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Corporate Directors

To: CABINET - 1 December 2014

Subject:

- (1) **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - QUARTER 2**
- (2) **KEY ACTIVITY MONITORING FOR 2014-15 - QUARTER 2**
- (3) **FINANCIAL HEALTH INDICATORS 2014-15 - QUARTER 2**
- (4) **PRUDENTIAL INDICATORS 2014-15 - QUARTER 2**
- (5) **SUMMARY OF PROPOSED OUTSTANDING MANAGEMENT ACTION 2014-15 - QUARTER 2**
- (6) **IMPACT ON REVENUE RESERVES**
- (7) **DIRECTORATE STAFFING LEVELS 2014-15 - QUARTER 2**

Classification: **Unrestricted**

1. **SUMMARY**

- 1.1 This report provides the budget monitoring position for September 2014-15 for both revenue and capital budgets, including an update on key activity data.
- 1.2 The format of this report is:
 - An executive summary which provides a high level financial summary and highlights only the most significant issues
 - Appendix 1 provides an update on our Financial Health indicators
 - Appendix 2 provides an update on our Prudential indicators
 - Appendix 3 provides a summary of the proposed management action
 - Appendix 4 provides a summary of the proposed capital programme cash limit changes
 - There are seven annexes to this executive summary report, as detailed below:
 - **Annex 1** **Education & Young People's Services**
 - **Annex 2** **Social Care, Health & Wellbeing** - Specialist Children's Services
 - **Annex 3** **Social Care, Health & Wellbeing** - Adults
 - **Annex 4** **Social Care, Health & Wellbeing** - Public Health

- **Annex 5** **Growth, Environment & Transport**
- **Annex 6** **Strategic & Corporate Services**
- **Annex 7** **Financing Items**

1.3 Other items likely to be of particular interest to Members are the impact of the current financial and activity monitoring position on our revenue reserves, as detailed in section 6, and the directorate staffing levels as at the end of September 2014 compared to 1 April 2014 and 30 June 2014, which are provided in section 7.

2. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined directorate revenue budgets is an overspend of £0.795m, before management action, but management action is expected to reduce this to an underspend of £2.451m. However, there is some minor re-phasing of budgets which we will need to roll forward to 2015-16 to fulfil our legal obligations, detailed in section 3.6, therefore this changes the position to an underspend of £2.241m as shown in the headline table below. There is also some significant underspending within the forecast, detailed in section 3.7, which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the Authority as whole is sufficiently underspending by year end. If we allow for this, then this changes the position to an **underlying overspend of £1.266m**. Directorates have been tasked with coming up with management action to balance this position as, with the budget savings already required over the medium term, we must avoid going into 2015-16 in an overspending position. Details of the outstanding proposed management actions are provided in Appendix 3 but further work is required to identify actions to eliminate this forecast £1.266m underlying pressure if we want to be able to provide these roll forwards. We also need to take into consideration that delivery of the £3.246m of management action already built into this forecast is by no means certain. The annexes to this report provide the detail of the overall forecast position which is summarised in Table 1 below.

3.2 This report 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 an encouraging £1.556m reduction in the forecast position (excluding schools), as shown in table 1. This is mainly due to:

E&YP - further underspending on: Children's Centres linked to the service restructure, mainstream and 16+ home to school/college transport based on numbers travelling for the new academic year; legal fees and further re-phasing against the Kent Youth Employment programme. A new pressure has been included for the early help and prevention system solution.

SCH&W (SCS) - a general reduction in the fostering, leaving care, preventative services and legal budgets due to a further reduction in Looked after Children numbers has been offset by an increase in residential care and recruitment and retention payments for children's social workers. There is also a further reduction in the forecast shortfall in grant funding for the Asylum Service.

SCH&W (Adults) - although the overall position after management action has barely changed, there are some significant offsetting movements, with the pressure on the direct payments budget continuing to increase, which is largely due to a further transfer of clients from domiciliary care as a result of the domiciliary care contract re-let, as clients are choosing to remain with their existing service providers. There is also increased underspending on nursing and residential care and adult social care staffing.

GE&T - a further increase in waste tonnage than profiled in the budget; reduction in the savings on Concessionary Fares following the reconciliation of data provided by the bus companies on journey numbers for quarter 1; a reduction in the underspending within highways and transportation largely due to traffic management costs at junctions on high speed roads to undertake additional grass cutting & weed control, undertaking a backlog of tree inspections and a reduction in the forecast underspend on streetlight energy partly due to additional street lights at new developments. These increased pressures have been partially offset by staff vacancy savings within the strategic management and directorate support budget and further underspending on Community Services, largely due to further registration income and lower than expected costs of long inquests.

S&CS - a general improvement in the position of a number of units including Community Engagement, Communications & Consultation, Business Strategy, HR and Strategic Management & Directorate Support mainly due to staff vacancies, impact of management action to offset pressures and increased income.

FI - a saving on Minimum Revenue Provision, as a result of fewer assets becoming operational last year due to the re-phasing on the capital programme, will be transferred to reserves to cover the potential liability in future years, in line with usual practice.

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

	Cash Limit	Variance Before Mgmt Action	Management Action - already in place	Net Variance after Mgmt Action	Last Report	Movement
Directorate Totals	+952,116	+795	-3,246	-2,451	-895	-1,556
Adjustments: - Legally committed roll fwd (see section 3.6 for detail)		+210	-	+210	+131	+79
Underlying position (including legally committed roll fwd requirements only)	+952,116	+1,005	-3,246	-2,241	-764	-1,477
- Roll forward/ re-phasing required to continue/ complete existing initiatives (see section 3.7 for detail)		+3,507	-	+3,507	+2,997	+510
Underlying position (including ALL roll fwd requirements)	+952,116	+4,512	-3,246	+1,266	+2,233	-967

3.4 Table 1 Directorate position - net revenue position before and after management action together with comparison to the last report

Annex	Directorate	Budget	Net Variance (before mgmt action)	Management Action already in place	Net Variance (after mgmt action)	Last Report	Movement
		£'000	£'000	£'000	£'000	£'000	£'000
1	Education & Young People's Services	84,065.5	-2,327	-	-2,327	-293	-2,034
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,455.6	+4,295	-1,200	+3,095	+2,803	+292
	Social Care, Health & Wellbeing - Asylum	280.0	+1,666	-	+1,666	+1,778	-112
	Social Care, Health & Wellbeing - Special Operations	-	+699	-	+699	+724	-25
	<i>Sub Total SCH&W - Specialist Children's Services</i>	<i>127,735.6</i>	<i>+6,660</i>	<i>-1,200</i>	<i>+5,460</i>	<i>+5,305</i>	<i>+155</i>
3	Social Care, Health & Wellbeing - Adults	345,867.9	-284	-2,046	-2,330	-2,347	+17
4	Social Care, Health & Wellbeing - Public Health	0.0	-	-	-	-	-
5	Growth, Environment & Transport	179,999.6	-2,280	-	-2,280	-3,113	+833
6	Strategic & Corporate Services	82,699.6	-486	-	-486	-	-486
7	Financing Items	131,748.0	-488	-	-488	-447	-41
	TOTAL (excl Schools)	952,116.2	+795	-3,246	-2,451	-895	-1,556
1	<i>Schools (E&YP Directorate)</i>	-	+2,777	-	+2,777	+2,621	+156
	TOTAL	952,116.2	+3,572	-3,246	+326	+1,726	-1,400

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

- a) Although there is a small deterioration of £0.292m in the position for Specialist Children's Services (exc. Asylum and Special Operations, see below) compared to the position reported last time, this is due to £0.357m of additional costs for recruitment and retention payments. Without this, the position would have improved slightly, reflecting that the underlying trend is continuing to improve, with Looked After Children numbers reducing again since the last report. However, significant financial pressures are still being reported for 2014-15 with a net overspend of £4.295m, which is partially offset by £1.200m of proposed management action, with the remaining pressure of £3.095m attributable to unachievable savings.
- b) The position included in this report for Asylum is a pressure of £1.666m, and this reflects the impact of the May offer from the Home Office now that we no longer receive a Gateway Grant. It should however be noted that referrals are increasing and are at their highest level since 2010 and the number of children we are supporting is at its highest level since August 2011.
- c) The costs associated with Special Operations within Specialist Children's Services have been shown separately to the normal costs of running the service. These operations currently account for a pressure of £0.699m and these costs will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.
- d) The underspend of -£0.284m before management action within Social Care, Health & Wellbeing - Adults is made up of a pressure on the Social Care budgets of £2.794m, with the pressure areas being domiciliary care, direct payments and supported accommodation, offset by a combined underspend on the Commissioned Services budgets of Kent Support & Assistance Service (Social Fund), Supporting People and Drug & Alcohol Services of £3.078m. Further management action of £2.046m is expected to be delivered to offset the pressure on the social care budgets (see Appendix 3 & Annex 3 for further information). This position also assumes a drawdown from the NHS Support for Social Care reserve of £4.375m to fund investment in services to deliver the transformation savings. We are therefore currently forecasting to spend £7.169m (£2.794m + £4.375m) more than our base budget on adult social care, but this is expected to reduce to £5.123m after delivery of management action, and this must be addressed if we are to deliver an achievable balanced budget for 2015-16.
- e) Within Adult social care, current activity trends are not supporting the level of transformation savings required, as these are likely to be heavily weighted towards the second half of the year. However, after discussions with our partners on Adults Transformation, we are confident that these savings will be delivered and hence this reduction is reflected as management action in table 1 above. As and when delivery of the savings filters through to the activity data, then the management action figure will reduce and the savings will be reflected within the relevant A-Z budget lines. However, if there is any slippage in the timing of the delivery of these savings, then this will cause a problem late in the year, probably at a point when it is too late to implement alternative offsetting management action within Adult Services. To alleviate this risk, extensive work is ongoing to understand the impact of the transformational changes and contract re-let on the domiciliary care expenditure incurred to date, which is the main area of our concern. It is anticipated that the outcome of this work will be available for the next report. Alongside this work, all other areas of older people and physical disability expenditure are being considered for efficiencies and re-phasing should they be required to mitigate the risk of an increase to the forecast in future months.

- f) As a result of the domiciliary care contract re-let, the shift of clients from domiciliary care to direct payments resulting from some clients choosing to remain with their existing service providers, has continued. These direct payments are being paid at the new lower domiciliary care re-let rate.
- g) Government funding for the Kent Support & Assistance Service (Social Fund) was not expected to continue beyond this financial year. However, recent high court action prompted by Islington Council has won a possible reprieve for this government funding. The government has now signed a consent order agreeing to reconsider its decision to cut the local welfare provision fund in the light of an ongoing review of local welfare provision, proper consultation with stakeholders and due consideration of equalities implications. It has undertaken to announce its new decision in time for the provisional local government finance settlement, expected in December. If the decision remains unchanged and funding ceases, an option would be to roll forward the underspending on this service, currently forecast at -£2.682m, to provide this service for another year whilst alternative longer term solutions are considered. However, this is dependent on the Authority as a whole achieving an underspending position of at least this magnitude to be able to fund the roll forward, and will also be subject to consideration of all competing roll forward priorities against the level of roll forward funding available, if any.
- h) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of +£2.254m. This is partially offset by recoupment income received from other local authorities whose pupils attend our special schools (-£0.477m); underspending on Home to College transport and the Kent 16+ Travel Card mainly due to reduced usage during the summer term and reduction in demand for transport for SEN students (-£0.387m); and also a continuation from last year of the reduced demand for mainstream home to school transport as the secondary aged population is at its lowest for some years (-£1.164m). An underspend on Children's Centres of -£2.920m is linked to the service restructure. In addition the Directorate is showing a net pressure in relation to an unachievable savings target within the Early Help & Prevention Services division, for the integration of the Adolescent service as well as an additional unbudgeted pressure for the revenue implications of the new early help and prevention system. There are a number of unrelated savings in other areas of the directorate that partially offset these pressures, including underspending/re-phasing of the Kent Youth Employment programme, with the directorate as a whole forecasting a net underspend after management action and excluding schools of -£2.327m.
- i) The Early Years Education for 2 year olds budget is forecasting a significant underspend of £6m. This is a result of lower parental demand for two year old places than affordable levels. As this budget is entirely funded from DSG, any surplus at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset overspending elsewhere within the directorate budget, therefore this underspend will be transferred to the schools unallocated DSG reserve at year end.
- j) The Growth, Environment and Transport Directorate is forecasting to underspend by £2.280m. The most significant services contributing to this position are Concessionary Fares (-£0.783m), Subsidised Bus Routes (-£0.656m); Highways budgets (-£0.324m) predominately from savings on streetlight energy and speed awareness courses; Community Services budgets (-£0.828m) mainly due to increased income within the Registration Service and staff vacancy savings which are offsetting a centrally held savings target within the Strategic Management & Directorate Support budget (+£0.122m); Regulatory Services budgets (-£0.211m) mainly due to lower than expected costs of long inquests, offset by a net pressure on the waste budgets (+£0.378m - see below for further details).

- k) Forecast waste tonnage has increased again since the last report and remains a cause for concern, with a forecast overspend of £2.388m currently reported. This is largely offset by savings predominately from contract changes, giving an overall net pressure on the waste budget of £0.378m. The tonnage for April to September was 30,200 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.388m assumes 39,500 tonnes above the budgeted level of 675,000 tonnes for the full year. This forecast appears low when comparing to the year to date tonnage, but it is believed that part of the increase over the last 9 months is attributable to the unusual weather conditions (storm damage, and mild and moist conditions advancing the growing season), together with the impact of a general economic improvement. The current forecast assumes that the increased tonnage as a result of the unusual weather conditions will not continue throughout the remainder of the year, but in view of a wet August, mild September & October together with a high water table then there is a significant risk that the current trend will continue and consequently the overspend as a result of higher waste tonnage would increase. **This pressure will be addressed in the 2015-18 MTFP.**
- l) Following the start of the new school academic year, take-up for the Young Person's Travel Card is higher than anticipated, which is likely to be due to the revised policy to allow the purchase of half year passes. Until we have a few months data on journey numbers and we have an indication of the number of applicants purchasing the first half year pass that will renew and purchase the second half year pass, we will not know whether the assumed budget savings as a result of the new scheme are deliverable. There is a risk that those who have continued with the scheme will be the heavier users, leading to a higher average cost per pass. An update will be provided in the next report to Cabinet at the end of January, but robust data on usage trends and numbers of applicants for the second half year pass is unlikely to be available until the quarter 3 report.
- m) The forecast for Public Health is an underspend of £0.780m, due to staffing vacancies within the service. In line with government guidelines, this underspend will be transferred to the Public Health reserve, for use in future years.
- n) We continue to forecast a shortfall of £1.391m in the dividend from Commercial Services following the first half year results, and taking into account new costs of rent payments to KCC and higher than expected costs of closing County Print. This is currently being offset elsewhere within the Financing Items budget by underspending on Carbon Reduction, External Audit Fee and higher than expected Business Rate compensation grant for the impact of measures introduced by the Government in the 2012 and 2013 Autumn Statements. However, the impact of these measures is likely to materialise as a deficit against the Business Rates collection fund, of which we will receive a share from the District Councils in 2015-16, potentially reducing the funding we have available next year.
- o) We have recently received £0.983m of funding through the Bellwin scheme in respect of the emergency costs incurred during the autumn and winter 2013-14 floods and storms, which has been transferred to the Emergency Conditions reserve.
- p) Appendix 3 provides some details of the outstanding management action reflected in the forecast £1.226m overspending position shown in the headline table on page 4. This proposed management action is by no means certain and a considerable amount needs to happen to ensure this is delivered in full.

3.6 Details of Committed Roll Forward/Re-phasing requirements

The headline table on page 3 shows that within the current forecast revenue position there is a requirement to roll forward £0.210m to 2015-16, relating to initiatives where we have a legal obligation to provide the funding. This relates to:

▪ Kent Youth Employment programme - to fund existing placements that continue into 2015-16 (see annex 1)	+210 k
	<hr/> +210 k

3.7 Details of Roll Forward/Re-phasing required to complete existing initiatives, if the outturn position allows:

In addition to the roll forward requirements that we are legally obliged to provide for, which are detailed above, there is some significant underspending within the forecast which we would ideally like to roll forward in order to continue with these initiatives in 2015-16. However, this will only be possible if the Authority as a whole is in an underspending position at year end of at least -£3.717m (£3.507m as detailed below + £0.210m per section 3.6 above). We are currently reporting an underspend after management action of -£2.451m, so we have a shortfall of £1.266m, as highlighted in the headline table on page 3, which will need to be addressed before roll forward for these initiatives can be considered. These initiatives are:

▪ Kent Youth Employment programme (see annex 1)	+751 k
▪ re-phasing of Vulnerable Learners Assisted Apprenticeship placements in to 2015-16 (see annex 1)	+60 k
▪ Kent Support & Assistance (Social Fund) (see annex 3)	+2,682 k
▪ re-phasing of Health Reform (see annex 6)	+14 k
	<hr/> +3,507 k

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.

4. SUMMARISED CAPITAL MONITORING POSITION

4.1 The working budget for the 2014-15 Capital Programme is £380.861m. The forecast outturn against this budget is £376.138m giving a variance of -£4.723m. The annexes to this report provide the detail, which is summarised in table 2 below.

4.2 **Table 2** Directorate capital position

Directorate	3 Year Cash Limit £'000	2014-15 Working Budget £'000	2014-15 Variance £'000	Real Variance £'000	Re-phasing Variance £'000	Annex
Education & Young People's Services	227,510	143,687	-10,780	13,145	-23,925	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-	-	-	2
Social Care, Health & Wellbeing - Adults	82,918	76,976	327	1,295	-968	3
Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	4
Growth, Environment & Transport	259,191	128,406	6,499	100	6,399	5
Strategic & Corporate Services	28,806	29,764	-769	-	-769	6
Financing Items	-	-	-	-	-	7
TOTAL	598,425	380,861	-4,723	14,540	-19,263	

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

- a) The majority of schemes are within budget and on time.
- b) +£14.540m of the -£4.723m variance is due to real variances. These are categorised between:
 - i) those which have no identified funding source,
 - ii) those funded from underspends elsewhere in the capital programme, and
 - iii) those receiving additional external funding.

i) **Real variances which have no identified funding source are as follows:**

Basic Need Programme 2013-15 (EYP) +£12.351m, of which £3.901m is expected to be funded from developer contributions and £0.381m can be funded from underspends elsewhere in the programme. The remaining £8.069m reflects an ongoing pressure on the programme which will be reviewed during the budget setting process. This now includes a £2.360m pressure relating to construction inflation which was previously reported as a separate line.

Special Schools Review Phase 2 (EYP) +£0.700m, of which £0.120m can be funded from underspends elsewhere in the programme, and the remaining £0.580m will be reviewed during the budget setting process. Across the three year programme the total forecast pressure is £7.060m, which includes a £1.000m pressure relating to construction inflation which was previously reported as a separate line.

ii) **Real variances funded from elsewhere in the capital programme are as follows:**

St John's/Kingsmead Primary School, Canterbury (EYP) +£0.857m due to additional window and roof works. This is to be funded from the Annual Planned Enhancement Programme, however this could result in a pressure on this programme later in the year, depending on the level of emergency enhancements required over the winter period.

Astor of Hever (St Augustine's Academy) Maidstone (EYP) +£0.500m due to an asbestos claim. This is to be funded from a corresponding underspend on BSF Unit Costs.

BSF Unit Costs (EYP) -£0.620m to fund the pressure on Astor of Hever and £0.120m of the pressure on Special Schools Review Phase 2.

HWRC West Kent (GET) -£0.600m. The existing site's lease has been extended therefore no new capital project is needed. The underspend is being held to offset emerging pressures elsewhere in the GET capital programme.

Rural Broadband Demonstration Project (GET) -£0.516m. The rural allocation was based on providing grants to local communities. Market review shows that response is likely to be insufficient to generate good value for money. The funding has been rolled into the Superfast Extension Programme which is due to start in 2016-17.

iii) **Real variances receiving additional external funding are as follows:**

Information Technology Projects (SC,H&WB - Adults) +£1.015m. This relates to predicted expenditure on Telecare equipment to be legitimately capitalised at year end. This will be funded from available grant and developer contributions.

Integrated Transport Schemes (GET) +£0.573m. This reflects additional grant awarded by the DfT to deliver local sustainable transport schemes (+£0.756m), a contribution from the Member Highway Fund towards an Integrated Transport Scheme (+£0.020m), additional external funding of +£0.067m, less £0.270m to be vired to PROW for projects now being undertaken via the PROW programme.

The remaining +£0.280m of real variances are made up of a number of real over and underspends on a number of projects across the capital programme. The annexes to this report provide the detail.

c) -£19.263m of the -£4.723m variance relates to rephasing on a number of projects. The main projects comprising the rephasing are as follows:

Special School Review Phase 2 (EYP) -£23.393m. Rephasing is due to delays at the planning stage on a number of complicated projects. Redesign and reconfigurations have also been necessary due to budget pressures.

Community Learning & Skills Service - Sittingbourne Reprovision (EYP) -£0.482m due to a lack of suitable alternative venues and sites coming forward.

Regional Growth Fund - Expansion East Kent (GET) +£13.293m. This fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

TIGER (GET) +£5.478m. The fund is heavily committed and the rephasing relates to expected distributions of grants and loans during the year.

Sittingbourne Northern Relief Road -£1.934m, East Kent Access Phase 2 -£1.374m and Rushenden Link Road -£0.559m (all GET)- rephasing due to the retendering of the LCA Part 1 works.

Lorry Park (GET) -£1.070m - further options are being explored hence anticipated start date has been delayed.

Thanet Parkway (GET) -£0.500m - rephasing due to delays in the procurement process.

Swale Transfer Station (GET) -£1.280m bridge works only are to be carried out this year.

Westwood Relief Strategy - Poorhole Lane Improvement (GET) -£0.435m - detailed design and procurement have taken longer to complete than anticipated.

Escalate (GET) -£0.311m - the forecast has been adjusted according to current actual and pipeline cases in the year.

Kent Thameside Strategic Transport Programme (GET) -£0.649m. Rephasing on Rathmore Road as work was suspended while awaiting planning consent.

Customer Journey Programme (S&CS) -£0.709m. The Customer Relationship Management System has been rephased until there is greater clarity around the shape and requirements of the Council following Facing The Challenge.

Lowfield Street (SCH&W Adults) -£0.968m rephasing due to delay in the development of the site, undergoing negotiations with the developer on how to proceed.

Broadband (GET) -£1.337m rephasing to reflect programme of scheduled works.

LIVE Margate (GET) -£3.376m rephasing due to KCC endeavouring to acquire some key strategic sites, and it is taking longer than anticipated to finalise these acquisitions.

A28 Chart Road, Ashford (GET) +£0.660m. The scheme has now received planning consent. Spend has been brought forward to cover initial development works and engagement with utilities.

The remaining -£0.317m rephasing comprises a minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

4.4 Capital budget virements/changes to cash limits

- Any cash limit changes due to virements are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.
- **Cabinet is asked to approve** further changes to the capital programme cash limits resulting from this round of monitoring, which are identified in the actions column in table 2 of the annex reports. For ease of reference these are all summarised in Appendix 4.

