopted the asset life method of calculating MRP, which provides authorities with the option of applying MRP over the life of the asset once it is in operation. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation has recently been completed and this increase is due to a number of projects being completed earlier than anticipated, which has increased the percentage of MRP to be charged. This includes a number of aborted capital costs which had to be written off last year as there was no asset life to apportion the costs over.	We are currently reviewing our MRP policy and the outcome of that review will be presented to County Council at its Budget Meeting next month. This could potentially affect our current year's MRP and if so, and if the revised policy is approved, the impact on this year's spend will be reported to Cabinet in the spring.
					-556	Movement from Quarter 2 - further savings on debt charges and an anticipated lower increase in MRP than reflected in the previous forecast (see above), as a result of the current review of MRP policy.	
Other	1,231.8	-36.0	1,195.8	-2,183	-1,870	Council Tax Transitional Support Grant as mentioned above	
					-313	Underspending following a review of local authority subscriptions & centrally held allocations, together with small underspends on items such as levies.	-£293k of this is a permanent saving and will be reflected in the 2014-17 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Unallocated	3,675.0	0.0	3,675.0	-4,506	Additional unexpected government funding announced since the budget was set, as follows: -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 +167 Other smaller changes in funding levels including Council Tax Freeze grant and Education Services Grant (ESG). A shortfall against the revised allocation of ESG is now anticipated as a result of schools converting to academies during the financial year.	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.
<b>Total F&amp;BS portfolio</b>	<b>130,593.0</b>	<b>-8,684.0</b>	<b>121,909.0</b>	<b>-6,772</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		
<b>Democracy &amp; Partnerships portfolio</b>						
Audit Fees	314.0	0.0	314.0	-96	-96	Forecast based on anticipated fees as notified by our external auditors
<b>Total Controllable</b>	<b>133,259.0</b>	<b>-8,684.0</b>	<b>124,575.0</b>	<b>-6,868</b>		