5. FINANCIAL HEALTH

- 5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 1**
- 5.2 The latest monitoring of Prudential Indicators is detailed in **Appendix 2**

6. REVENUE RESERVES

- 6.1 The table below reflects the projected impact of the current forecast spend and activity for 2014-15 on our revenue reserves:

Account	Balance at 31/3/14 £m	Projected Balance at 31/3/15 £m	Movement £m
Earmarked Reserves	160.8	131.9	-28.9
General Fund balance	31.7	31.7	-
Schools Reserves *	45.7	46.0	0.3

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

6.2 The reduction of £28.9m in earmarked reserves includes:

	£m
▪ Release of previously earmarked reserves (as approved in the 2014-17 MTFP)	-3.0
▪ Budgeted contribution (incl. continuation of collaborative work with DCs to increase council tax yield)	+4.9
▪ Budgeted drawdown of earmarked reserve to support 2014-15 budget	-4.0
▪ Budgeted drawdown from Kingshill Smoothing reserve	-1.0
▪ Use of rolling budget reserve (2013-14 underspend)	-9.9
▪ Budgeted use of reserves to support essential expenditure following reduction in Adoption Reform	-1.3
▪ Budgeted reinstatement of Emergency Conditions reserve	+1.0
▪ Budgeted phased repayment of sums borrowed from long term reserves in 2011-12	+1.3
▪ Budgeted transfer to rolling budget reserve to reflect anticipated revised phasing of Freedom Pass	+1.5
▪ Planned drawdown of Dedicated Schools Grant reserve	-3.1
▪ Planned drawdown of Corporate Restructure reserve, including costs of Facing the Challenge	-5.8
▪ Transfer to Economic Downturn reserve of uncommitted 2013-14 rolled forward underspend	+4.8
▪ Drawdown of 2013-14 underspend from Public Health reserve	-2.9
▪ Forecast transfer to Public Health reserve of 2014-15 underspend	+0.8
▪ Forecast transfer to/from Dedicated Schools Grant reserve (unbudgeted)	+0.3
▪ Forecast use of NHS Support for Social Care reserve	-4.4
▪ Forecast transfer to Insurance reserve	+0.4
▪ Forecast use of Flood Repairs reserve (severe weather funding)	-2.8
▪ Planned movement in IT Asset Maintenance reserve	-3.2
▪ Planned movement in Kent Drug & Alcohol Service reserve	-2.5
▪ Planned movement in Dilapidations reserve	-2.1
▪ Transfer of Bellwin funds to the Emergency Conditions reserve (see annex 7)	+1.0
▪ Transfer of MRP saving to MRP smoothing reserve within Prudential Equalisation reserve (see annex	+1.5
▪ Impact on rolling budget reserve of current forecast underspend	+2.5
▪ Other forecast movements in earmarked reserves	-2.9
	-28.9

6.3 The increase of £0.3m in the schools reserves is due to:

	£m
▪ An assumed 38 schools converting to academy status this financial year and taking their accumulated reserves with them, together with 1 school closure	-2.8
▪ Transfer to the schools unallocated DSG reserve of £6.657m underspending on Early Years Education as a result of lower than affordable parental demand, offset by £3.585m pressures on high needs education (see annex 1)	+3.1
	+0.3

7. STAFFING LEVELS

7.1 The following table provides a snapshot of the staffing levels by directorate as at 30 September 2014 compared to the numbers as at 1 April 2014 and 30 June 2014 for the new directorate structure, based on active assignments. However, due to the large number of movements of staff between directorates as a result of the council restructure, direct comparisons between old and new directorates are not possible, so staffing levels as at 31 March 2014 are only provided in total, together with a split of schools and non schools staff. The difference in the right hand columns of the table represent the movement in staffing numbers from 1 April 2014 to 30 September 2014, however there was also a movement between 31 March 2014 and 1 April 2014 of +57.3 FTEs, of which +99.75 were within schools and -42.45 in non school settings. Between 1 April and 30 September 2014 there has been a reduction of 549.14 FTEs, of which 424.66 FTE were in schools and 124.48 FTEs were in non schools settings. The reduction in schools based staff is mainly as a result of schools converting to academies.

		31 Mar 14	1 Apr 14	30 Jun 14	30 Sep 14	31 Dec 14	31 Mar 15	Difference	
								Number	%
KCC	Assignment count	39,194	39,278	38,690	38,160			-1,118	-2.85%
	Headcount (inc. CRSS)	33,095	33,195	32,604	32,267			-928	-2.80%
	Headcount (excl. CRSS)	29,456	29,522	28,942	28,597			-925	-3.13%
	FTE	21,769.82	21,827.12	21,416.29	21,277.98			-549.14	-2.52%
KCC - Non Schools	Assignment count	11,995	11,904	11,920	11,789			-115	-0.97%
	Headcount (inc. CRSS)	11,061	10,994	10,969	10,881			-113	-1.03%
	Headcount (excl. CRSS)	9,574	9,512	9,498	9,363			-149	-1.57%
	FTE	8,161.92	8,119.47	8,089.05	7,994.99			-124.48	-1.53%
E&YP	Assignment count		2,971	2,974	2,924			-47	-1.58%
	Headcount (inc. CRSS)		2,738	2,707	2,678			-60	-2.19%
	Headcount (excl. CRSS)		1,927	1,921	1,884			-43	-2.23%
	FTE		1,582.27	1,567.23	1,534.82			-47.45	-3.00%
SCH&W	Assignment count		4,738	4,744	4,644			-94	-1.98%
	Headcount (inc. CRSS)		4,335	4,340	4,259			-76	-1.75%
	Headcount (excl. CRSS)		4,109	4,132	4,039			-70	-1.70%
	FTE		3,509.59	3,527.59	3,459.22			-50.37	-1.44%
GET	Assignment count		2,366	2,394	2,381			15	0.63%
	Headcount (inc. CRSS)		2,175	2,189	2,179			4	0.18%
	Headcount (excl. CRSS)		1,698	1,686	1,652			-46	-2.71%
	FTE		1,369.11	1,356.50	1,339.74			-29.37	-2.15%
S&CS	Assignment count		1,829	1,808	1,840			11	0.60%
	Headcount (inc. CRSS)		1,817	1,799	1,831			14	0.77%
	Headcount (excl. CRSS)		1,794	1,777	1,803			9	0.50%
	FTE		1,658.50	1,637.73	1,661.21			2.71	0.16%
Schools	Assignment count	27,199	27,374	26,770	26,371			-1,003	-3.66%
	Headcount (inc. CRSS)	22,135	22,301	21,727	21,462			-839	-3.76%
	Headcount (excl. CRSS)	19,928	20,056	19,488	19,270			-786	-3.92%
	FTE	13,607.90	13,707.65	13,327.24	13,282.99			-424.66	-3.10%

CRSS = Staff on Casual Relief, Seasonal or Supply contracts

See note over page

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

8. CONCLUSIONS

8.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has reduced by £3.196m from +£7.708m to +£4.512m since the July monitoring position provided to Cabinet in October. However, management action of £3.246m is proposed, which is expected to reduce this position to +£1.266m, an improvement of £0.967m since the last report. Whilst this improved position is welcome, the delivery of the proposed management action is by no means certain and there remains three main risk areas, waste tonnage; Young Person's Travel Pass and delivery of the adult social care transformation savings, where it is possible that the overspend may increase. Therefore, despite a further encouraging movement in the right direction this month, we must not be complacent. In summary, the current forecast remains a cause for concern for the following reasons:

- 1) the potential for adverse movements in the Waste, YPTP and adult social care positions,
- 2) the risks around full delivery of the £3.246m of management action, and even if achieved:
- 3) a £1.266m forecast pressure still needs to be resolved, if we are to be in a position to roll forward funds to provide the Kent Support & Assistance Service (KSAS), the Kent Youth Employment Programme (KYEP) and the Vulnerable Learners Assisted Apprenticeships (VLAA) scheme in 2015-16.

If we do not resolve this residual £1.266m underlying pressure before the year end, then roll forward to provide the KSAS, KYEP and VLAA in 2015-16 will not be possible. Considering the further substantial budget savings required to balance the 2015-16 budget, it is essential that we do not enter 2015-16 with an underlying pressure.

8.2 In addition, there are a number of ongoing emerging issues that will need to be addressed in the 2015-18 MTFP and these are highlighted in the annexes to this report and/or in the headlines above.

9. RECOMMENDATIONS

Cabinet is asked to:

- i) **Note** the report, including the latest monitoring position on both the revenue and capital budgets.
- ii) **Agree** the changes to the capital programme cash limits as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 4.

10. BACKGROUND DOCUMENTS

None

11. CONTACT DETAILS

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FINANCIAL HEALTH INDICATORS

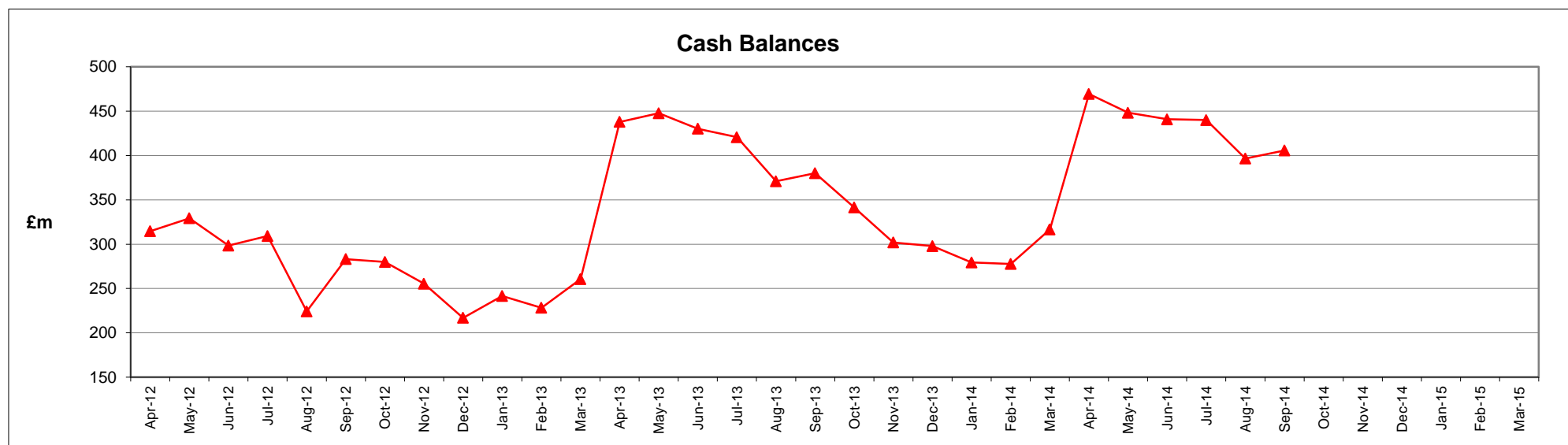
1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£12.417m), balances of schools in the corporate scheme (£56.15m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

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

Central Government Departments (particularly DCLG) are following a similar pattern to last year of front loading revenue grants for 2014-15, where receipts have been heavily weighted towards the beginning of the year (76%) leading to an early peak in managed cash levels. These cash levels are forecast to decline over the course of the year as grant income reduces.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2012-13	314.6	329.2	298.4	309.1	224.2	283.1	280.0	255.5	216.9	241.5	228.3	260.7
2013-14	437.8	447.6	430.1	420.7	371.0	380.1	341.3	301.9	297.9	279.3	277.7	316.7
2014-15	469.3	448.2	440.7	439.9	396.6	405.7						



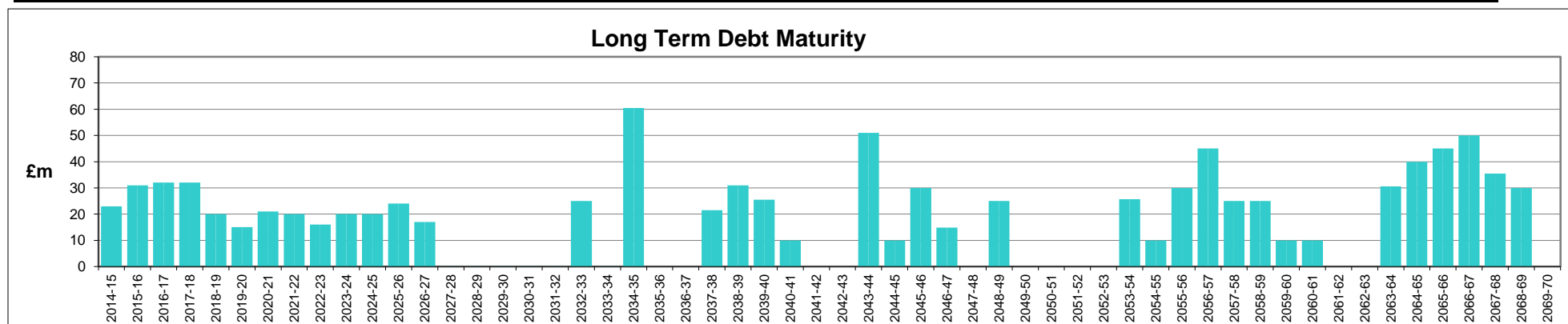
2. LONG TERM MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £41.405m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m) and Magistrates Courts (£0.556m). These bodies make regular payments of principal and interest to KCC to service this debt.

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

The total debt principal to be repaid in 2014-15 is £26.193m, relating to £24.187m of maturity loans, (£2.187m was repaid in August and £22m is to be repaid in February), and £2.006m of equal instalment of principal loans (£0.006m was repaid in August, £1m was repaid in September and £1m is to be repaid in March). Following the repayment of debt in August and September, the remaining outstanding debt still to be repaid this financial year is £23m.

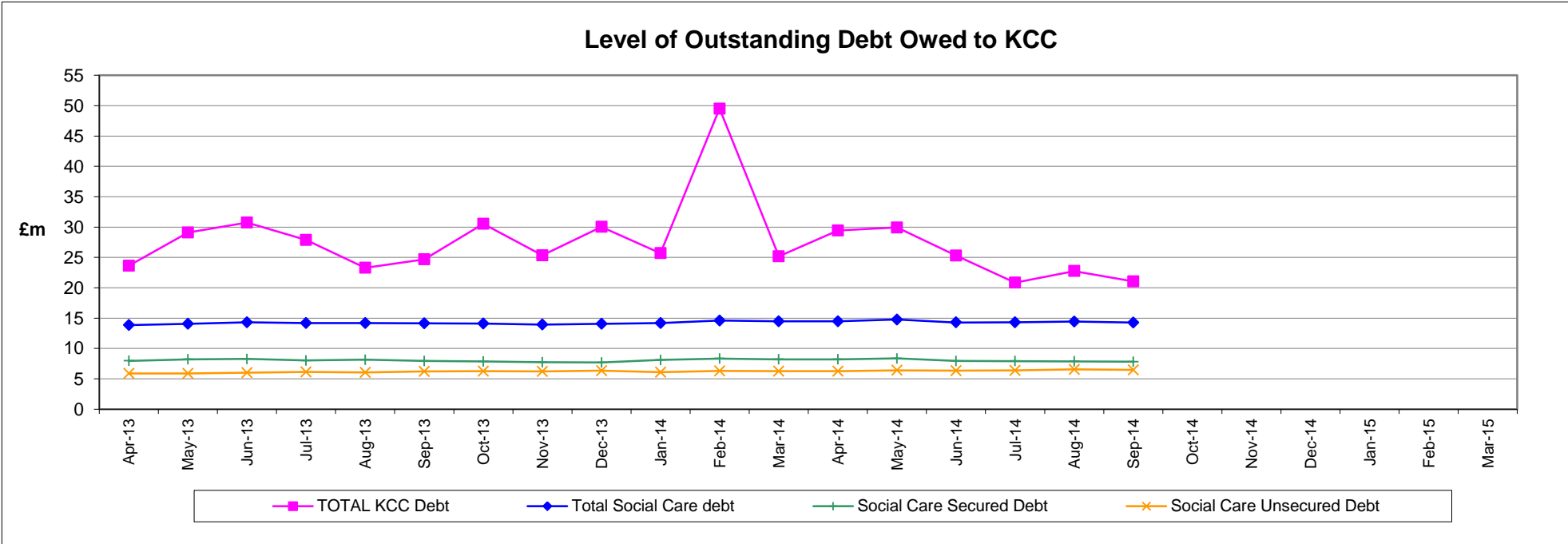
	£m	Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2014-15	23.000	2024-25	20.001	2034-35	60.470	2044-45	10.000	2054-55	10.000	2064-65	40.000
2015-16	31.001	2025-26	24.001	2035-36	0.000	2045-46	30.000	2055-56	30.000	2065-66	45.000
2016-17	32.001	2026-27	17.001	2036-37	0.000	2046-47	14.800	2056-57	45.000	2066-67	50.000
2017-18	32.001	2027-28	0.001	2037-38	21.500	2047-48	0.000	2057-58	25.000	2067-68	35.500
2018-19	20.001	2028-29	0.001	2038-39	31.000	2048-49	25.000	2058-59	25.000	2068-69	30.000
2019-20	15.001	2029-30	0.001	2039-40	25.500	2049-50	0.000	2059-60	10.000	2069-70	0.000
2020-21	21.001	2030-31	0.001	2040-41	10.000	2050-51	0.000	2060-61	10.000		
2021-22	20.001	2031-32	0.000	2041-42	0.000	2051-52	0.000	2061-62	0.000		
2022-23	16.001	2032-33	25.000	2042-43	0.000	2052-53	0.000	2062-63	0.000		
2023-24	20.001	2033-34	0.000	2043-44	51.000	2053-54	25.700	2063-64	30.600	TOTAL	1,007.080



3. OUTSTANDING DEBT OWED TO KCC

The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care Debt £m	SCH&W Sundry Debt £m	TOTAL SCH&W Debt £m	All other Directorates Debt £m	TOTAL KCC Debt £m
Apr 13	7.969	5.895	13.864	4.995	18.859	4.771	23.630
May 13	8.197	5.879	14.076	5.713	19.789	9.331	29.120
Jun 13	8.277	6.017	14.294	7.662	21.956	8.787	30.743
Jul 13	8.015	6.153	14.168	6.978	21.146	6.746	27.892
Aug 13	8.141	6.063	14.204	5.116	19.320	3.960	23.280
Sep 13	7.931	6.205	14.136	5.814	19.950	4.746	24.696
Oct 13	7.867	6.246	14.113	7.533	21.646	8.870	30.516
Nov 13	7.728	6.219	13.947	7.524	21.471	3.865	25.336
Dec 13	7.694	6.350	14.044	10.436	24.480	5.553	30.033
Jan 14	8.103	6.091	14.194	6.685	20.879	4.820	25.699
Feb 14	8.321	6.289	14.610	31.278	45.888	3.633	49.521
Mar 14	8.213	6.272	14.485	7.753	22.238	2.927	25.165
Apr 14	8.220	6.270	14.490	8.884	23.374	6.060	29.434
May 14	8.353	6.402	14.755	8.899	23.654	6.276	29.930
Jun 14	7.944	6.346	14.290	7.289	21.579	3.733	25.312
Jul 14	7.927	6.389	14.316	2.187	16.503	4.337	20.840
Aug 14	7.882	6.549	14.431	3.707	18.138	4.616	22.754
Sep 14	7.805	6.465	14.270	2.849	17.119	3.919	21.038
Oct 14			0.000		0.000		0.000
Nov 14			0.000		0.000		0.000
Dec 14			0.000		0.000		0.000
Jan 15			0.000		0.000		0.000
Feb 15			0.000		0.000		0.000
Mar 15			0.000		0.000		0.000



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

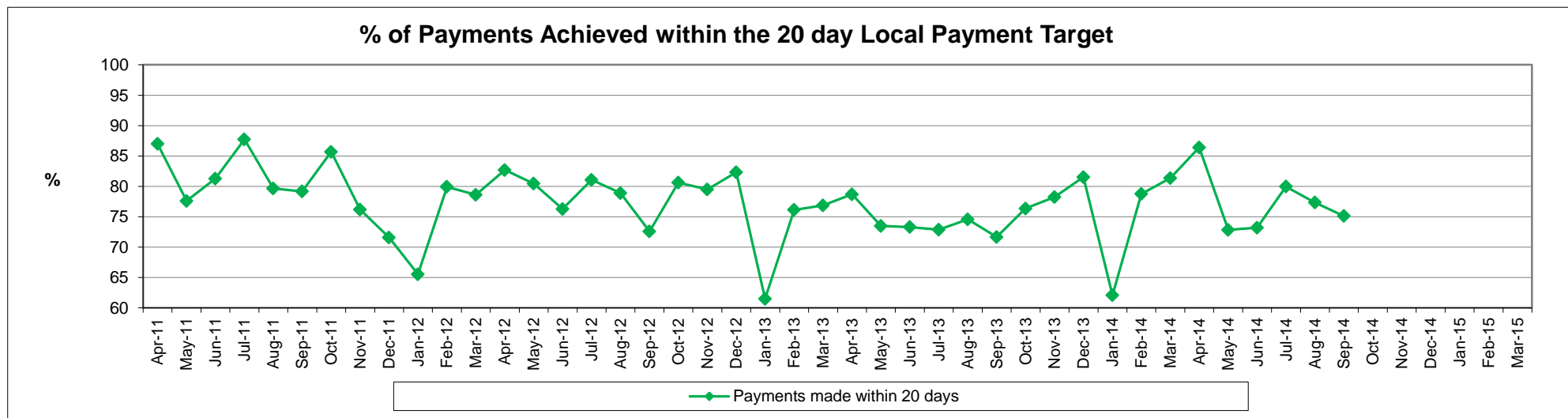
The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the recent tough economic conditions. We focus on paying local and small firms as a priority. The table below shows our performance against this 20 day payment target.

	2011-12	2012-13	2013-14	2014-15
	%	%	%	%
Apr	87.0	82.7	78.7	86.4
May	77.6	80.5	73.5	72.9
Jun	81.3	76.3	73.3	73.2
Jul	87.7	81.1	72.9	80.0
Aug	79.7	78.9	74.6	77.3
Sep	79.2	72.6	71.7	75.1
Oct	85.7	80.6	76.4	
Nov	76.2	79.5	78.2	
Dec	71.6	82.3	81.5	
Jan	65.5	61.5	62.1	
Feb	79.9	76.1	78.8	
Mar	78.6	76.9	81.4	

The percentages achieved for January each year are consistently lower than other months due to the Christmas/New Year break. This position was exacerbated in 2012-13 due to snow. The 2014-15 year to date figure for invoices paid within 20 days is 77.7%. This compares to overall performance in previous years as follows:

	20 days %
2011-12	79.2
2012-13	77.3
2013-14	75.3
2014-15 to date	77.7

* The lower percentages in May/June 2014 were due to a higher than usual number of invoices arriving late into the payments team, impacting on their ability to pay to terms.

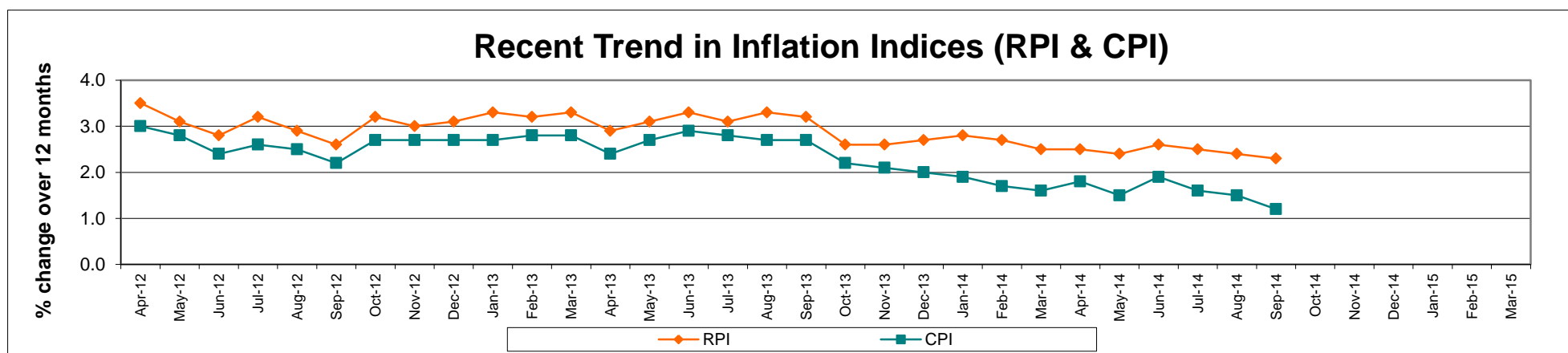


5. RECENT TREND IN INFLATION INDICIES (RPI & CPI)

In the UK, there has been two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments, but is now not deemed to be a formal measure. The CPI measures a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

Percentage Change over 12 months

	2012-13		2013-14		2014-15	
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
Apr	3.5	3.0	2.9	2.4	2.5	1.8
May	3.1	2.8	3.1	2.7	2.4	1.5
Jun	2.8	2.4	3.3	2.9	2.6	1.9
Jul	3.2	2.6	3.1	2.8	2.5	1.6
Aug	2.9	2.5	3.3	2.7	2.4	1.5
Sep	2.6	2.2	3.2	2.7	2.3	1.2
Oct	3.2	2.7	2.6	2.2		
Nov	3.0	2.7	2.6	2.1		
Dec	3.1	2.7	2.7	2.0		
Jan	3.3	2.7	2.8	1.9		
Feb	3.2	2.8	2.7	1.7		
Mar	3.3	2.8	2.5	1.6		



2014-15 QUARTER 2 MONITORING OF PRUDENTIAL INDICATORS

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2013-14	£219.458m
Original estimate 2014-15	£270.967m
Revised estimate 2014-15	£320.878m

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

	2013-14	2014-15	2014-15	2015-16	2016-17
	Actual	Original Estimate	Forecast as at 30-9-14	Forecast as at 30-9-14	Forecast as at 30-9-14
	£m	£m	£m	£m	£m
Capital Financing requirement	1,435.263	1,437.960	1,398.508	1,379.677	1,321.485
Annual increase/reduction in underlying need to borrow	-29.697	-27.001	-36.755	-18.831	-58.192

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

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

Actuals 2013-14	13.62%
Original estimate 2014-15	14.04%
Revised estimate 2014-15	13.54%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2014-15.

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

	Prudential Indicator	Position as at 30.09.14
	£m	£m
Borrowing	993	966
Other Long Term Liabilities	261	254
	<u>1,254</u>	<u>1,220</u>

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

	Prudential Indicator	Position as at 30.09.14
	£m	£m
Borrowing	1,038	1,007
Other Long Term Liabilities	261	254
	<u>1,299</u>	<u>1,261</u>

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2014-15 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 30.09.14	Authorised limit for total debt managed by KCC	Position as at 30.09.14
	£m	£m	£m	£m
Borrowing	1,033	966	1,078	1,010
Other long term liabilities	261	254	261	254
	<u>1,294</u>	<u>1,220</u>	<u>1,339</u>	<u>1,264</u>

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

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

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

The Council has determined the following upper limits for 2014-15

Fixed interest rate exposure	100%
Variable rate exposure	40%

These limits have been complied with in 2014-15

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 30.09.14
	%	%	%
Upper 12 months	10	0	2.28
12 months and within 24 months	10	0	6.25
24 months and within 5 years	15	0	6.65
5 years and within 10 years	15	0	9.63
10 years and within 20 years	20	5	12.6
20 years and within 30 years	20	5	14.8
30 years and within 40 years	25	10	10.48
40 years and within 50 years	25	10	21.41
50 years and within 60 years	30	10	15.94

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

Indicator	£175.0m
Actual	£67.1m

2014-15 SEPTEMBER SUMMARY OF THE PROPOSED MANAGEMENT ACTION

	Outstanding management action
	£'000
SCH&W	
<u>Specialist Children's Services (SCS)</u>	
Net reduction in cost of fostering (including IFAs to in-house)	-100
Adoption	-550
Leaving Care	-75
Staffing - Agency and Non Social Work	-475
Sub Total - SCS	<u>-1,200</u>
<u>Adults Social Care</u>	
OPPD - Recruit to staff vacancies in order to accelerate the transformation programme which in turn will deliver savings against the current forecast	-1,338
LDMH - Review of all current activities and jointly funded arrangements	-708
Sub Total - Adults Social Care	<u>-2,046</u>
Sub Total SCH&W (Children's and Adults)	<u>-3,246</u>
KCC TOTAL	<u><u>-3,246</u></u>

2014-15 SEPTEMBER SUMMARY OF PROPOSED CAPITAL PROGRAMME CASH LIMIT CHANGES

Directorate	Project	2014-15	2015-16	2016-17	Funding	Description
		£'000	£'000	£'000		
Cash limit change due to revised external/grant funding availability/previous decisions:						
EYP	Wilmington Enterprise College	200			Grant	Adjustment to budget required to reflect funding available for this scheme.
Cash limit change to cover overspends elsewhere in the capital programme:						
GET	Integrated Transport Schemes	-270			Grant	4 schemes now to be delivered through Public Rights of Way (PROW) - request movement of grant to cover spend now in PROW.
GET	Public Rights of Way	270			Grant	Funded from Integrated Transport Schemes
GET	Member Highway Fund	-40			Grant	To contribute to projects in Highway Major Maintenance and Integrated Transport.
GET	Highway Major Maintenance	20			Grant	To be funded from Member Highway Fund.
GET	Integrated Transport Schemes	20			Grant	To be funded from Member Highway Fund.
Other cash limit changes:						
EYP	Integrated Youth Service - Youth Hub Reprovision	100			Revenue	Original project costings were understated.

EDUCATION AND YOUNG PEOPLE'S SERVICES DIRECTORATE
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (excl Schools) (£k)	+84,066	-2,327	-	-2,327
	Schools (£k)	-	+2,777	-	+2,777
	Directorate Total (£k)	+84,066	+450	-	+450

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	
Education & Young People's Services						
Delegated Budget:						
Schools & Pupil Referral Units Delegated Budgets	696,611.9	-696,611.9	0.0	+2,777	+2,777	Drawdown from school reserves for 38 expected academy converters
TOTAL DELEGATED	696,611.9	-696,611.9	0.0	+2,777		
Non Delegated Budget:						
E&YP Strategic Management & directorate support budgets	7,153.1	-9,158.0	-2,004.9	+1,492	+1,922	Savings target relating to Early Help & Preventative Services Division was held here pending agreement on how this would be delivered; offsetting savings are now reflected in the Early Intervention & Prevention and Children's Centres A-Z lines below.
					-347	Underspend on legal fees
					-143	<i>DSG variance - EYP directorate wide supplies & services</i>
					+60	Other minor variances
						The offsetting savings are expected to be ongoing and therefore budget realignment between A-Z lines required in 15-16 MTFP
						This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net	£'000		
	£'000	£'000	£'000	£'000	£'000		
<u>Children's Services - Children in Need</u>							
- Children's Centres	14,427.9	-1,576.5	12,851.4	-2,920	-2,434	Savings from vacancies linked to the service restructure	Part of this saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-456	Underspend on non staffing budgets across the 17 children's centre hubs	
					-30	Other minor variances	
- Preventative Services	5,442.9	-1,331.0	4,111.9	+376	+333	Commissioned services contracts which were due to cease part way through the year to achieve savings targets but have been extended for a further six months	
					+43	Other minor variances	
	19,870.8	-2,907.5	16,963.3	-2,544			
<u>Children's Services - Education & Personal</u>							
- 14 - 19 year olds	3,937.1	-1,032.3	2,904.8	-922	-961	Kent Youth Employment programme placements: £210k of this underspend will need to roll forward to fund our legal obligation to continue with the current placements. If required, the remaining £751k of the underspend could be used to help towards achieving an overall balanced outturn position for the authority as a whole, but this would mean that no further placements can be made.	
					-60	Assisted Apprenticeships - a roll forward will be requested for this to cover placements in 2015-16 for the most vulnerable of young people	
					+195	Kent Science Resource centre - due mainly to increased property costs as the centre moves buildings	
					-96	Other minor variances	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Attendance & Behaviour	3,398.2	-2,620.9	777.3	-15	-235 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£126k)</i>	This saving reflects the DfE changes to regulations, removing discretion from Headteachers to allow 10 days absence and will be reflected in the 2015-18 MTFP, pending any further changes in the regulations
					+261 Kent Integrated Adolescent Support Service (KIASS) Education Welfare staffing pressure <i>(includes a DSG variance of +£193k)</i>	
					-130 DSG variance - underspend on Individual Tuition	
					+89 Other minor variances	
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-263	-500 Planned underspend to contribute towards the savings target held in Strategic Management & Directorate support above	
					+280 ICT costs of single view technology to provide a platform to capture integrated children and families information from existing EYP systems and the new Early Help Module	
					-43 Other minor variances	
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	+331	+65 Staff vacancies and associated non staff underspend for the Early Years restructured services offset by a one off staffing overspend for the pre restructured service <i>(includes a DSG variance of +£56k)</i>	
					+247 Under recovery of Early Years training income	
					+19 Other minor variances	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Early Years Education	61,760.4	-61,760.4	0.0	-6,657	-6,000 <i>Schools Unallocated DSG variance - parental demand for two year old places less than affordable levels</i> -657 <i>Schools Unallocated DSG variance - forecast parental demand for 3 & 4 year old places lower than affordable</i>	
- Education Psychology Service	2,920.3	-600.0	2,320.3	-192	-180 Traded income from schools for non statutory psychology services -12 Other minor variances	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Individual Learner Support	8,202.9	-7,335.1	867.8	-314	-177 Former Head of Service and support staffing underspend due to vacancies held pending the restructure and general non staffing underspend <i>(includes a DSG variance of -£119k)</i> -88 Portage service non staffing underspend <i>(includes a DSG variance of -£61k)</i> -49 Other minor variances	
- Statemented Pupils	4,309.8	-4,309.8	0.0	+221	+256 <i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> -35 Other minor variances	
- Youth Service	7,988.4	-2,455.8	5,532.6	+160	+160 Other minor variances	
- Youth Offending Service	5,463.3	-2,441.9	3,021.4	-288	-255 Underspend on KLIASS district budgets due mainly to staff vacancies -33 Other minor variances	
	107,177.4	-87,229.4	19,948.0	-7,939		
Children's Services - Other Children's						
- Safeguarding	507.5	-150.0	357.5	-15		

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Community Services</u>							
- Community Learning & Skills (CLS)	13,190.6	-14,319.3	-1,128.7	+36	+150	Property related costs	
					-114	Other minor variances each less than £100k in value	
- Supporting Employment	1,056.2	-335.0	721.2	-40			
- Troubled Families Programme	4,705.0	-4,347.1	357.9	0			
	18,951.8	-19,001.4	-49.6	-4			
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Young People	3,968.9	0.0	3,968.9	-291	-291	Contract variations & efficiencies	
<u>School & High Needs Education Budgets</u>							
- Exclusion Services	2,082.4	-2,082.4	0.0	0			
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	0			
- High Needs Independent Sector Providers - Post 16 year olds	3,155.0	-3,155.0	0.0	+1,437	+1,437	<i>Schools Unallocated DSG variance - increase in costs of independent sector places for post 16 students</i>	<i>This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP</i>
- High Needs Independent Special School placements	17,686.0	-17,686.0	0.0	+1,609	+1,609	<i>Schools Unallocated DSG variance - increase in costs of independent special school places</i>	<i>This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP</i>
- PFI Schools Scheme	23,810.0	-23,810.0	0.0	0			
	48,684.4	-48,684.4	0.0	+3,046			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	+539	+595	<i>Schools Unallocated DSG variance - increase in costs of Kent children with high needs receiving education in other local authority schools</i>	
					-56	<i>Schools Unallocated DSG variance - Other minor variances</i>	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Other Schools Services	6,794.5	-6,900.7	-106.2	+546	+322 Work in excess of capital maintenance funding including asbestos +265k (due to changes in the methods of dealing with asbestos), planned maintenance +£250k (due to the phasing of work within the 3 year programme) and legionella and condition surveys - £193k <i>+212 DSG variance - Pressure on mobile classrooms budget to fulfil basic need</i> +12 Other minor variances	
- Redundancy Costs	1,188.7	-1,188.7	0.0	0		
- School Improvement	10,566.7	-7,429.4	3,137.3	+310	+694 Shortfall against budgeted surplus for training & development +149 Shortfall against budgeted surplus for governor training services -158 Increased surplus for other traded services (Clerking and Improving Together Network) <i>-220 DSG variance - Underspend on DSG school improvement collaboration programme which will continue into the summer term</i> -155 Other minor variances each less than £100k in value	
- Schools Staff Services	2,644.0	-2,541.0	103.0	-68		
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-481	-481 Reduced annual capitalisation costs of pensions	
	30,427.8	-21,649.7	8,778.1	+846		

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Transport Services</u>							
- Home to College Transport & Kent 16+ Travel Card	3,913.7	-1,988.0	1,925.7	-387	-192	Reduction in demand for home to college transport for SEN students	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-148	Reduced costs for the 16+ card due to reduced journey usage during the summer term	
					+431	Forecast increased costs of journeys for the autumn and spring terms due to an increase in pass take up	
					-492	Forecast increased income for the autumn and spring terms due to an increase in pass take up	
					+14	Other minor variances	
- Mainstream HTST	10,542.3	-20.0	10,522.3	-1,164	-1,164	Fewer than budgeted numbers of pupils travelling and cost per head reducing as more transport is arranged using public transport rather than hired vehicles	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- SEN HTST	18,972.5	-425.0	18,547.5	+1,777	+2,055	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel	This pressure is expected to be ongoing and will be reflected in the 2015-18 MTFP
					+101	Costs of the new Independent Travel Trainers service to enable some pupils currently in receipt of SEN transport to travel to school using public transport	These pressures are ongoing and a realignment of SEN HTST budget between transport costs, personal transport & independent travel trainers service will need to be reflected in the 2015-18 MTFP
					+98	Increased pressure on Personal Transport budgets awarded to pupils where the cost of this scheme is lower than providing transport	
					-477	Recoupment income for transport provided for other local authority pupils with special needs attending Kent schools	
	33,428.5	-2,433.0	30,995.5	+226			

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Assessment Services							
- Assessment & Support of Children with Special Education Needs	9,834.0	-7,475.2	2,358.8	-182	-124	Staff vacancies <i>(includes a DSG variance of -£83k)</i>	
					-58	Other minor variances	
- Children's Social Care Staffing	6,026.5	-3,276.6	2,749.9	-340	-287	KIASS social work assistant staff vacancies <i>(includes a DSG variance of -£165k)</i>	
					-53	Other minor variances	
	15,860.5	-10,751.8	5,108.7	-522			
Support to Frontline Services							
- Human Resources	0.0	0.0	0.0	0			
TOTAL NON DELEGATED	286,030.7	-201,965.2	84,065.5	-5,705			
- <i>Transfer to(+)/from(-) DSG reserves</i>				+3,378		Net transfer to the Schools Unallocated DSG reserve to offset:	
					+6,657	<i>DSG underspend of -£6,657k on Early Years Education</i>	
					-3,585	<i>DSG variances of +£3,585k on High Needs Education & Recoupment</i>	
						Net transfer to the Central DSG reserve to offset:	
					+330	<i>DSG variances of -£330k explained above</i>	
					-24	<i>A number of other smaller DSG variances totalling +£24k</i>	

ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
TOTAL NON DELEGATED after transfer to / from DSG reserve	286,030.7	-201,965.2	84,065.5	-2,327	Roll forward of £210k is required to fund the continuation of current placements under the Kent Youth Employment Programme, and if possible roll forward of the remaining £811k underspend against this programme and the Assisted Apprentices programme is required for the schemes to continue into 2015-16. However an underspending position for the Authority as a whole will need to be achieved before this can be considered alongside all other competing roll forward priorities. The adjusted position for EYP after allowing for this roll forward is an underspend of -£1,306k.	
Total E&YPS	982,642.6	-898,577.1	84,065.5	+450		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2011-12	2012-13	2013-14	2014-15
	as at 31-3-12	as at 31-3-13	as at 31-3-14	projection
Total number of schools	497	463	449	408
Total value of school reserves	£59,088k	£48,124k	£45,730k	£46,025k
Number of deficit schools	7	8	18	9
Total value of deficits	£833k	£364k	£2,017k	£3,640k

Comments:

- The information on deficit schools for 2014-15 has been obtained from the schools 3 year plans completed in spring/early summer 2014 and show 9 schools predicting a deficit at the end of year 1. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end but these only include information relating to the current year. Schools' Financial Services have been working with these 9 schools to reduce the risk of a deficit in 2014-15 and with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- KCC has a "no deficit" policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year's budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.
- The total number of schools is based on the assumption that 38 schools (including 2 secondary schools and 36 primary schools) will convert to academies before the 31st March 2015. In addition, 4 schools are amalgamating to form 2 new schools and 1 school is closing.
- The value of schools reserves is forecast to increase by £295k this financial year. This movement includes a net increase in the schools unallocated DSG reserve of £3,072k due to an underspend on the Early Years Education budget of £6,657k, offset by a pressure on high needs education of £3,585k. In addition, a drawdown of £2,777k is forecast against schools reserves, which assumes that 38 schools convert to academy status by 31 March. The value of school reserves are very difficult to predict at this stage in the year and further updates will be provided in future monitoring reports once we have collated the six month monitoring returns from LA maintained schools.

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

	2012-13				2013-14				2014-15			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr	3,993	4,055	17,342	16,757	3,934	4,145	14,667	14,119	3,808	4,051	12,493	11,400
May	3,993	4,064	17,342	16,788	3,934	4,172	14,667	14,119	3,808	4,056	12,493	11,436
Jun	3,993	4,099	17,342	16,741	3,934	4,206	14,667	14,106	3,808	4,073	12,493	11,468
Jul	3,993	4,106	17,342	16,695	3,934	4,167	14,667	14,093	3,808	4,041	12,493	11,307
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sep	3,993	3,975	17,342	13,698	3,934	3,761	14,667	10,300	3,808	3,725	12,493	8,969
Oct	3,993	4,009	17,342	13,844	3,934	3,981	14,667	11,258	3,808	3,785	12,493	9,123
Nov	3,993	4,068	17,342	13,925	3,934	4,010	14,667	11,267	3,808	0	12,493	0
Dec	3,993	4,107	17,342	13,960	3,934	4,021	14,667	11,296	3,808	0	12,493	0
Jan	3,993	4,139	17,342	13,985	3,934	4,037	14,667	11,314	3,808	0	12,493	0
Feb	3,993	4,146	17,342	14,029	3,934	4,086	14,667	11,368	3,808	0	12,493	0
Mar	3,993	4,157	17,342	14,051	3,934	4,041	14,667	11,375	3,808	0	12,493	0

Comments:

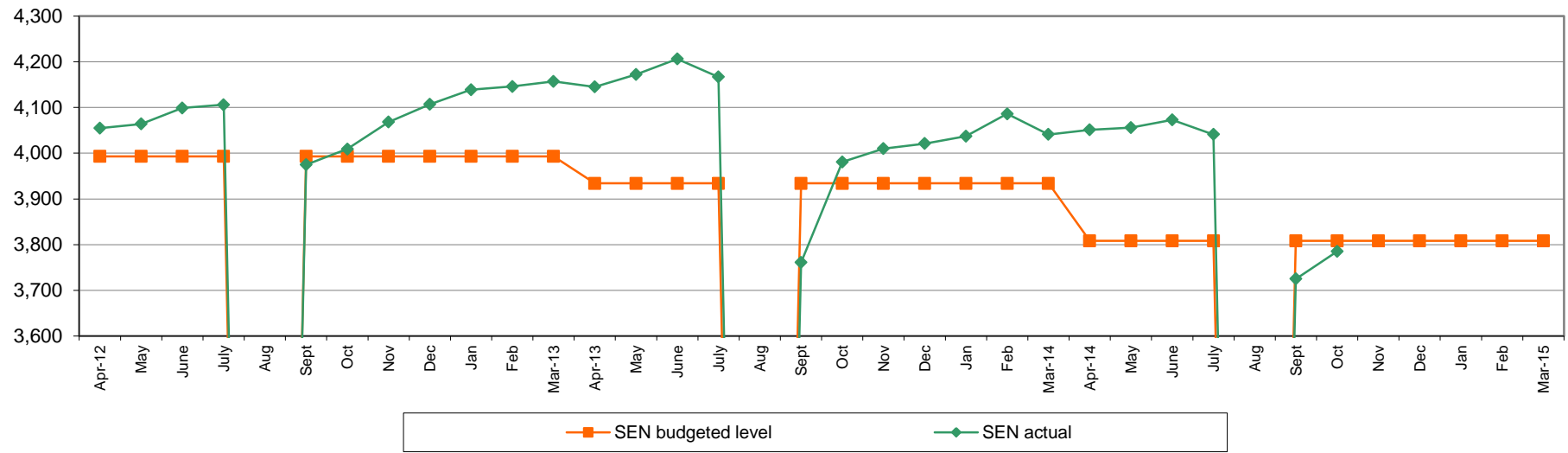
SEN HTST

- The number of children travelling was higher than the budgeted level for the summer term and although numbers have reduced at the start of the autumn term they are likely to increase as the term develops. There are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel.
- Recent changes in the commissioning of SEN transport, where some special schools & PRUs are given an allocation to provide their own transport, mean that these journeys are not included within the numbers travelling from September 2014.
- A pressure of +£2,055k is therefore reported in table 1 relating to this activity, which is offset by £477k recoupment income from other Local Authorities for transport of their pupils to Kent schools.

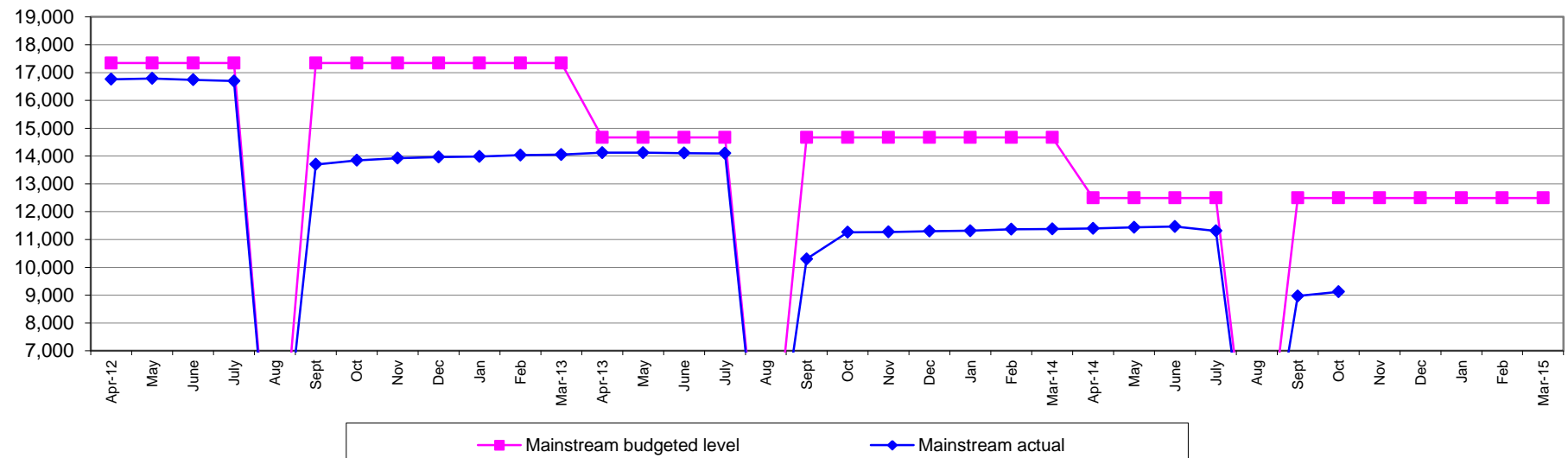
Mainstream HTST

- The number of children receiving transport is lower than the budgeted level, therefore an underspend of -£1,164k is reported in table 1. During the 2014/15 academic year the secondary aged population is at its lowest and will begin to increase as the rise in the birth rate moves through the primary sector into the secondary sector in future years.

Number of children receiving assisted SEN transport to school



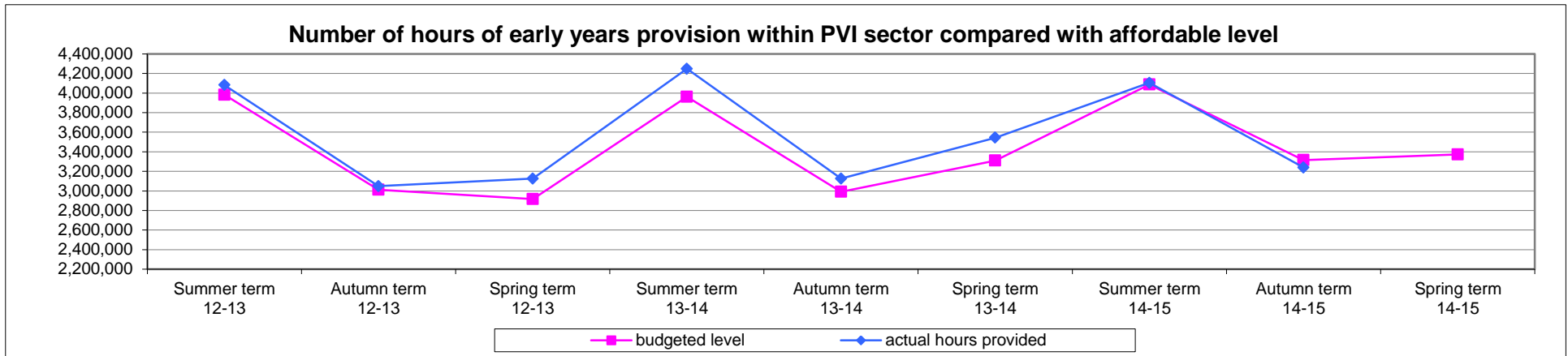
Number of children receiving assisted Mainstream transport to school



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

	2012-13		2013-14		2014-15	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided *
Summer term	3,982,605	4,082,870	3,961,155	4,247,461	4,087,898	4,104,172
Autumn term	3,012,602	3,048,035	2,990,107	3,126,084	3,315,075	3,238,974
Spring term	2,917,560	3,125,343	3,310,417	3,543,567	3,373,424	
TOTAL	9,912,767	10,256,248	10,261,679	10,917,112	10,776,397	7,343,146

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



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks. The forecast number of hours of early years provision for 3 & 4 year olds is 10,619,219 which is over 157,000 hours less than budgeted.
- Since the last report, the Dedicated School Grant has been adjusted to reflect January 2014 pupil numbers and the affordable number of hours has been uplifted accordingly. Actual hours are less than budgeted, hence an underspend of -£657k is forecast in table 1. As this budget is entirely funded from DSG, any surplus or deficit at the year end must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere within the directorate budget, therefore any pressure or saving will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

3. CAPITAL

3.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2014-15 of £143,687k. The forecast outturn against the 2014-15 budget is £132,907k giving a variance of -£10,780k.

3.2 Table 1 below details the Education and Young People's Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Rolling Programmes									
Annual Planned Enhancement Programme	24,000	12,073	-607	-857	Real underspend - grant	Underspend to be used to fund additional costs at St Johns/Kingsmead. Overspend relates to additional works at Minster Primary.	Green		
				250	Real overspend - grant				
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,759	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Individual Projects									
Basic Need Schemes - to provide additional pupil places:									
Basic Need Programme 2013-15	70,037	51,077	12,351	12,351	£3,901k Real - dev cons £381k Real - prudential £8,069k Real - funding to be determined	£3,901k to be funded from expected developer contributions relating to Knights Park. The remaining £8,450k overspend reflects an ongoing pressure against the basic need programme, of which £375k can be funded from the underspend on Goat Lees, £6k to be funded from the underspend on Unit Review and the remaining £8,069k which will be reviewed in detail during the budget setting process. The overspend includes £2,360k pressure from construction inflation, which was previously reported as a separate line.	Amber		
Basic Need Allocations 2015-16 and 2016-17	27,449						Amber	Significant pressures are being forecast against the future years Basic Need programme.	

ANNEX 1

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Goat Lees Primary School, Ashford	13	711	-375	-375	Real - prudential	Underspend to be used to fund pressure on the Basic Need programme.	Green		
Repton Park Primary School, Ashford		139					Green		
Modernisation Programme - Improving and upgrading school buildings including removal of temporary classrooms:									
Modernisation Programme - Future Years	4,000	1,969	-250	-250	Real - grant	Underspend to be used to fund additional costs on the Annual Planned Enhancement Programme.	Green		
St Johns / Kingsmead Primary School, Canterbury	1,112	1,349	857	857	Real - grant	Overspend due to additional window and roof works, to be funded from the Annual Planned Enhancement Programme.	Amber		
Special Schools Review - major projects supporting the special schools review:									
Special Schools Review phase 1	0	670					Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Special Schools Review phase 2	56,220	33,706	-22,693	700	Real - £120k supported borrowing, remaining £580k funding to be determined	Latest forecast costs predict an overspend on this programme, which will be reviewed in detail during the budget setting process. £120k to be funded from underspend on BSF Unit Costs.	Amber	Across the three year programme, there is a total £7,060k forecast overspend, £6,940k of which is unfunded and will be reviewed during the budget setting process. The overspend includes £1,000k relating to construction inflation which was previously reported as a separate line.	
				-23,393	Rephasing	Rephasing is due to delays at the planning stage on a number of complicated projects. Redesign and reconfiguration has also been necessary due to budget pressures.			
The Wyvern School, Ashford (Buxford Site)		6					Green		
Primary Improvement Programme		0	36	36	Real - prudential	Overspend to be funded from Unit Review.	Green		
Specialist Schools	185	325					Green		
Academy Projects:									
Astor of Hever (St Augustine's Academy), Maidstone	1,286	1,691	500	500	Real - grant £336k & supported borrowing £164k	Asbestos claim to be funded from underspend on BSF Unit Costs.	Amber		
Dover Christ Church	9,619	7,425					Green		
The Duke of York's Royal Military School	4,922	4,778					Green		

ANNEX 1

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Isle of Sheppey Academy	200						Green		
The John Wallis C of E Academy	2,146	2,869					Green		
Knowle Academy Sevenoaks	2,767	3,860					Green		
Wilmington Enterprise College	376	230	200	200	Real - grant	Budget requires adjustment to reflect grant available for this project.	Green		Increase cash limit by £200k grant (Academies)
Skinner's Academy			265	265	Real - grant	Additional works in exchange for a piece of land from the school.	Amber		
Academy Unit Costs		511					Green		
BSF Wave 3 Build Costs		834					Green		
BSF Unit Costs		623	-620	-620	Real - grant -£336k & supported borrowing - £284k	£500k underspend to be used to fund asbestos claim at Astor of Hever. £120k underspend to be used to fund costs within SSR.	Green		
Other Projects:									
Canterbury Family Centre		37					Green		

ANNEX 1

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Community Learning and Skills Service - Sittingbourne Reprovision	482	482	-482	-482	Rephasing	Lack of suitable alternative venues and sites coming forward has led to delays in the reprovision despite best endeavours.	Green		
Community Learning and Skills Service - Sevenoaks Reprovision	1,000	50	-50	-50	Rephasing		Green		
Free School Meals Capital Money	2,777	2,777					Green		
Integrated Youth Service - Youth Hub Reprovision	948	981	100	100	Real - Revenue	Original project costings were understated.	Green		Increase cash limit by £100k revenue
Nursery Provision for Two Year Olds	2,368	2,375					Green		
One-off Schools Revenue to Capital		421					Green		
Platt CEPS		85					Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre		11					Green		
Sevenoaks Grammar Schools	13,769	5,540					Green		
Tenterden Infant School		25					Green		

ANNEX 1

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Trinity Free School, Sevenoaks		3,794					Amber	Full project cost expected to be £11.3m, to be funded from grant.	
Unit Review	1,505	322	-42	-42	Real - prudential	£36k funding to be transferred to Primary Improvement Programme and £6k to Basic Need.	Green		
Vocational Education Centre Programme		148					Green		
Youth - Modernisation of Assets		34					Green		
Website & Portal Development			30	30	Real - revenue	To be funded through an SLA with schools.	Green		
Total	227,510	143,687	-10,780	-10,780					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
SPECIALIST CHILDREN'S SERVICES
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
Total excl Asylum (£k)	+127,456	+4,295	-1,200	+3,095
Asylum (£k)	+280	+1,666	-	+1,666
Special Ops (£k)	-	+699	-	+699
Total (£k)	+127,736	+6,660	-1,200	+5,460

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	
Specialist Children's Services						
Strategic Management & Directorate Support budgets	4,893.5	-175.0	4,718.5	-83	-339 Underspend on commissioning staffing budget +152 Staffing pressure +104 Other minor variances, each below £100k	
Children's Services - Children in Care (Looked After)						
- Fostering	33,373.5	-213.9	33,159.6	+890	-462 In House: Forecast -1,273 weeks below affordable level +168 In House: Forecast unit cost £3.05 above affordable level -227 In House: reduction in spend on 'other' costs such as personal expenses, specialist fees and client public transport following planned action to reduce costs +1,000 In House: unachievable savings	The overall pressure within Fostering will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+789 Independent Sector (IFA): Forecast 849 weeks above affordable level	
					-135 Independent Sector (IFA): Forecast unit cost -£15.34 below affordable level	
					-82 Independent Sector (IFA): Other minor variances	
					+124 Financial allowances for permanency arrangements: unachievable saving	
					-289 Reduction in Related Fostering payments and other financial allowances for permanency arrangements	
					+100 Provision for proposed increase in Financial Allowances for Child Arrangement Orders	
					-96 Other minor variances	
- Legal Charges	7,599.9	0.0	7,599.9	-432	+300 Unachievable saving	This saving will need to be reflected in the 2015-18 MTFP
					-732 Reduction in legal fees and court charges	
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-219	-332 Independent Sector residential care: Forecast -105 weeks below affordable level of 2,509 weeks, partially due to young people becoming care leavers (see care leavers below)	The overall saving within Residential Children's Services will be reflected in the 2015-18 MTFP
					-269 Independent Sector residential care: Forecast unit cost -£107.18 below affordable level of £3,266.04	
					+400 Independent Sector residential care: unachievable saving	
					+135 Independent residential care: reduction in income as a result of activity being 105 weeks below affordable level	
					-300 Reduction in secure accommodation placements	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					+128 Additional activity within residential short breaks unit	
					+116 Staffing pressure	
					-96 Additional contributions from health in lieu of Preston Skreens health respite unit, which has now closed. These contributions are to enable KCC to provide the respite care ourselves.	
					-1 Other minor variances	
- Virtual School Kent	4,348.7	-2,953.3	1,395.4	0		
	61,208.9	-6,029.9	55,179.0	+239		
Children's Services - Children in Need						
- Preventative Services	10,650.5	-1,327.6	9,322.9	-144	+240 Increase in direct payments	
					+26 Direct payments: unachievable saving	
					-235 Additional contributions from health for direct payments	
					+199 Pressure on Independent Sector day care budget for disabled children due to an increase in care packages and price increases from a number of providers	
					-138 Efficiencies on the recommissioning of a specialist service	
					-87 Additional income from health previously received by external provider	
					-113 Saving on section 17 payments due to reduced activity	
					-36 Other minor variances	
	10,650.5	-1,327.6	9,322.9	-144		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Children's Services - Other Social Services							
- Adoption	10,788.5	-1,319.1	9,469.4	+1,037	-330	Reduction in adoption payments due to fewer children. This is mainly due to a high proportion of adoption payments relating to older children, who are no longer eligible for payments once they become 18+.	The overall pressure within Adoption will need to be addressed in the 2015-18 MTFP
					+228	Increase in costs of commissioned management service	
					+679	Increase in the number of guardianship payments, partly due to a reduction in financial allowances for permanency arrangements reported within Fostering above, together with a general increase in the number of guardianship payments	
					+500	Provision for proposed increase in Financial Allowances for Adopters and Special Guardianship Orders	
					-40	Other minor variances	
- Asylum Seekers	11,883.3	-11,603.3	280.0	+1,666	-1,754	Underspend relating to under 18 Unaccompanied Asylum Seeking Children (UASC) due to costs less than grant receivable	In relation to the pressures on the over 18's UASC, we are reviewing levels of support to those aged over 21 who are continuing to be supported on the basis of their remaining in further or higher education.
					+474	Pressure relating to under 18 UASC due to ineligibility	
					+605	Pressure relating to over 18's due to ineligibility, of which £481k relates to All Rights Exhausted (ARE) clients	
					+2,341	Pressure relating to over 18's due to costs exceeding grant receivable (see activity section 2.6 below), of which £397k relates to ARE clients.	

ANNEX 2

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+)	5,303.4	0.0	5,303.4	+228	+510 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education. -265 Rebadging of existing eligible expenditure to 'Staying put' grant income from DfE -17 Other minor variances	The overall pressure within leaving care will need to be addressed in the 2015-18 MTFP
- Safeguarding	4,768.8	-249.8	4,519.0	-138	-101 Underspend on Kent Safeguarding Children Board (KSCB) base budget -37 Other minor variances	
	32,744.0	-13,172.2	19,571.8	+2,793		
Assessment Services						
- Children's social care staffing	40,573.7	-1,630.3	38,943.4	+3,156	+1,299 Pressure on staffing budgets due to appointment of agency staff +1,500 Unachievable saving +357 Recruitment & retention payments for children's social workers	This overall pressure will need to be addressed in the 2015-18 MTFP The full year effect of this pressure will need to be addressed in the 2015-18 MTFP
Total SCH&W (SCS)	150,070.6	-22,335.0	127,735.6	+5,961		
Assumed Mgmt Action				-1,200		The forecast position above is compiled in such a way that it only includes savings that have actually been achieved, and does not assume any to still be achieved. The £1,200k of management action, which affects a number of different service lines, represents the amount of savings the division is committed to achieving before the current financial year end. Once this management action is realised, the saving will transfer above the line against the relevant A to Z service line.

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
Total SCH&W (SCS) Forecast after mgmt action	150,070.6	-22,335.0	127,735.6	+4,761			
<u>Memorandum</u> <i>These costs are in addition to the position reported above</i>							
Special Operations				+699		<p>The costs of this special operation will be met from reserves if there is insufficient underspending within KCC overall at year end to offset them.</p> <p>+138 In house fostering: 395 weeks @ £349.87 per week</p> <p>+128 Staffing</p> <p>+40 IFA fostering: 39 weeks @ £1,024.19 per week</p> <p>+230 Residential: 66 weeks @ £3,490.91 per week</p> <p>+32 Interpreter costs</p> <p>+131 Legal costs</p>	

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

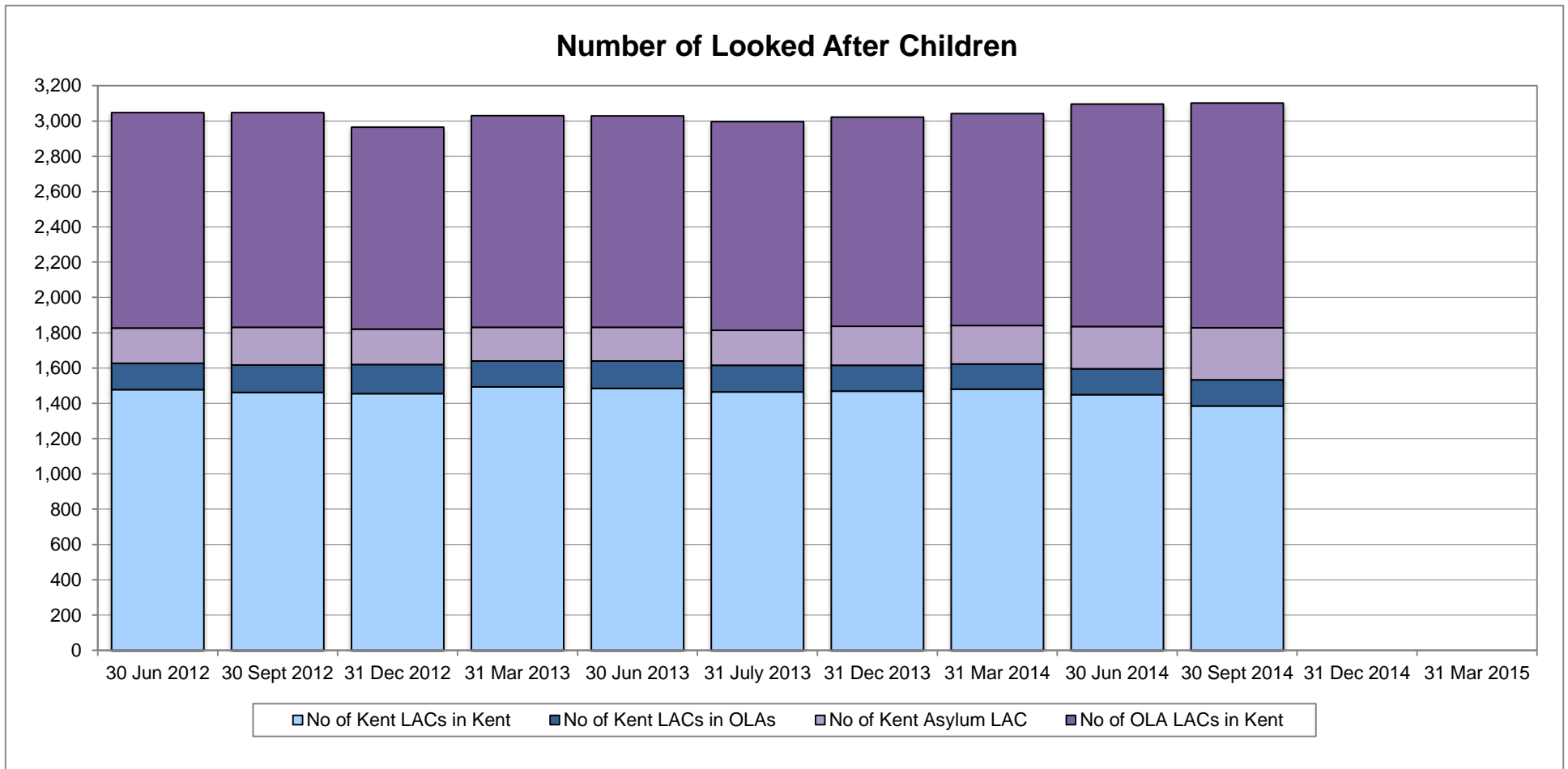
2.1 Number of Looked After Children (LAC) :

		No. of Kent LAC placed in Kent	No. of Kent LAC placed in OLAs	TOTAL NO. OF KENT LAC (excluding Asylum)	No of Kent Asylum LAC	TOTAL NUMBER OF LAC IN KENT	No. of OLA LAC placed in Kent	TOTAL NUMBER OF LAC IN KENT
2012-13	30-Jun	1,478	149	1,627	200	1,827	1,221	3,048
	30-Sep	1,463	155	1,618	214	1,832	1,216	3,048
	31-Dec	1,455	165	1,620	202	1,822	1,144	2,966
	31-Mar	1,494	147	1,641	190	1,831	1,200	3,031
2013-14	30-Jun	1,485	155	1,640	192	1,832	1,197	3,029
	30-Sep	1,465	152	1,617	198	1,815	1,182	2,997
	31-Dec	1,470	146	1,616	221	1,837	1,185	3,022
	31-Mar	1,481	143	1,624	218	1,842	1,200	3,042
2014-15	30-Jun	1,450	147	1,597	238	1,835	1,261	3,096
	30-Sep	1,385	148	1,533	296	1,829	1,273	3,102
	31-Dec							
	31-Mar							

Comments:

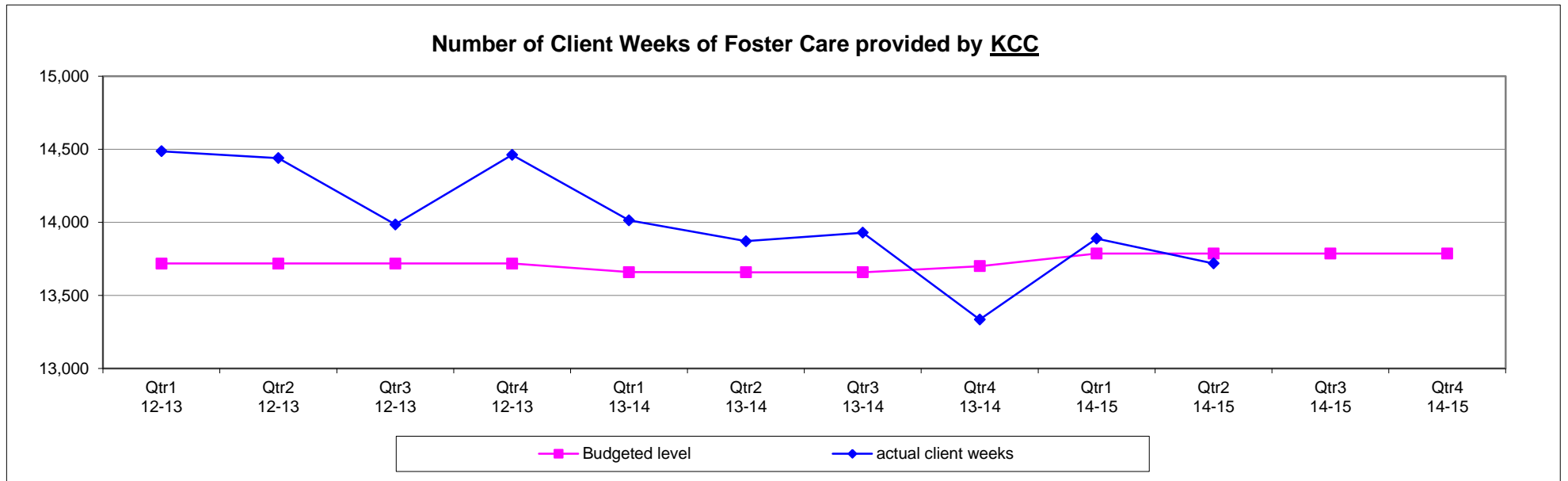
- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The figures represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore, although the number of Kent looked after children (excluding Asylum) has reduced by 64 since quarter 1, there could have been more (or less) during the period.
- Although there is a reduction in the number of LAC, there is still an overall pressure on the SCS budget. After taking into account management action and unachievable savings, this pressure primarily relates to non LAC headings such as staffing, leaving care and adoption.

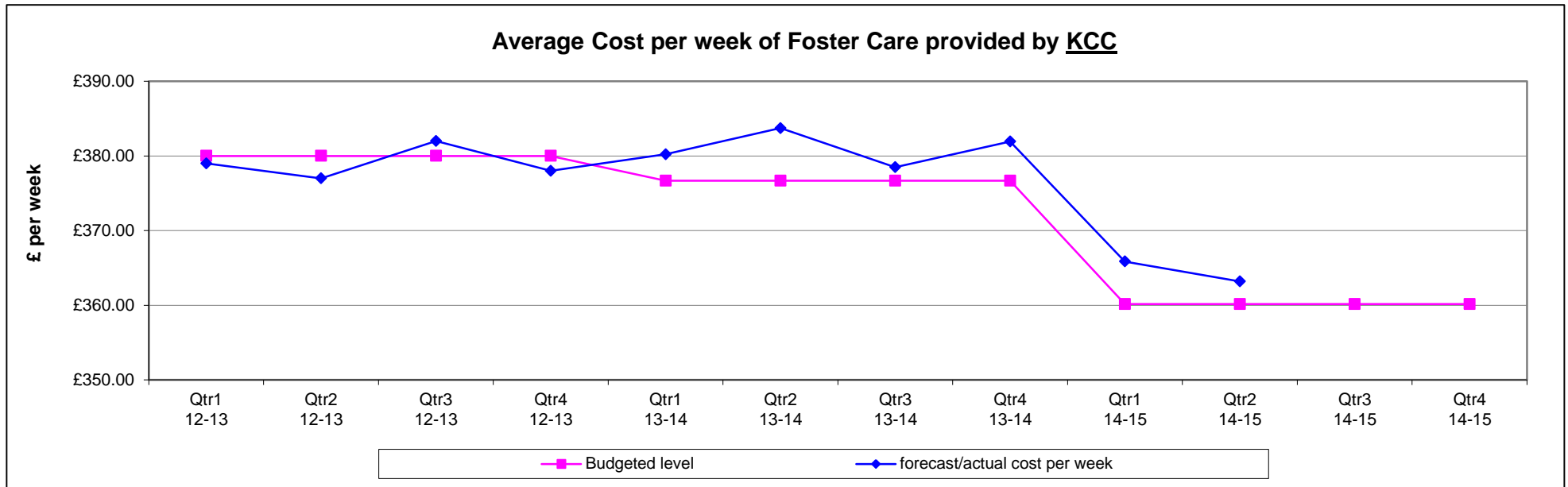
- The OLA LAC information has a confidence rating of 31% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.
- This information on number of Looked After Children is provided by the Management Information Unit within SCH&W directorate.
- **These numbers include Looked After Children as a result of special operations**



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

	2012-13				2013-14				2014-15			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	13,718	14,487	£380	£379	13,659	14,014	£376.67	£380.22	13,787	13,889	£360.14	£365.85
Jul to Sept	13,718	14,440	£380	£377	13,658	13,871	£376.67	£383.72	13,787	13,719	£360.14	£363.19
Oct to Dec	13,718	13,986	£380	£382	13,658	13,929	£376.67	£378.50	13,787		£360.14	
Jan to Mar	13,718	14,462	£380	£378	13,700	13,334	£376.67	£381.94	13,786		£360.14	
	54,872	57,375	£380	£378	54,675	55,148	£376.67	£381.94	55,147	27,608	£360.14	£363.19



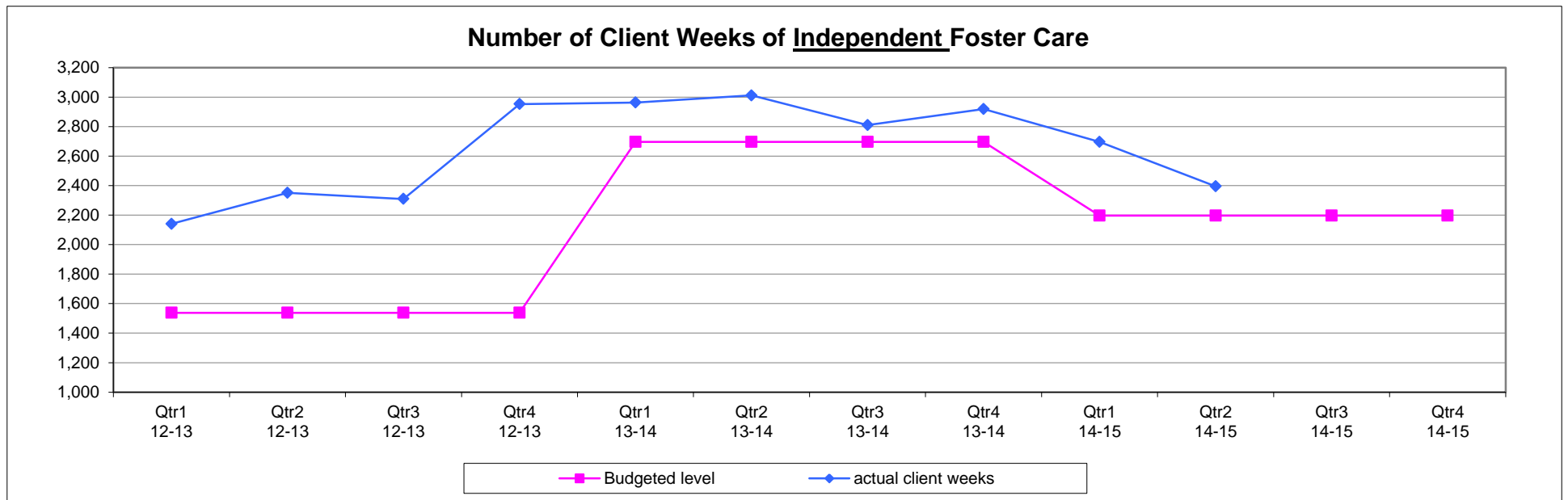


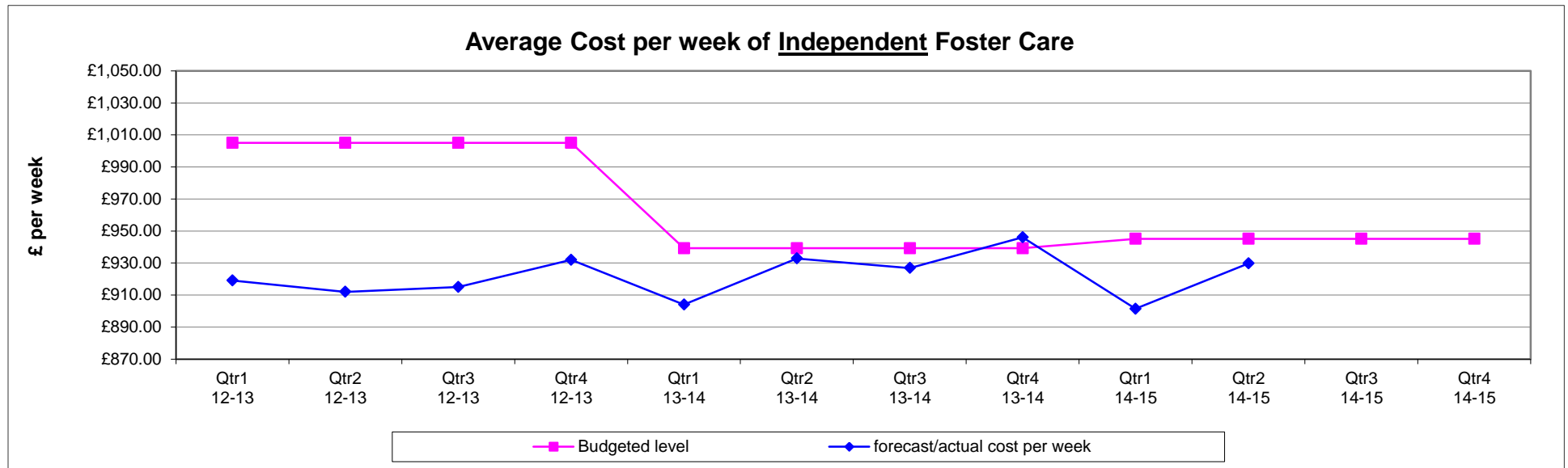
Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported to Cabinet on 15 September.
- The forecast number of weeks is 53,874 (excluding asylum), which is 1,273 weeks below the affordable level. At the forecast unit cost of £363.19 per week, this increase in activity gives an underspend of -£462k, as shown in table 1. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to either end or transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £363.19 is +£3.05 above the budgeted level and when multiplied by the budgeted number of weeks, gives a pressure of +£168k, as shown in table 1.
- Overall therefore, the combined gross underspend on this service is -£294k (-£462k + £168k).
- **Special Operations forecast activity of 395 weeks at £349.87 per week is excluded from this activity indicator**

2.3 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care (excluding Asylum):

	2012-13				2013-14				2014-15			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast /actual	Budget level	actual	Budget level	forecast
Apr to Jun	1,538	2,141	£1,005	£919	2,697	2,964	£939.19	£904.01	2,197	2,697	£945.07	£901.37
Jul to Sept	1,538	2,352	£1,005	£912	2,697	3,012	£939.19	£932.83	2,197	2,396	£945.07	£929.73
Oct to Dec	1,538	2,310	£1,005	£915	2,696	2,810	£939.19	£926.83	2,197		£945.07	
Jan to Mar	1,538	2,953	£1,005	£932	2,696	2,919	£939.19	£946.08	2,197		£945.07	
	6,152	9,756	£1,005	£932	10,786	11,705	£939.19	£946.08	8,788	5,093	£945.07	£929.73



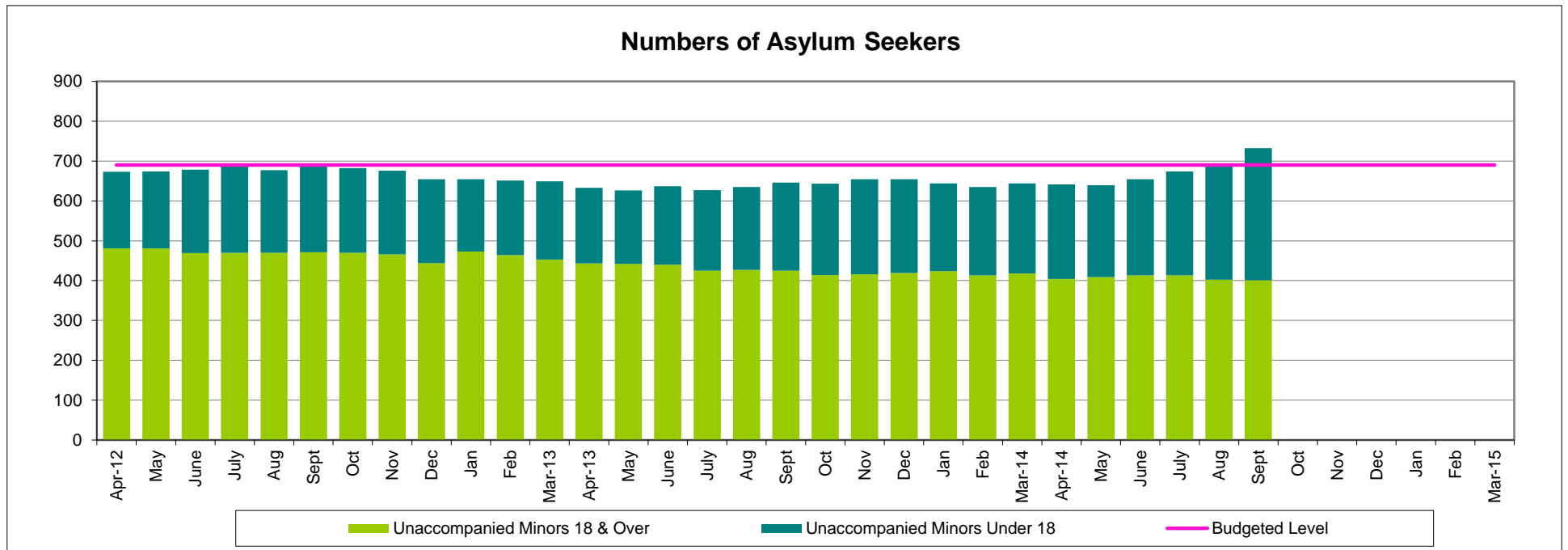


Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the affordable weekly cost.
- The 2014-15 budgeted level has changed from what was reported to Cabinet on 7 July in the 2013-14 outturn report, reflecting the realignment of budgets reported to Cabinet on 15 September.
- The forecast number of weeks is 9,637 (excluding asylum), which is 849 weeks above the affordable level. At the forecast unit cost of £929.73 per week, this increase in activity gives a pressure of £789k as shown in table 1. The year to date activity would suggest a higher level of activity for the year than currently forecast, this is because the service is expecting a number of placements to either end or transfer to the Leaving Care service before the end of the financial year.
- The forecast unit cost of £929.73 is £15.34 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of £135k as shown in table 1.
- Overall therefore, the combined gross pressure on this service is £654k (£789k - £135k).
- The forecast average unit cost of £929.73 includes some mother and baby placements, which are subject to court orders. These placements often cost in excess of £1,500 per week.
- **Special Operations forecast activity of 39 weeks at £1,024.19 per week is excluded from this activity indicator.**

2.4 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total	Under 18	18 & Over	Total
Apr	192	481	673	190	443	633	237	404	641
May	193	481	674	184	442	626	230	409	639
Jun	209	469	678	197	440	637	241	413	654
Jul	217	470	687	202	425	627	261	413	674
Aug	207	470	677	208	427	635	287	402	689
Sep	215	471	686	221	425	646	331	401	732
Oct	212	470	682	229	414	643			
Nov	210	466	676	238	416	654			
Dec	210	444	654	235	419	654			
Jan	181	473	654	220	424	644			
Feb	187	464	651	222	413	635			
Mar	196	453	649	226	418	644			



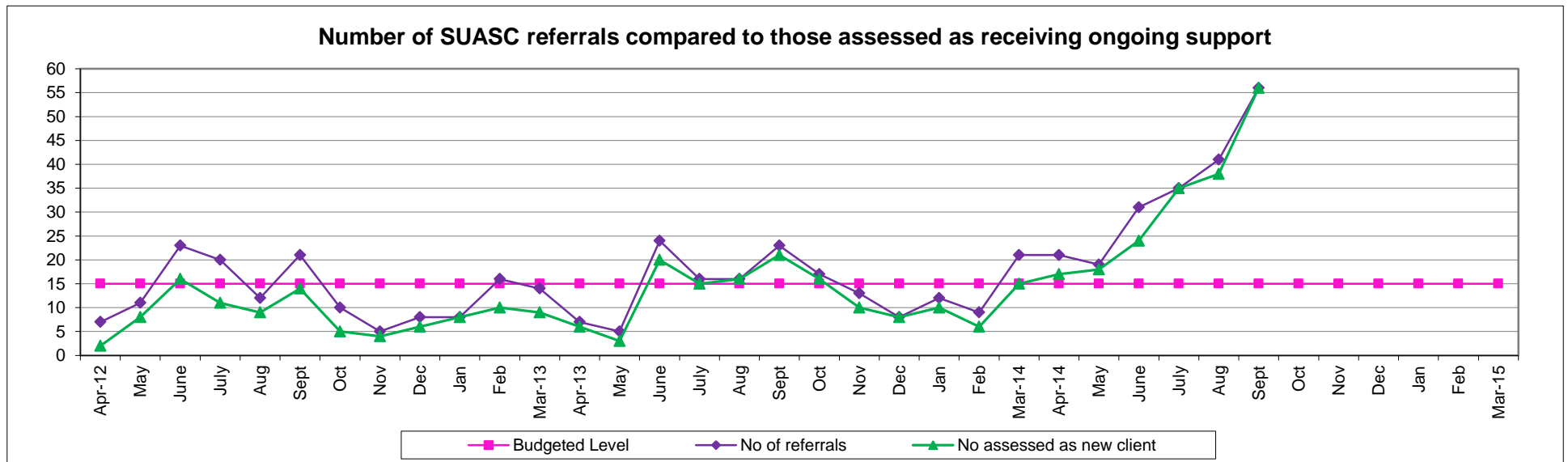
Comments:

- The overall number of children is increasing, with numbers at the highest level they have been since August 2011. The current number of clients supported is now above the budgeted level of 690.
- The budgeted number of referrals for 2014-15 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of 18 & overs who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of 18 & overs is decreasing slightly and, in addition, the age profile of the under 18 children is increasing.
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim, but once their assessment has been completed, or when successfully appealed, their category may change.
- Referrals are increasing, (see section 2.5 below), and as a result the number of UASC is increasing. Currently this increase is within the under 18 category for whom we are fully funded, however as these children grow up, this is likely to lead to an increase in asylum seekers aged 18 and over for whom, under the current grant rules, we are underfunded. This could potentially lead to a funding problem in the future, unless the grant rules change.
- The number of Asylum LAC shown in table 2.1 above is different to the number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

2.5 Number of Unaccompanied Asylum Seeking Children (UASC):

	2012-13			2013-14			2014-15		
	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%	No of referrals	No. assessed as new client	%
Apr	7	2	29%	7	6	86%	21	17	81%
May	11	8	73%	5	3	60%	19	18	95%
Jun	23	16	70%	24	20	83%	31	24	77%
Jul	20	11	55%	16	15	94%	35	35	100%
Aug	12	9	75%	16	16	100%	41	38	93%
Sep	21	14	67%	23	21	91%	56	56	100%
Oct	10	5	50%	17	16	94%			
Nov	5	4	80%	13	10	77%			
Dec	8	6	75%	8	8	100%			
Jan	8	8	100%	12	10	83%			
Feb	16	10	63%	9	6	67%			
Mar	14	9	64%	21	15	71%			
	155	102	66%	171	146	85%	203	188	93%

Please note that recent UASC Referrals are assumed to be new clients until an assessment has been completed, which can take up to 6 weeks. Therefore the number of UASC assessed as new clients shown in the table above may change once the assessment has taken place.

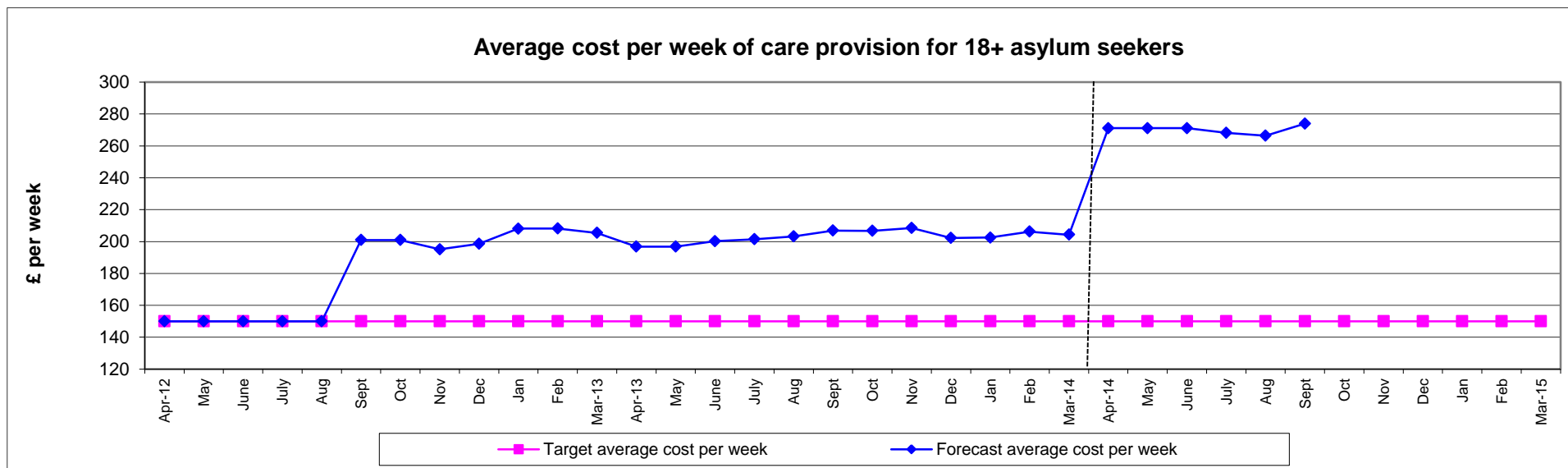


Comments:

- The average number of referrals per month is 34, which is above the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average proportion assessed as new clients in 2014-15 is currently 93%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is 31 i.e. a 244% increase.
- Where a young person has been referred but not assessed as a new client this would be due to them being re-united with their family, assessed as 18+ and returned to UKBA or because they have gone missing before an assessment has been completed.
- The information on numbers of Unaccompanied Asylum Seeking Children is provided by the Management Information unit within SCH&W directorate.
- Please note that due to the time taken to validate referrals on the database the number of new clients and number of referrals for any given month may change, therefore the activity data is refreshed in each report to provide the most up to date information.

	2012-13		2013-14		2014-15	
	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p	Target average weekly cost £	Forecast average weekly cost £p
Apr	150	150.00	150	196.78	150	271.10
May	150	150.00	150	196.78	150	271.10
Jun	150	150.00	150	200.18	150	271.10
Jul	150	150.00	150	201.40	150	268.15
Aug	150	150.00	150	203.29	150	266.33
Sep	150	200.97	150	206.92	150	273.87
Oct	150	200.97	150	206.74	150	
Nov	150	195.11	150	208.51	150	
Dec	150	198.61	150	202.25	150	
Jan	150	208.09	150	202.49	150	
Feb	150	208.16	150	206.24	150	
Mar	150	205.41	150	204.27	150	

The current forecast average weekly cost for 2014-15 is £273.87, £123.87 above the £150 claimable under the grant rules. This adds £2,341k to the forecast outturn position. The weekly cost has increased significantly since 2013-14. Previously the average weekly cost was based on direct client costs only, as the gateway grant was used for staff and infrastructure costs. We no longer receive a Gateway Grant, so all staff and infrastructure costs have been allocated to age groups. Therefore the increased weekly cost for 2014-15 includes ALL costs associated with 18+. A dotted line has therefore been added to the graph to show that the unit costs pre and post April 2014 are not directly comparable.



Comments:

- The local authority has agreed that the funding levels for the Unaccompanied Asylum Seeking Children's Service 18+ grant agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet its' statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their Essential Living Allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high and a number of issues remain:
 - For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs.
 - We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January 2011, teams are exercising a greater caution when making new placements into existing properties. This is currently being addressed by the Accommodation Team.
- As part of our strive to achieve a net unit cost of £150 or below, we will be insisting on take-up of state benefits for those entitled.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Children's Services has a working budget for 2014-15 of £2,028k. The forecast outturn against the 2014-15 budget is £2,028k giving a variance of +£0k.

3.2 Table 1 below details the Children's Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Individual Projects									
Transforming Short Breaks	0	431	0	0			Green		
ConTROCC	0	759	0	0			Green		
Early Help Module (EHM)	0	838	0	0			Green		
Total	0	2,028	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

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
ADULTS SERVICES
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+345,868	-284	-2,046	-2,330

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	
Social Care, Health & Wellbeing - Adult Social Care						
Strategic Management & Directorate Support budgets	6,950.5	-373.5	6,577.0	+88	+192 Legal Charges for two exceptional cases and a greater frequency of Adult Safeguarding and Court of Protection cases +122 Costs of support staff for Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held. -115 Operational Support vacancy management and ongoing reviews of staffing structure -90 Reduced demand for a number of support services (Occupational Health, No Recourse to Public Funds and Health & Safety) -21 Other minor variances	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,050.1	-526.3	3,523.8	+110	+101	Overspend on the Strategic Commissioning staffing budget from current structure	
					+155	Additional costs of Dementia project and Market Development	
					-122	Vacancies in the Performance & Information Management Team being held plus associated other staffing related costs	
					+2,484	Newton Europe have been appointed to undertake Adults Social Care Transformation Phase 2 Design works in line with Cabinet Member decision 14/00120	
					-2,484	Drawdown from reserves to fund Transformation partner payments for Phase 2 design work above	
					-24	Other minor variances	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	16,927.6	-30.0	16,897.6	-203	+552	Forecast +2,021 weeks above affordable level of 61,245 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-216	Forecast average unit cost -£3.53 below affordable level of £276.39	
					+442	One-off direct payments	
					-932	Recovery of unspent funds from clients	
					-49	Other minor variances	
- Mental Health	1,208.3	0.0	1,208.3	-238	-422	Forecast -5,001 weeks below affordable level of 15,479 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+96	Forecast average unit cost +£6.22 above affordable level of £78.06	
					+119	One-off direct payments	
					-31	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Older People	6,767.3	0.0	6,767.3	+4,563	+4,980 Forecast +28,366 weeks above affordable level of 37,421 weeks. The majority of this variance is due to clients who previously received Domiciliary care transferring to Direct Payments during the Domiciliary contract re-let as they wished to remain with their existing service provider, as described in Section 2.1 below. -189 Forecast average unit cost -£5.05 below affordable level of £180.62 +376 One-off direct payments -666 Recovery of unspent funds from clients +62 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability	10,238.4	0.0	10,238.4	+1,711	+1,536 Forecast +7,963 weeks above affordable level of 53,511 weeks +104 Forecast average unit cost +£1.95 above affordable level of £190.96 +679 One-off direct payments -682 Recovery of unspent funds from clients +74 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Direct Payments	35,141.6	-30.0	35,111.6	+5,833		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-227	-212 Forecast -15,803 hours below affordable level of 72,190 hours -15 Forecast average unit cost -£0.21 below affordable level of £13.61	These savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	30,483.2	-2,252.3	28,230.9	+1,212	+891 Forecast +62,196 hours above affordable level of 1,582,330 hours +538 Forecast average unit cost +£0.34 above affordable level of £13.99	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-116 Lower usage of Kent Enablement at Home Service (KEAH) than anticipated for Older People clients, but this is more than offset by higher usage than anticipated for Physical Disability clients	
					-142 Reduced commissioning of block contract domiciliary services (these were predominately retainers for night-sitting services) for Older People clients due to reduced demand	
					+41 Other minor variances	
- Physical Disability	4,158.1	0.0	4,158.1	+998	+961 Forecast +73,322 hours above affordable level of 263,527 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-127 Forecast average unit cost -£0.48 below affordable level of £13.58	
					+244 Higher usage of KEAH than anticipated for Physical Disability clients, which is partly offset by lower usage than anticipated for Older People clients (see above)	
					-80 Other minor variances	
Total Domiciliary Care	35,728.3	-2,252.3	33,476.0	+1,983		
- Non Residential Charging						
- Learning Disability	0.0	-2,900.2	-2,900.2	-210	-210 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 2015-18 MTFP along with demographic pressures & savings

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	0.0	-8,999.4	-8,999.4	-300	-300	The forecast over-recovery of client contributions towards non-residential care services is linked to the current pressure being forecast on other older people 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 2015-18 MTFP along with demographic pressures & savings
- Physical Disability / Mental Health	0.0	-1,314.9	-1,314.9	-92			
Total Non Residential Charging Income	0.0	-13,214.5	-13,214.5	-602			
- Nursing & Residential Care							
- Learning Disability	77,267.8	-6,294.2	70,973.6	-77	-2,030	Forecast -1,735 weeks below affordable level of 67,697 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+155	Leading to a shortfall in client contributions	
					+1,805	Forecast average unit cost +£26.66 above affordable level of £1,143.16	
					-81	Independent Sector: forecast average unit client contribution -£1.20 above affordable level of -£88.12	
					+74	Other minor variances	
- Mental Health	7,726.7	-993.0	6,733.7	+596	+624	Forecast +1,048 weeks above affordable level of 12,860 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-42	Leading to an increase in client contributions	
					-62	Forecast average unit cost -£4.82 below affordable level of £600.27	
					+43	Independent Sector: forecast average unit client contribution +£3.36 below affordable level of -£43.52	
					+33	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People - Nursing	47,851.4	-24,784.6	23,066.8	-2,013	-2,113 +869 -325 -494 +50	Forecast -4,334 weeks below affordable level of 78,686 weeks Leading to a shortfall in client contributions Forecast average unit cost -£4.13 below affordable level of £491.75 Independent Sector: forecast average unit client contribution -£6.28 above affordable level of -£194.20 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People - Residential	80,206.7	-33,009.1	47,197.6	-2,545	-2,377 +1,115 +573 -1,696 +128 -149 -87 -52	Forecast -5,756 weeks below affordable level of 147,739 weeks Leading to a shortfall in client contributions Forecast average unit cost +£3.88 above affordable level of £409.12 Independent Sector: forecast average unit client contribution -£11.48 above affordable level of -£182.29 Costs of running the dementia ward at Kiln Court in-house unit. However, this is offset by underspends in other in-house units (see below). Lower than anticipated utility, security and equipment costs for in-house units Other minor variances for in-house units Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Physical Disability	11,344.4	-1,558.1	9,786.3	+1,725	+2,363 Forecast +2,835 weeks above affordable level of 13,003 weeks -303 Leading to an increase in client contributions -505 Forecast average unit cost -£38.83 below affordable level of £872.44 +136 Independent Sector: forecast average unit client contribution +£10.44 below affordable level of -£117.23 +34 Other minor variances	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Nursing & Residential Care	224,397.0	-66,639.0	157,758.0	-2,314		
- Supported Accommodation						
- Learning Disability	36,397.3	-1,849.6	34,547.7	+1,323	+819 Forecast +97,807 hours above affordable level of 3,996,038 hours +1,479 Forecast average unit cost +£0.37 above affordable level of £8.00 -674 Net unrealised creditors and recovery of costs from other Local Authorities for Ordinary Residence clients relating to 2013-14 -239 In-house services and staffing levels have been reconfigured to reflect reductions in demand -62 Other minor variances	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	4,575.4	-4,350.0	225.4	+176	+231 Forecast +30,195 hours above affordable level of 16,054 hours. The large increase in forecast hours compared to the affordable level is in part linked to an increase in Adult Placements recorded within the Older People client category rather than in the under 65 physical disability category, but also due to other changes to bring reporting into line with current guidance.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-103 Forecast average unit cost -£6.40 below affordable level of £14.04	
					+48 Other minor variances	
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+519	+77 Mental Health Forecast +6,351 hours above affordable level of 170,188 hours	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+252 Mental Health Forecast average unit cost +£1.48 above affordable level of £10.62	
					+731 Physical Disability Forecast +115,216 hours above affordable level of 232,101 hours	
					-230 Physical Disability Forecast average unit cost -£0.99 below affordable level of £7.33	
					-210 Anticipated reduction to forecast as a result of mental health activity data validation exercise currently being undertaken	
					-101 Other minor variances each under £100k	
Total Supported Accommodation	44,700.6	-6,469.0	38,231.6	+2,018		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-214	-155 Various contracts have been reviewed, with the services previously provided by these contracts now provided via Supporting Independence Service (SIS), (reported within Supported Accommodation above), or Direct Payments, with a corresponding overall reduction in cost. Plans continue to develop in this area.	
					-59 Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Day Care							
- Learning Disability	13,214.5	-127.7	13,086.8	+387	+236	Greater demand for in-house services due to increasing complexity of clients needs. In addition, there are increased costs relating to travel time and expenses of covering staff absence, emergency situations and unplanned changes now that staff resources are allocated over wider geographical areas.	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+151	Current demand for services provided by the independent sector	
- Mental Health	1,566.8	-30.2	1,536.6	-50			
- Older People	2,242.4	-45.0	2,197.4	-450	-430	Current demand for services provided by the independent sector	These savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-20	Other minor variances	
- Physical Disability	937.5	0.0	937.5	-33			
Total Day Care	17,961.2	-202.9	17,758.3	-146			
- Other Adult Services	12,425.7	-21,176.2	-8,750.5	-2,218	-2,108	The budget assumes large increases in usage of Telecare as part of the Transformation Programme, although to date demand for Telecare and the forecast average unit cost have been lower than anticipated.	
					-915	Capitalisation of Telecare programme of installations (where elements meet the criteria for capital spend). This is partly offset by the variance on drawdown from reserves below	
					-150	Capitalisation of Occupational Therapy equipment programme of installations (where elements meet the criteria for capital spend).	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +453 Drawdown from reserves for 2014-15 lower than initially anticipated. This is offset by a higher than previously anticipated capitalisation of Telecare programme of installations. +507 Greater demand for Integrated Community Equipment Store (ICES) than anticipated -382 Forecast reduction in the level of bad debt provision required for social care debts +376 Costs of staff who install Assistive and Adaptive Technology (A&AT). An offsetting underspend is reflected in the Adult Social Care Staffing line below, where the entire staffing budget for A&AT is currently held. +130 Higher than budgeted unit cost for hot meals provided to older people -129 Other minor variances each under £100k	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology
- Safeguarding	1,160.5	-282.1	878.4	+96	+205 Safeguarding spend on Deprivation of Liberty Safeguards (DOLS) is greater than anticipated due to higher costs from an interim structure, including agency costs for assessments and admin support -109 Other minor variances each under £100k	This pressure is expected to be ongoing & will need to be addressed in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Social Support						
- Carers	13,173.9	-4,318.2	8,855.7	-657	-521 Lower than anticipated spend on supporting carers via external provision (including services provided by voluntary organisations) +388 Leading to lower than anticipated client income -448 In-house closure of Doubleday Lodge unit as part of the Older People Modernisation Programme -76 Other minor variances each under £100k	The spend and income budgets require realignment and this will need to be addressed in the 2015-18 MTFP
- Information & Early Intervention	4,780.6	-726.8	4,053.8	+352	+330 Expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community +22 Other minor variances	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Social Isolation	4,461.4	-2,060.3	2,401.1	+139	+133 Payments to voluntary organisations as a result of higher demand for this service +6 Other minor variances	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Social Support	22,415.9	-7,105.3	15,310.6	-166		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Support & Assistance Service (Social Fund)	5,140.2	-3,418.0	1,722.2	-2,682	-2,683	The budgeted level includes the roll-forward of funds from 2013-14 of £1,722k. The forecast underspend reflects the estimated full year impact of lower than anticipated demand and lower average unit cost than anticipated. The government funding for this service is expected to cease this year, with no funding identified for 2015-16; one option would be to roll forward this underspend in order to provide this service for another year, whilst alternative longer term solutions are considered. However, this is dependent on the Authority as a whole achieving an underspending position of at least this magnitude to be able to fund the roll forward and will be subject to consideration of all competing roll forward priorities. However, recent high court action prompted by Islington Council has won a possible reprieve for this funding with the government due to reconsider its decision, with the outcome expected in time for the provisional local government finance settlement in December.
					+1	Other minor variances
Total Other Services for Adults & Older People	63,019.6	-33,035.5	29,984.1	-5,330		
Housing Related Support for Vulnerable People (Supporting People)						
- Administration	440.0	0.0	440.0	0		
- Adults - Learning Difficulties	3,386.4	0.0	3,386.4	-34		
- Adults - Physical Difficulties	138.5	0.0	138.5	0		
- Adults - Mental Health	2,904.3	0.0	2,904.3	+12		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Older People	4,199.3	0.0	4,199.3	-307	-307	Contract variations and efficiencies leading to lower overall cost without a reduction in service	
- Other Adults	7,508.6	0.0	7,508.6	-87			
Total Housing Related Support for Vulnerable People	18,577.1	0.0	18,577.1	-416			
<u>Public Health</u>							
- Drug & Alcohol Services	19,166.4	-17,803.5	1,362.9	+18		Variances primarily due to staffing vacancies and lower associated costs, with cover provided within the team: -2 - Public health funded element (see transfer to reserves below) 0 - KCC funded element, for which roll forward will be required to fund our obligation to the pooled budget arrangement +20 Other minor variances	
- <i>Tfr to(+)/from(-) Public Health reserve</i>				+2	+2	<i>Transfer to Public Health reserve of underspending against public health grant</i>	
- Drug & Alcohol Services base funded variance				+20			
<u>Assessment Services</u>							
- Adult Social Care Staffing	37,921.4	-3,441.1	34,480.3	-1,674	-376	Costs of staff who install Assistive and Adaptive Technology (A&AT) are reflected in Other Adult Services (above). Only the costs of assessment staff should be reported here. -122 Costs of support staff for A&AT are reflected within Directorate Management and Support (above). Only the costs of assessment staff should be reported here.	Adults Social Care Staffing, Directorate Management and Support and Other Adult Services budgets will need to be realigned in the 2015-18 MTFP to reflect the split between assessment staff, support staff and installation staff for Assistive and Adaptive Technology

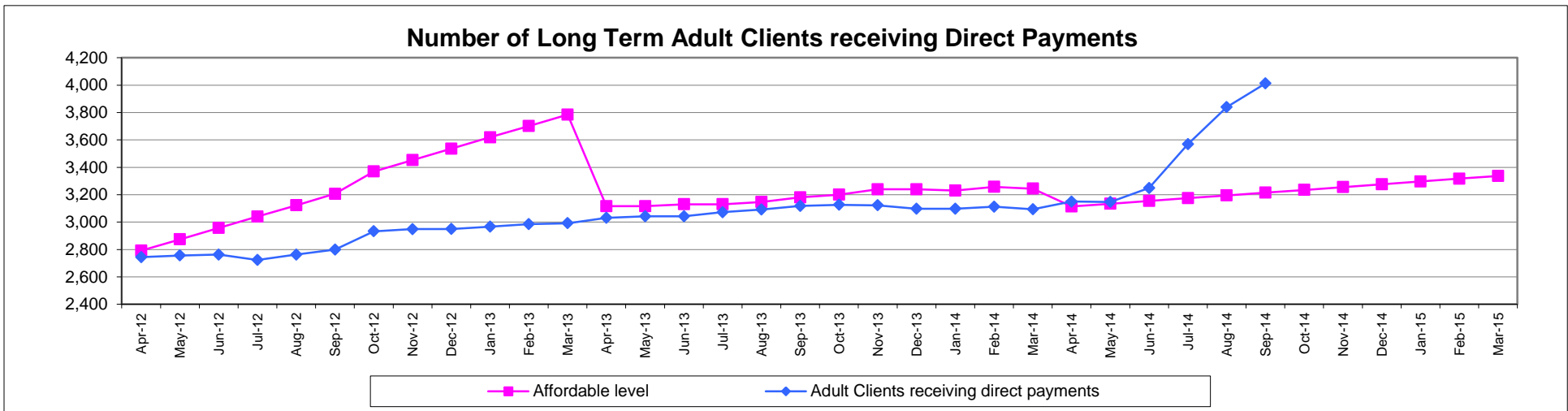
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-914	As part of the Transformation Programme, older people and physical disability assessment teams are being restructured. This restructuring has progressed more quickly than anticipated, providing greater savings.
					-212	Delays in the recruitment to 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.
					-110	Underspend of the Care Implementation grant on this line as work is mainly being undertaken by existing staff within other budget lines, with some further plans still to be developed
					+60	Other minor variances
Total SCH&W (Adults)	489,652.6	-143,784.7	345,867.9	-284		
Assumed Mgmt Action				-2,046		Indications are that the performance against the transformation savings is showing an improved position compared to that reported in June when this Management Action was agreed. This coupled with recruitment to the new staffing establishment and more extensive application of the transformation agenda means that the OPPD forecast position is likely to improve during quarter 3, and the Directorate is confident that £1,338k of management action will be achieved.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000	In relation to LDMH services, management action of up to £708k will continue to be targeted at overspending teams and services in order to reduce the revenue position. All services will be subject to some review and residential and community based activity will be amended as appropriate. Provision of Direct Payments, Supported Living and Shared Lives care packages will be reduced where possible. Negotiation and agreement with other local authorities for their funding of Ordinary Residence clients is expected to result in further revenue reductions within Kent. Additional emerging pressures will also be managed.
Total SCH&W (Adults) Forecast <u>after</u> mgmt action	489,652.6	-143,784.7	345,867.9	-2,330		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	2012-13			2013-14			2014-15		
	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month	Affordable level for long term clients	Snapshot of long term adults rec'ing direct payments	Number of one-off payments made during the month
Apr	2,791	2,744	169	3,116	3,032	164	3,114	3,150	211
May	2,874	2,756	147	3,116	3,043	169	3,134	3,147	157
Jun	2,957	2,763	133	3,130	3,042	120	3,155	3,249	176
Jul	3,040	2,724	156	3,130	3,072	173	3,175	3,569	203
Aug	3,123	2,763	167	3,147	3,092	158	3,195	3,840	172
Sep	3,207	2,799	147	3,181	3,118	134	3,215	4,012	118
Oct	3,370	2,933	185	3,201	3,127	179	3,235		
Nov	3,453	2,949	119	3,240	3,123	144	3,256		
Dec	3,536	2,950	109	3,240	3,098	159	3,276		
Jan	3,619	2,967	117	3,231	3,097	176	3,297		
Feb	3,702	2,986	127	3,257	3,112	135	3,317		
Mar	3,785	2,992	105	3,244	3,093	121	3,337		
			1,681			1,832			1,037

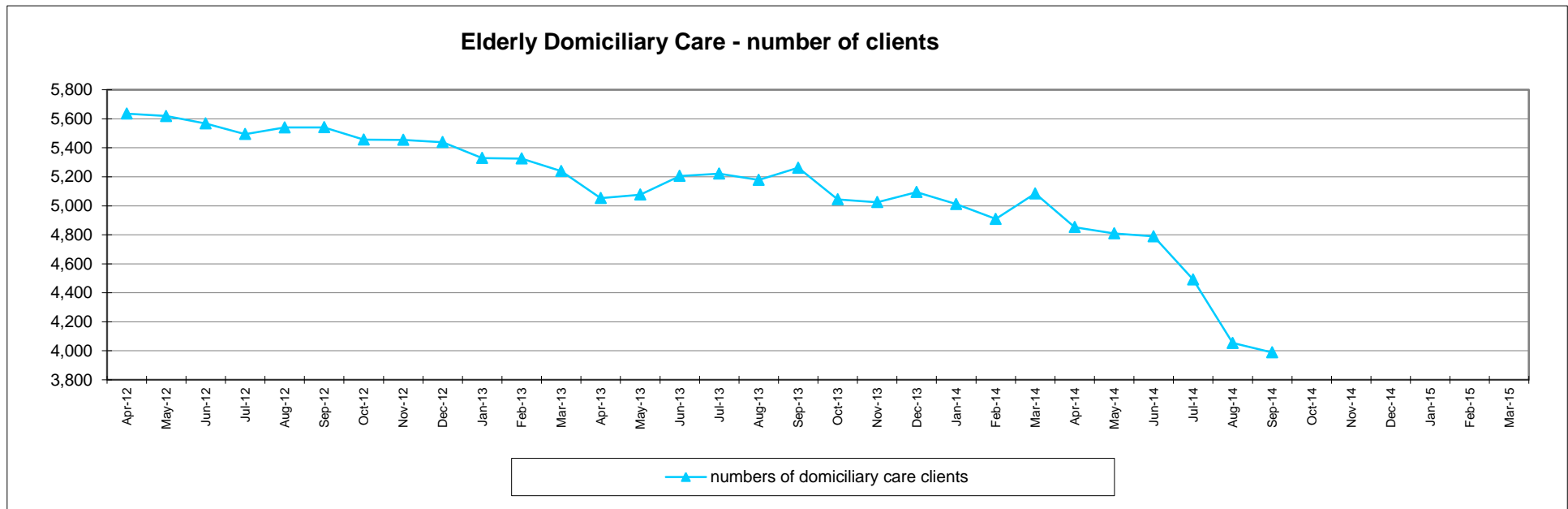


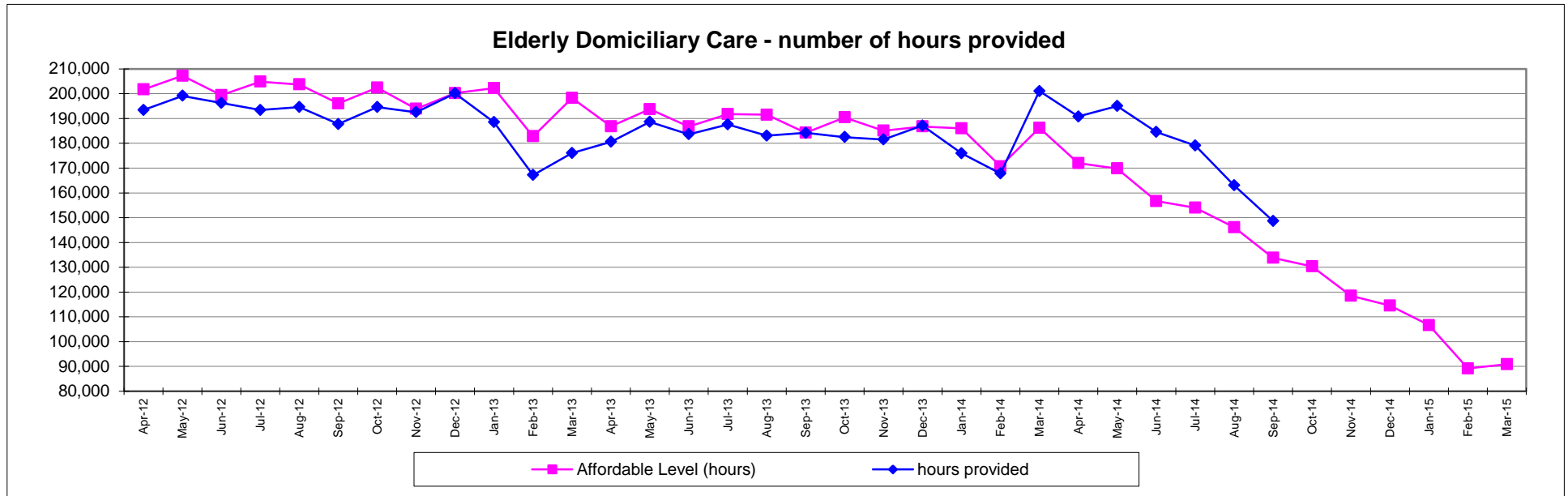
Comments:

- The presentation of activity being reported for direct payments changed in the 2012-13 Q2 report in order to separately identify long term clients in receipt of direct payments as at the end of the month plus the number of one-off payments made during the month. Please note a long term client in receipt of a regular direct payment may also receive a one-off payment if required. Only the long term clients are presented on the graph above.
- Please note that due to the time taken to record changes in direct payments onto the client database the number of clients and one-off direct payments for any given month may change, therefore the current year to date activity data is refreshed in each report to provide the most up to date information.
- The increase in client numbers between June and September is predominately due to clients who previously received domiciliary care transferring to direct payments during the domiciliary contract re-let because they wanted to remain with their existing service provider (these direct payments are made at the new lower domiciliary care re-let rate). This process is ongoing, so it is expected that further clients will transfer from domiciliary care to direct payments.
- A pressure is forecast against the direct payments budget as a result of the significant increase in client numbers receiving long term direct payments and higher than budgeted unit costs. This position is being partially offset by recoveries of unspent funds from clients. The overall effect of these factors across individual client groups is reflected in table 1, which shows a forecast pressure of £5,833k against the overall direct payments budget.

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

	2012-13			2013-14			2014-15		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr	201,708	193,451	5,635	186,809	180,585	5,053	171,979	190,804	4,853
May	207,244	199,149	5,619	193,717	188,656	5,077	169,813	195,051	4,810
Jun	199,445	196,263	5,567	186,778	183,621	5,206	156,692	184,572	4,789
Jul	204,905	193,446	5,494	191,791	187,621	5,221	154,016	179,105	4,492
Aug	203,736	194,628	5,540	191,521	183,077	5,178	146,118	163,006	4,054
Sep	196,050	187,749	5,541	184,242	184,208	5,262	133,761	148,649	3,989
Oct	202,490	194,640	5,456	190,446	182,503	5,044	130,322		
Nov	193,910	192,555	5,455	185,082	181,521	5,025	118,474		
Dec	200,249	200,178	5,439	186,796	187,143	5,094	114,525		
Jan	202,258	188,501	5,329	186,006	175,916	5,011	106,627		
Feb	182,820	167,163	5,326	170,695	167,774	4,909	89,174		
Mar	198,277	176,091	5,239	186,184	201,069	5,085	90,829		
	2,393,092	2,283,814		2,240,067	2,203,694		1,582,330	1,061,187	





Comments:

- Figures exclude services commissioned from the Kent Enablement At Home Service.
- Client numbers have reduced significantly between May and September. This reduction is offset by an increase in clients receiving Direct Payments (see section 2.1 above). This is predominately because following the domiciliary care contract re-let, some clients wanted to remain with their existing service providers, so have chosen to take a Direct Payment instead. The domiciliary care contract re-let process is ongoing, so it is expected that further clients will transfer from domiciliary care to direct payments and therefore domiciliary care client numbers will reduce further over the coming few months as a result of the re-let process, as well as from the impact of the transformation savings.
- Client numbers are based on end of month snapshots, and therefore if a client stopped receiving this service on the 25th September, this would show as a reduction in the client numbers for September (taken at month end) but the number of hours provided would still include the clients care package from 1st to 25th September. The full impact of the reduction in client numbers will therefore not be seen in the number of hours provided until the month after the client leaves the service. Therefore, due to the reduction in client numbers in September, it is expected that the number of hours provided will drop further in October. In addition, the large scale of the changes due to the domiciliary contract re-let has resulted in slight delays in the recording of cancellation of domiciliary packages on the activity system, meaning the year to date activity is currently overstated and these reductions will impact in future months.
- The current forecast is 1,644,526 hours of care against an affordable level of 1,582,330, a difference of +62,196 hours. Using the forecast unit cost of £14.33, this additional activity increases the forecast by +£891k, as shown in Table 1.

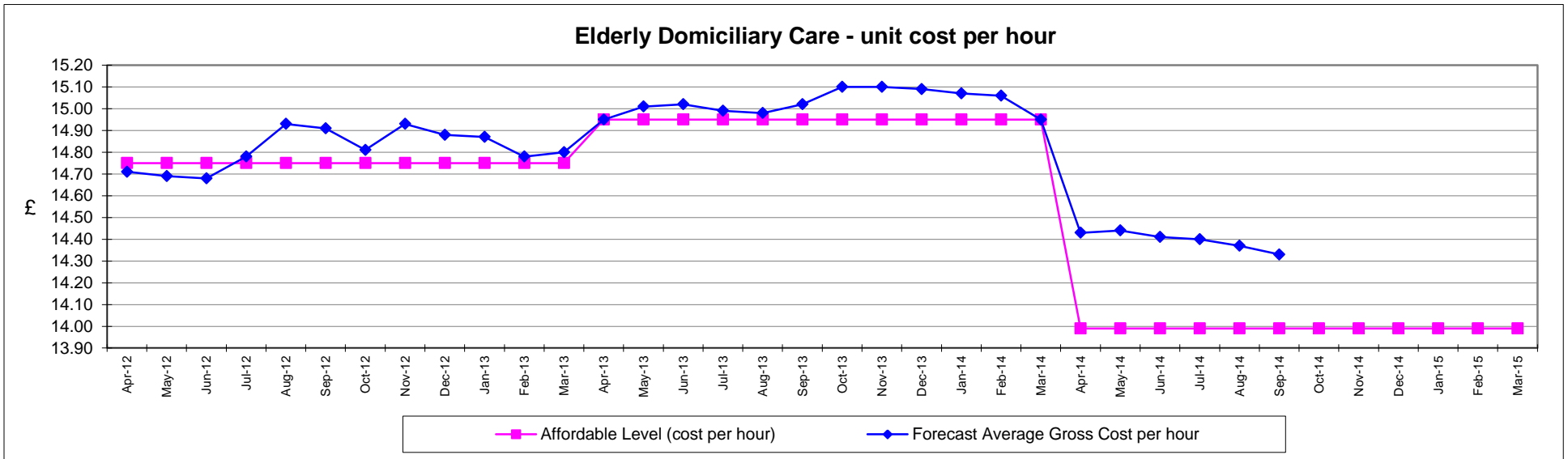
- To the end of September 1,061,187 hours of care have been delivered against an affordable level of 932,379, a difference of +128,808 hours. The budgeted level assumes a continual reduction in client numbers in line with transformation plans and previous years' trends. Current year to date activity suggests that the forecast should be higher on this service when compared to the budgeted profile, but as explained above, the year to date activity is overstated due to delays in recording cancellations of domiciliary packages on the activity system following the contract re-let process. In addition, this position is reliant on a variety of savings streams within the Transformation Programme, each of which could exhibit fluctuations from the assumptions made within the profile of the affordable level. An example of this is that the transfer of domiciliary clients to a new contract is taking longer than initially planned.
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2010-2011 average hours per client per week was 7.8, whereas the average figure for 2012-13 was 8.0 and 8.3 for 2013-14. For 2014-15, the current actual average hours per client per week is 9.0. However, we should now start to see the average hours per client per week slowly decline as certain transformation savings are expected to reduce the package per client per week. For example, greater use of enablement services and installation of telecare should both reduce requirements for hours per client.
- The transformational changes which are affecting the domiciliary expenditure are creating some uncertainty with the forecast. Extensive work is ongoing to understand the impact of these changes on the expenditure incurred to date and it is anticipated that the outcome will be available for the next report. Whilst we await the outcome of this work, all other areas of expenditure within OPPD are being considered for efficiencies and re-phasing, should they be required to mitigate the risk of an increase to the forecast in future months.

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

	2012-13		2013-14		2014-15	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr	14.75	14.71	14.95	14.95	13.99	14.43
May	14.75	14.69	14.95	15.01	13.99	14.44
Jun	14.75	14.68	14.95	15.02	13.99	14.41
Jul	14.75	14.78	14.95	14.99	13.99	14.40
Aug	14.75	14.93	14.95	14.98	13.99	14.37
Sep	14.75	14.91	14.95	15.02	13.99	14.33
Oct	14.75	14.81	14.95	15.10	13.99	
Nov	14.75	14.93	14.95	15.10	13.99	
Dec	14.75	14.88	14.95	15.09	13.99	
Jan	14.75	14.87	14.95	15.07	13.99	
Feb	14.75	14.78	14.95	15.06	13.99	
Mar	14.75	14.80	14.95	14.95	13.99	

Comments:

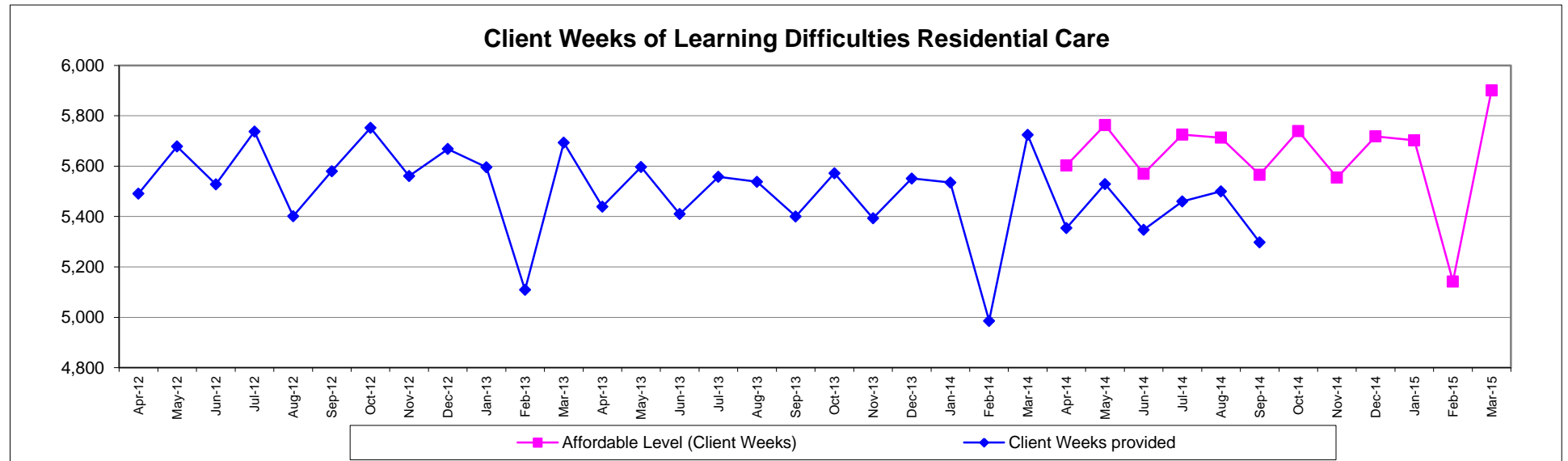
- The unit cost is dependent on the intensity of the packages required, so is subject to variations.
- The forecast unit cost of +£14.33 is higher than the affordable cost of +£13.99 and this difference of +£0.34 adds +£538k to the position when multiplied by the affordable hours, as shown in Table 1.
- The drop in affordable unit cost between March and April 2014 represents anticipated cost reductions from the domiciliary contract re-let as part of the Transformation Programme. This transfer of clients commenced in June 2014 and will continue in the coming months, so further reduction in the unit cost is anticipated as this progresses.



2.4 Number of client weeks of learning disability residential care provided compared with affordable level:

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	5,491	5,439	5,603	5,354
May	5,678	5,597	5,763	5,529
Jun	5,528	5,410	5,570	5,347
Jul	5,737	5,558	5,725	5,460
Aug	5,401	5,538	5,713	5,500
Sep	5,580	5,400	5,566	5,298
Oct	5,752	5,572	5,739	
Nov	5,561	5,393	5,555	
Dec	5,668	5,551	5,718	
Jan	5,596	5,535	5,702	
Feb	5,109	4,986	5,142	
Mar	5,693	5,724	5,901	
	66,794	65,703	67,697	32,488

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



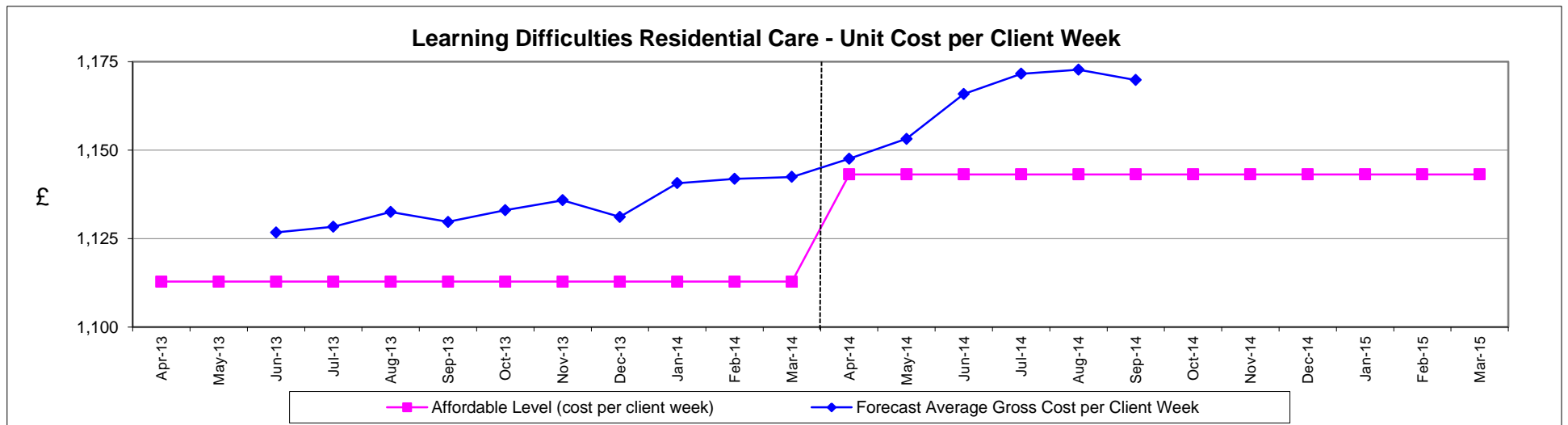
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care (including preserved rights clients) at the end of 2012-13 was 1,275, at the end of 2013-14 it was 1,254 and at the end of September 2014 it was 1,236. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and ordinary residence.
- The current forecast is 65,962 weeks of care against an affordable level of 67,697, a difference of -1,735 weeks. Using the forecast unit cost of £1,169.82, this reduced activity decreases the forecast by -£2,030k, as shown in Table 1.
- The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services.
- To the end of September 32,488 weeks of care have been delivered against an affordable level of 33,940, a difference of -1,452 weeks. The year to date activity suggests a lower level of activity than currently forecast, however, the forecast assumes that some activity for transitional and provisional clients will, by necessity, need to be backdated due to bespoke contracts that have to be agreed individually with providers. In addition, there are delays in the recording of non-permanent residential care services on the activity database, meaning the year to date activity is further understated.

2.5 Average gross cost per client week of learning disability residential care compared with affordable level

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		1,112.86		1,143.16	1,147.62
May		1,112.86		1,143.16	1,153.21
Jun		1,112.86	1,126.76	1,143.16	1,165.91
Jul		1,112.86	1,128.39	1,143.16	1,171.61
Aug		1,112.86	1,132.54	1,143.16	1,172.74
Sep		1,112.86	1,129.75	1,143.16	1,169.82
Oct		1,112.86	1,133.04	1,143.16	
Nov		1,112.86	1,135.86	1,143.16	
Dec		1,112.86	1,131.13	1,143.16	
Jan		1,112.86	1,140.70	1,143.16	
Feb		1,112.86	1,141.90	1,143.16	
Mar		1,112.86	1,142.45	1,143.16	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



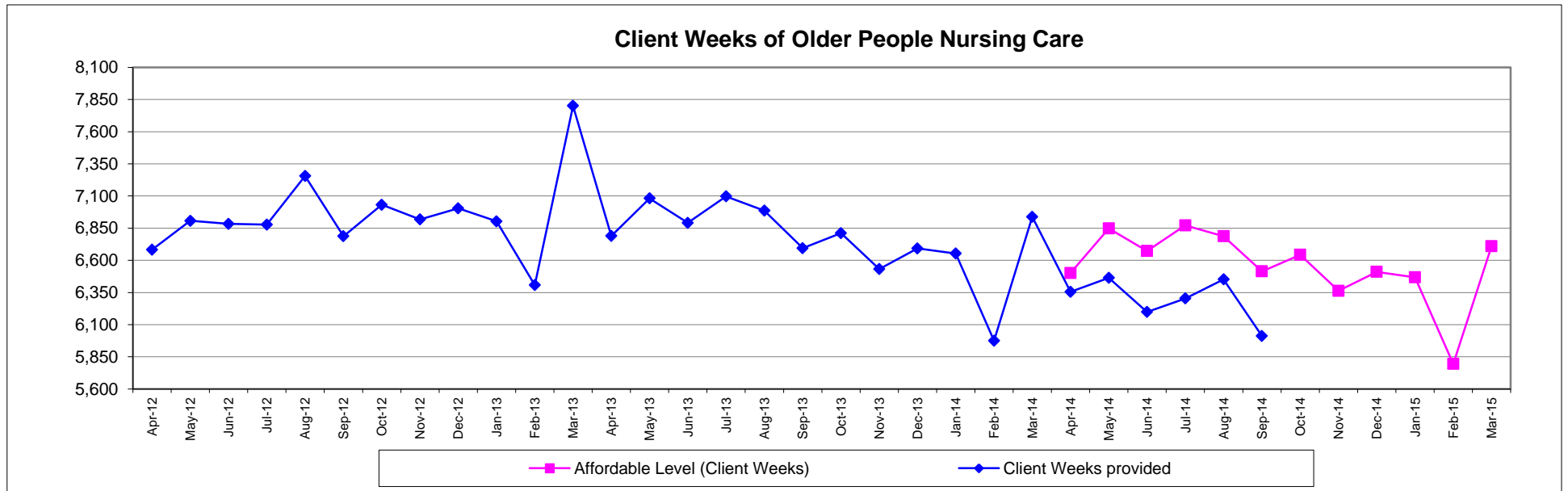
Comments:

- Clients being placed in residential care are those with very complex and individual needs which make it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,100 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The affordable unit cost has increased this month due to the allocation of funds to meet agreed price increases for providers.
- The forecast unit cost of +£1,169.82 is higher than the affordable cost of +£1,143.16 and this difference of +£26.66 adds +£1,805k to the position when multiplied by the affordable weeks, as shown in Table 1.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	6,683	6,789	6,502	6,355
May	6,907	7,081	6,848	6,464
Jun	6,884	6,891	6,673	6,199
Jul	6,877	7,097	6,871	6,304
Aug	7,255	6,986	6,788	6,452
Sep	6,788	6,695	6,515	6,011
Oct	7,032	6,812	6,643	
Nov	6,918	6,532	6,363	
Dec	7,004	6,693	6,510	
Jan	6,903	6,653	6,468	
Feb	6,408	5,975	5,795	
Mar	7,801	6,937	6,710	
	83,460	81,141	78,686	37,785

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The client weeks provided prior to April 2014, shown in the table, have been adjusted to form comparable figures. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



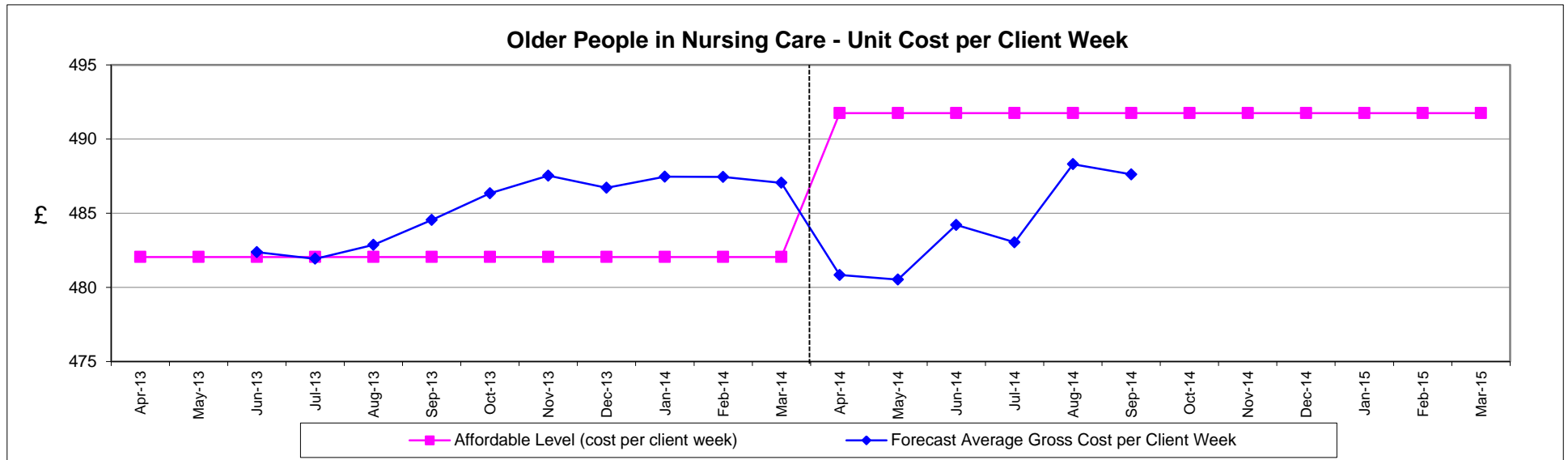
Comments:

- The graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2012-13 was 1,483, at the end of 2013-14 it was 1,423 and at the end of September 2014 it was 1,376.
- The current forecast is 74,352 weeks of care against an affordable level of 78,686, a difference of -4,334 weeks. Using the forecast unit cost of £487.62, this reduced activity decreases the forecast by -£2,113k, as shown in Table 1.
- To the end of September 37,785 weeks of care have been delivered against an affordable level of 40,197, a difference of -2,412 weeks. The year to date activity suggests a lower level of activity than currently forecast. However, this is mostly due to lower levels of short term placements recorded to date, which is likely to be due to late recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated.
- We are now making contributions under the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		482.05		491.75	480.83
May		482.05		491.75	480.53
Jun		482.05	482.37	491.75	484.21
Jul		482.05	481.93	491.75	483.04
Aug		482.05	482.87	491.75	488.31
Sep		482.05	484.55	491.75	487.62
Oct		482.05	486.34	491.75	
Nov		482.05	487.54	491.75	
Dec		482.05	486.72	491.75	
Jan		482.05	487.46	491.75	
Feb		482.05	487.44	491.75	
Mar		482.05	487.05	491.75	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The forecast average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.



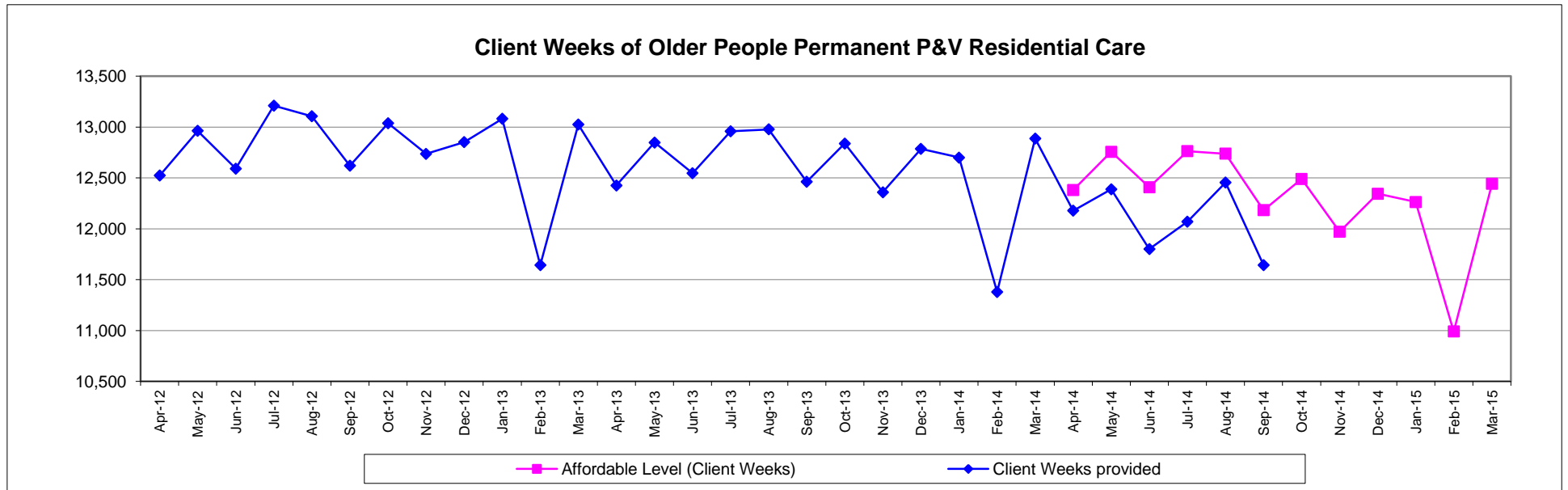
Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile and in recent months this service has seen an increase of older people requiring this more specialist care.
- The affordable unit cost has increased this month due to the allocation of funds to meet agreed price increases for providers.
- The forecast unit cost of +£487.62 is lower than the affordable cost of +£491.75 and this difference of -£4.13 reduces the position by -£325k when multiplied by the affordable weeks, as shown in Table 1.
- The increase in the forecast unit cost in June 2014 is a result of a number of changes around savings adjustments, corrections and data cleansing following major changes to the coding structure with effect from 1 April 2014 in line with current guidance on financial and activity reporting requirements.

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

	2012-13	2013-14	2014-15	
	Client Weeks provided	Client Weeks provided	Affordable Level (Client Weeks)	Client Weeks provided
Apr	12,525	12,427	12,381	12,179
May	12,963	12,849	12,757	12,388
Jun	12,592	12,547	12,409	11,802
Jul	13,210	12,959	12,764	12,071
Aug	13,107	12,978	12,739	12,456
Sep	12,620	12,463	12,184	11,644
Oct	13,037	12,839	12,490	
Nov	12,737	12,360	11,972	
Dec	12,852	12,787	12,345	
Jan	13,082	12,701	12,264	
Feb	11,644	11,380	10,991	
Mar	13,026	12,887	12,443	
	153,395	151,177	147,739	72,540

From April 2014 there has been a change in the method of counting client weeks to align with current guidance, bringing together non-preserved rights client weeks with preserved rights client weeks. Also, clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. Due to the fact that prior year affordable levels did not distinguish between respite and non-respite services, the affordable level cannot be converted into a comparable measure for previous years.



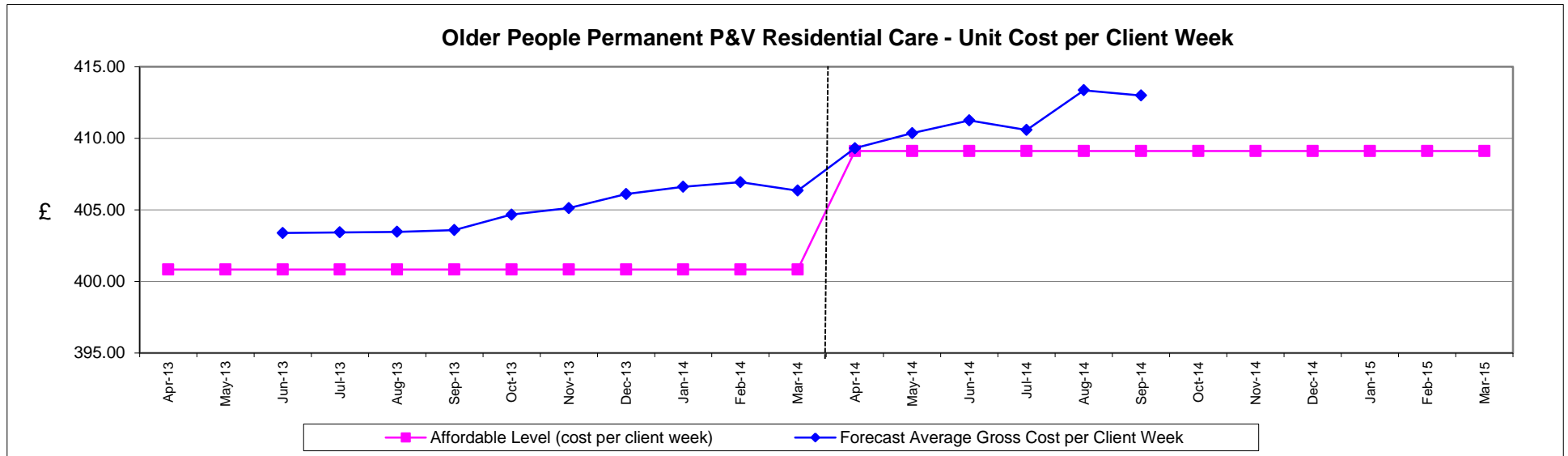
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2012-13 was 2,737, at the end of 2013-14 it was 2,704 and at the end of September 2014 it was 2,688. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 141,983 weeks of care against an affordable level of 147,739, a difference of -5,756 weeks. Using the forecast unit cost of £413.00, this reduced activity decreases the forecast by -£2,377k, as shown in Table 1.
- To the end of September 72,540 weeks of care have been delivered against an affordable level of 75,234 a difference of -2,694 weeks. The year to date activity suggests a higher level of activity than currently forecast. This is because the forecast includes anticipated effects of the transformation programme that should lead to lower levels of permanent residential care activity in forthcoming months than would otherwise be expected. The affordable profile follows a combination of old year patterns and a gradually reducing profile, incorporating expected reductions, although the nature of the transformation programme means that reductions in spend have not necessarily mirrored this pattern precisely. This is partly offset by lower levels of short term placements recorded to date, which is likely to be due to late recording of non-permanent residential care services on the activity database, meaning the year to date activity is understated for these clients.
- We are now making contributions to the Health and Social Care Village model for health commissioning of short-term beds in order to support step down from acute hospital, to reduce demand for this service.

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

	2012-13	2013-14		2014-15	
	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Forecast Average Gross Cost per Client Week £p	Affordable Level (Cost per Week) £p	Forecast Average Gross Cost per Client Week £p
Apr		400.83		409.12	409.31
May		400.83		409.12	410.36
Jun		400.83	403.38	409.12	411.25
Jul		400.83	403.43	409.12	410.59
Aug		400.83	403.46	409.12	413.36
Sep		400.83	403.59	409.12	413.00
Oct		400.83	404.67	409.12	
Nov		400.83	405.12	409.12	
Dec		400.83	406.10	409.12	
Jan		400.83	406.62	409.12	
Feb		400.83	406.94	409.12	
Mar		400.83	406.35	409.12	

From April 2014 there has been a change in the method of counting clients to align with current guidance, bringing together non-preserved rights clients with preserved rights clients. Clients receiving a respite service are now no longer included in this measure and now fall under Support for Carers. The average gross cost per client prior to April 2014, shown in the table, includes respite in the overall unit cost. The overall impact of this change has been to increase the overall number of clients whilst increasing the unit cost. A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable. It has not been possible to calculate comparable figures for 2012-13 as the data is not available.

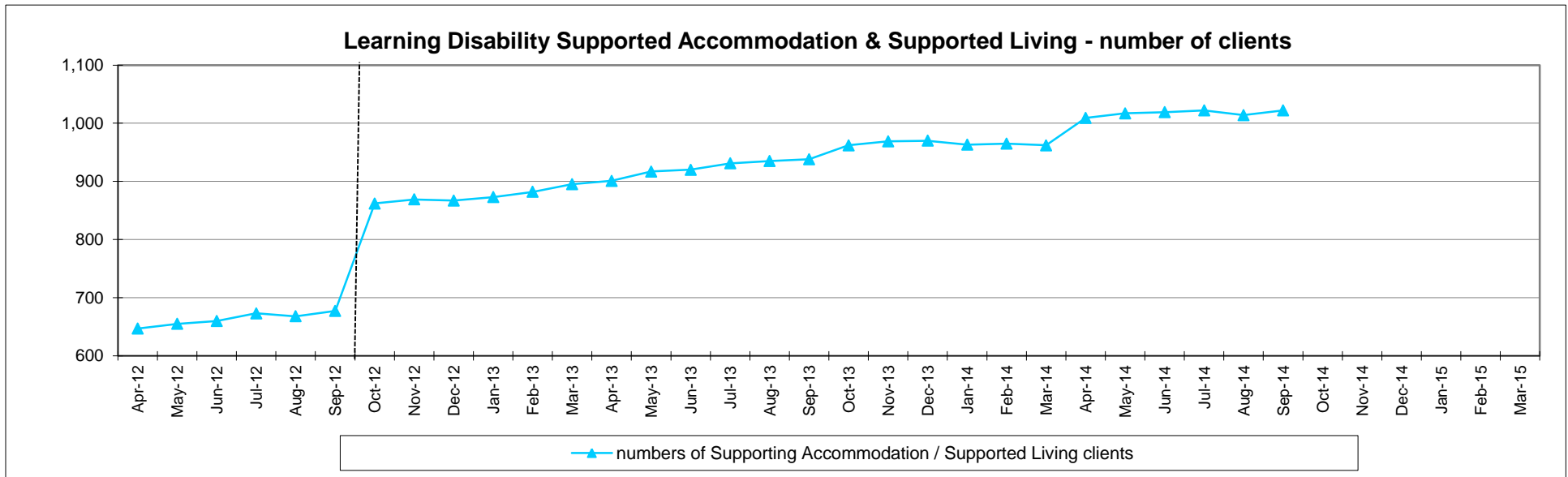


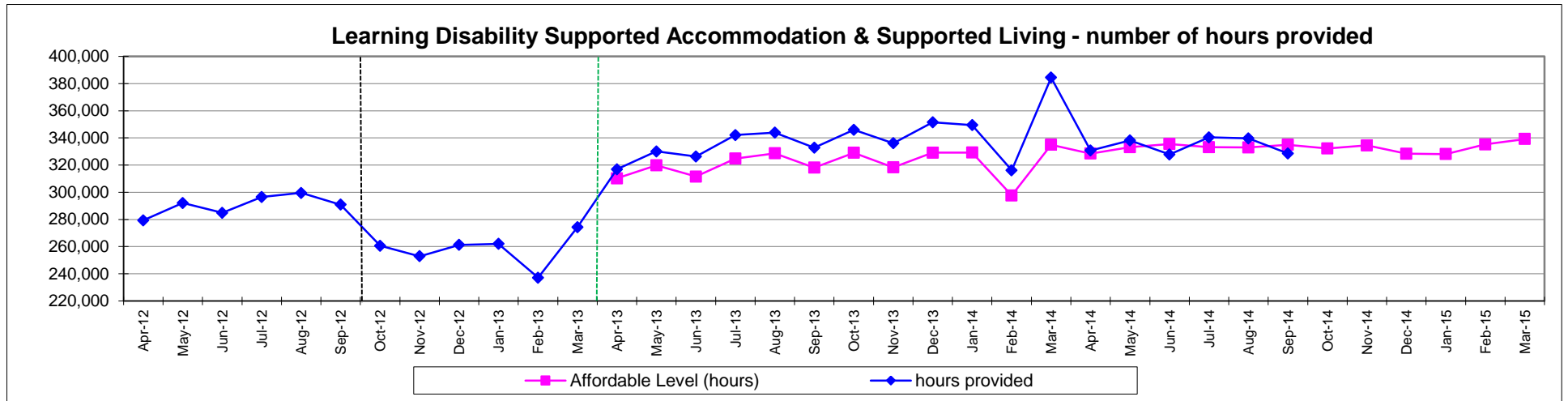
Comments:

- The forecast unit cost of +£413.00 is higher than the affordable cost of +£409.12 and this difference of +£3.88 adds +£573k to the position when multiplied by the affordable weeks, as shown in Table 1.
- The affordable unit cost has increased this month due to the allocation of funds to meet agreed price increases for providers.
- This general increasing trend in average unit cost is likely to be due to the higher proportion of clients with dementia, who are more costly due to the increased intensity of care required, as outlined above. New cases are likely to enter the service at higher unit costs, reflecting the fact that only those with higher needs are directed towards residential care, while those with lower needs are directed towards other forms of support.

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

	2012-13			2013-14			2014-15		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
Apr		279,365	647	310,234	316,882	901	328,492	330,760	1,009
May		292,122	655	319,790	330,055	917	333,241	338,125	1,017
Jun		284,835	660	311,563	326,381	920	335,519	327,879	1,019
Jul		296,532	673	324,853	342,117	931	333,140	340,451	1,022
Aug		299,521	668	328,693	343,856	935	332,930	339,621	1,014
Sep		290,914	677	318,098	332,862	938	335,006	328,528	1,022
Oct		260,574	862	329,037	346,001	962	332,260		
Nov		252,932	869	318,371	336,051	969	334,509		
Dec		261,257	867	329,160	351,431	970	328,357		
Jan		262,070	873	329,252	349,416	963	328,115		
Feb		237,118	882	297,660	316,116	965	335,263		
Mar		274,334	895	334,943	384,428	962	339,206		
		3,291,574		3,851,654	4,075,596		3,996,038	2,005,363	





Comments:

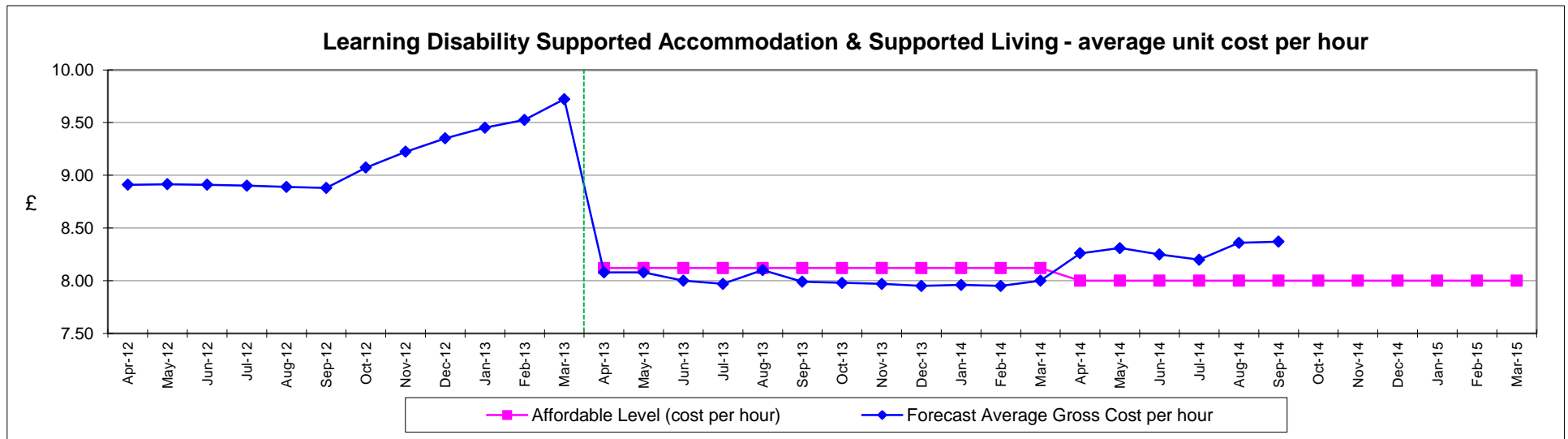
- This indicator changed in 2013-14 to include the Supporting Independence Service contract. This measure now incorporates 3 different supported accommodation/living arrangements; the adult placement scheme, supported accommodation (mainly S256 clients) and Supporting Independence Service. The level of support required by individual clients can vary from a few hours a week to 24 hours a day therefore to better reflect the activity related to this indicator, the service is now recorded in hours rather than weeks. In addition, the details of the number of clients in receipt of these services is given on a monthly basis.
- The Supporting Independence Service Contract was introduced in October 2012-13 and involved the transfer of specific clients previously in receipt of services categorised as domiciliary care, extra care sheltered housing and supported accommodation to this new contract. As part of this transfer, some clients chose to receive a direct payment instead. The result of this transfer was an overall net increase in the total number of clients categorised as receiving a supported accommodation/living support service however the average number of hours provided per client reduced. **A black dotted line is shown on the graphs above to illustrate the introduction of the new Supporting Independence Service, and the consequent transfer of clients, as the data presented either side of the dotted line is not on a consistent basis and is therefore not directly comparable.**
- Services provided are recorded in terms of weeks, sessions or hours before all being converted into hours for this activity indicator. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but, for the first time in this report, this estimate has been revised upwards to 9 hours, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data have been restated on the same basis in order to show a comparable position. **A green dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts. This has also impacted on the unit cost reported in 2.11 below.**

- The spike in activity shown for March 2014 is due to backdated hours for transitional and provisional clients being recorded on the activity system but relating to activity undertaken throughout 2013-14.
- Hours provided from April 2014 onwards have been revised in this report in order to remove hours relating to the Better Homes Active Lives PFI night support block contract, as the spend on this support should not be included in this activity indicator.
- The current forecast is 4,093,845 hours of care against an affordable level of 3,996,038, a difference of +97,807 hours. Using the forecast unit cost of £8.37, this additional activity increases the forecast by +£819k, as shown in Table 1.
- To the end of September 2,005,363 hours of care have been delivered against an affordable level of 1,998,328, a difference of +7,035 hours. The forecast number of hours reflects an increase in activity expected in future months which is also reflected in the profile of the budgeted level. The September year to date activity suggests a lower level of activity for the year than currently forecast. This is due to a delay in the recording of transitional and provisional clients on the activity database meaning that the year to date activity is currently understated.

Delays in the recording of transitional and provisional clients on the activity database are intrinsic to this service as a result of the channels through which referrals take place, i.e. ordinary residence cases, where complex negotiations are involved to determine the point at which different local authorities have responsibility for clients, in addition to the number of bespoke contracts that have to be agreed individually with providers.

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

	2012-13		2013-14		2014-15	
	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p	Affordable Level (Cost per Hour) £p	Forecast Average Gross Cost per Hour £p
Apr		8.91	8.12	8.08	8.00	8.26
May		8.92	8.12	8.08	8.00	8.31
Jun		8.91	8.12	8.00	8.00	8.25
Jul		8.90	8.12	7.97	8.00	8.20
Aug		8.89	8.12	8.10	8.00	8.36
Sep		8.88	8.12	7.99	8.00	8.37
Oct		9.07	8.12	7.98	8.00	
Nov		9.22	8.12	7.97	8.00	
Dec		9.35	8.12	7.95	8.00	
Jan		9.45	8.12	7.96	8.00	
Feb		9.53	8.12	7.95	8.00	
Mar		9.72	8.12	8.00	8.00	



Comments:

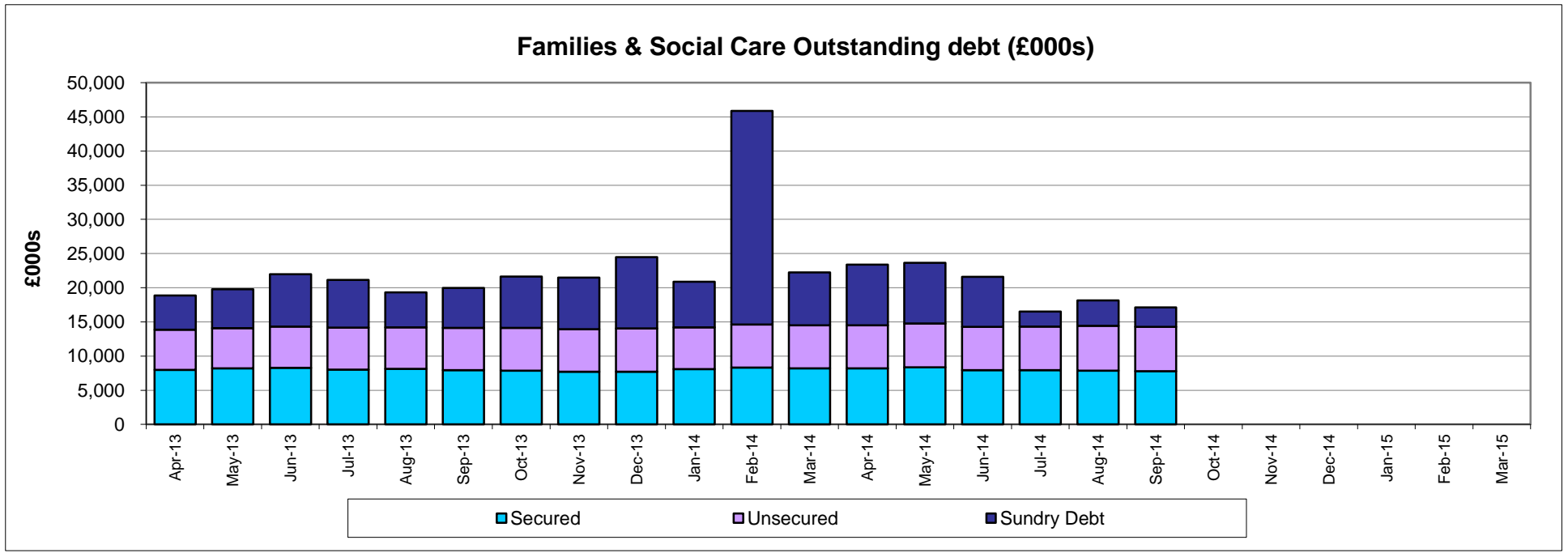
- This measure comprises 3 distinct client groups and each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- The forecast unit cost of +£8.37 is higher than the affordable cost of +£8.00 and this difference of +£0.37 adds +£1,479k to the position when multiplied by the affordable hours, as shown in Table 1. Prior to April 2014, sessions were treated as either 8 hours each for Supported Living contracts or 1 hour for Supporting Independence Service contracts but this estimate was revised upwards to 9 hours in the July monitoring report to Cabinet in October, based on updated information provided by Commissioning. Both the 2014-15 affordable level and the 2013-14 data have been restated on the same basis in order to show a comparable position. **A green dotted line has been added to the graph at April 2013 to indicate that the data either side of the line is not on a comparable basis** i.e. 2012-13 data is based on 8 hour sessions for Supported Living contracts and 1 hour sessions for Supporting Independence Service contracts, whereas from April 2013 the data is now based on 9 hour sessions for both of these contracts.

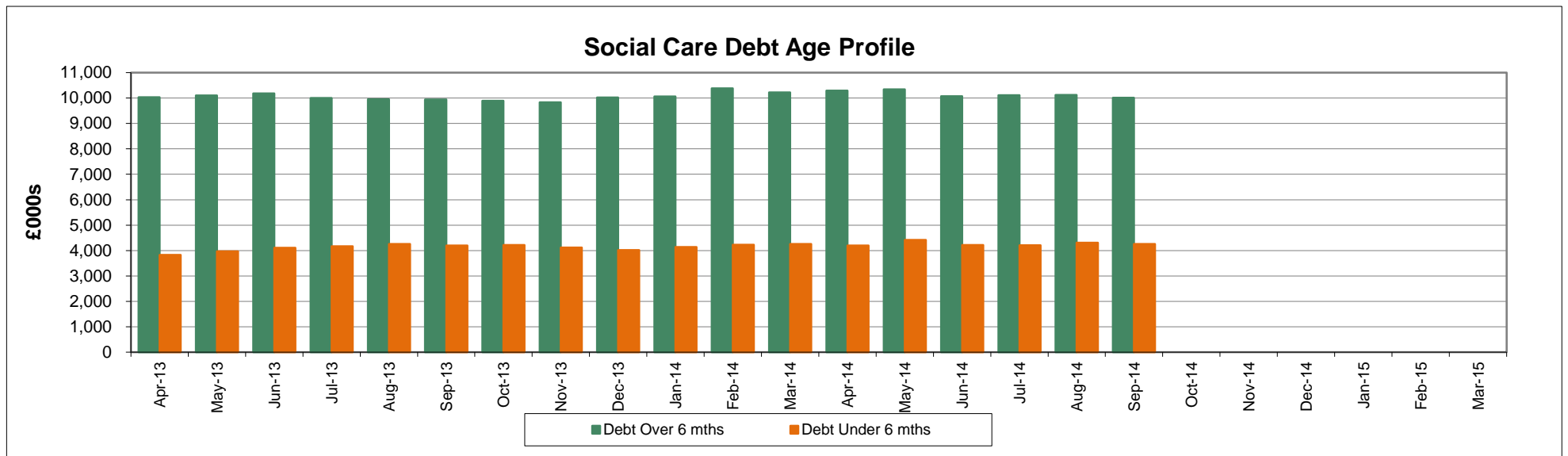
2.12 SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of September was £17.119m compared with August's figure of £18.138m (reported to Cabinet in October) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.849m of sundry debt compared to £3.707m in August. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.270m relating to Social Care (client) debt which is a small reduction of £0.161m from the last reported position to Cabinet in October. 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-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
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	20,879	6,685	14,194	10,060	4,134	8,103	6,091
Feb-14	45,888	31,278	14,610	10,380	4,230	8,321	6,289
Mar-14	22,238	7,753	14,485	10,226	4,259	8,213	6,272
Apr-14	23,374	8,884	14,490	10,288	4,202	8,220	6,270
May-14	23,654	8,899	14,755	10,342	4,413	8,353	6,402
Jun-14	21,579	7,289	14,290	10,071	4,219	7,944	6,346
Jul-14	16,503	2,187	14,316	10,108	4,208	7,927	6,389
Aug-14	18,138	3,707	14,431	10,122	4,309	7,882	6,549

	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
	Sep-14	17,119	2,849	14,270	10,015	4,255	7,805
Oct-14							
Nov-14							
Dec-14							
Jan-15							
Feb-15							
Mar-15							





With regard to Social Care debt, the tables below show the current breakdown and movement since the last report to Cabinet in October of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

Social Care debt by Customer Credit Status	August £000s	September £000s	Movement £000s
Secured	7,882	7,805	-77
Unsecured - Deceased/Terminated Service	1,842	1,866	24
Unsecured - Ongoing	4,702	4,586	-116
Caution/Restriction (Unsecured)	7	12	5
Health (Unsecured)	-2	1	3
TOTAL	14,431	14,270	-161

Unsecured debt by Client Group	August £000s	September £000s	Movement £000s
Older People/Physical Disability	6,138	6,062	-76
Learning Disability	313	302	-11
Mental Health	100	100	0
Health	-2	1	3
TOTAL	6,549	6,465	-84

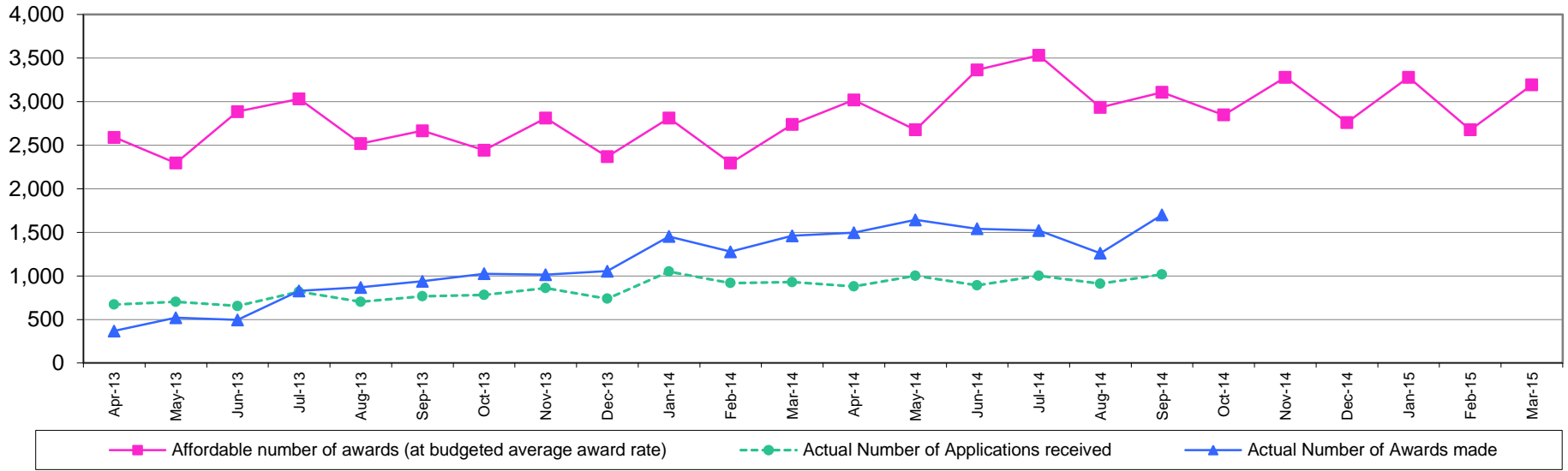
2.13 Number and Value of Social Fund awards made

		(a) *	(b)	(c)	(d) *	(e)	(d) / (a)	(e) / (c)
		Affordable number of awards (at budgeted average award rate)	Actual number of applications received	Actual number of awards made	Affordable profile of awards (£)	Value of awards made (£)	Budgeted average award (£)	Actual average award (£)
2013-14	Apr	2,591	673	368	235,800	42,620	91	116
	May	2,296	704	520	208,900	65,907	91	127
	Jun	2,887	655	494	262,700	68,201	91	138
	Jul	3,031	818	828	275,800	114,188	91	138
	Aug	2,518	704	869	229,100	115,811	91	133
	Sep	2,666	766	939	242,600	108,237	91	115
	Oct	2,443	783	1,025	222,300	115,778	91	113
	Nov	2,813	861	1,015	256,000	138,738	91	137
	Dec	2,369	738	1,054	215,600	137,748	91	131
	Jan	2,813	1,050	1,453	256,000	183,774	91	126
	Feb	2,296	918	1,278	208,900	143,813	91	113
	Mar	2,739	930	1,460	249,300	175,416	91	120
			31,462	9,600	11,303	2,863,000	1,410,231	91
2014-15	Apr	3,021	880	1,496	377,600	145,043	125	97
	May	2,677	1,003	1,644	334,600	160,674	125	98
	Jun	3,366	891	1,541	420,700	151,071	125	98
	Jul	3,534	1,001	1,520	441,700	145,708	125	96
	Aug	2,935	911	1,261	366,900	132,206	125	105
	Sep	3,108	1,018	1,701	388,500	166,819	125	98
	Oct	2,848			356,000		125	
	Nov	3,280			410,000		125	
	Dec	2,762			345,300		125	
	Jan	3,280			410,000		125	
	Feb	2,677			334,600		125	
	Mar	3,194			399,300		125	
			36,682	5,704	9,163	4,585,200	901,521	125

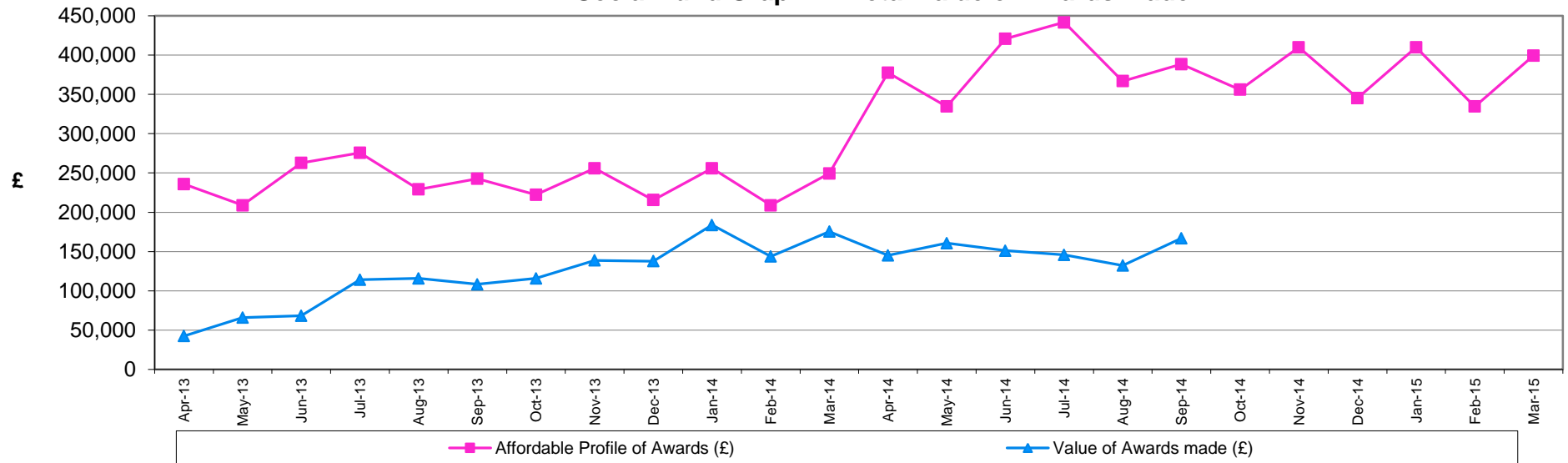
* Columns (a) and (d) are based on available funding which has been profiled by month and type of award (excluding cash awards) in the same ratio as the previous DWP scheme. As the criteria and awards for this pilot scheme differ to the DWP scheme, this does not represent the anticipated demand for the pilot scheme, but represents the maximum affordable level should sufficient applications be received which meet the criteria. (As the data for 2013-14, the first year of our pilot scheme, includes increasing levels of activity as the service commenced, it will not represent a typical year and therefore has not been used to profile the 2014-15 budget in column d of the table)

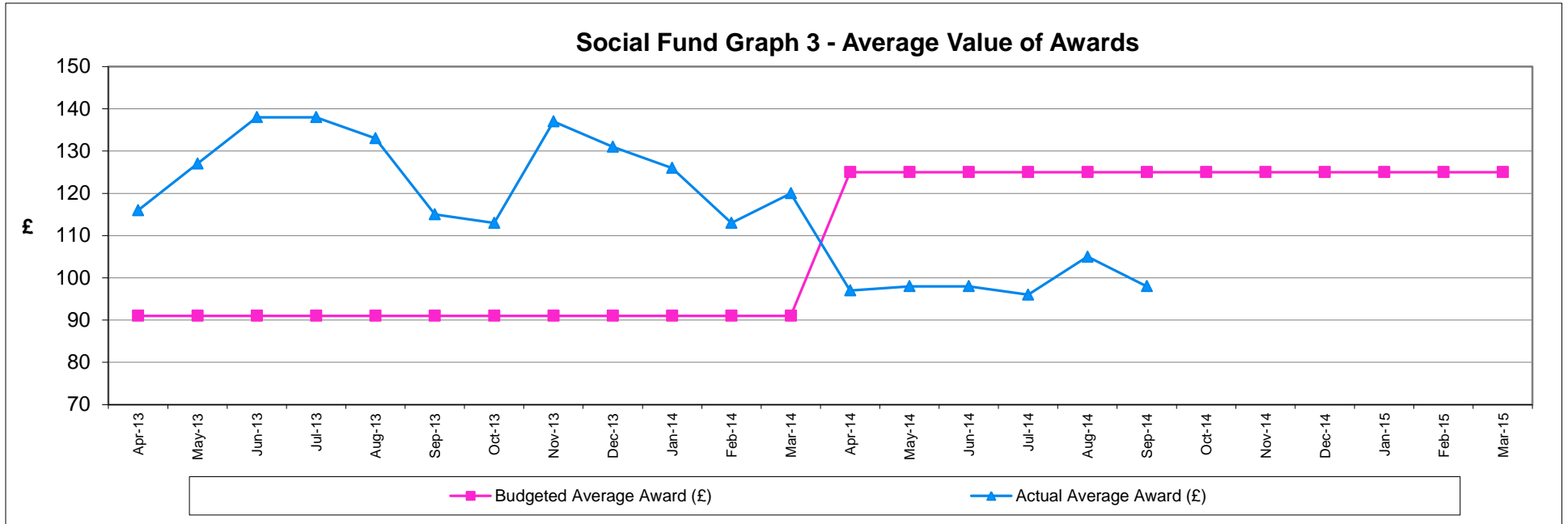
One application may result in more than one award, e.g. an award for food & clothing and an award for utilities, hence the number of awards in column (c) may exceed the number of applications in column (b).

Social Fund Graph 1 - Number of Awards made



Social Fund Graph 2 - Total Value of Awards made





Comments:

- This is a pilot scheme that commenced in Kent on 1 April 2013 and differs from the Social Fund scheme, previously administered by DWP, in that cash awards are only given in very extreme circumstances e.g. where an individual may be at risk. This scheme offers 4 types of award including food & clothing, white goods, energy vouchers and furniture & equipment and more importantly signposts the individual, whether an award is given or not, to the appropriate service so that they can receive ongoing support. This is an emergency fund to help support the most vulnerable in society. The figures provided in the table and represented in the graphs above reflect a combined average of these 4 types of award.
- Applications are immediately prioritised with the intention that high priority applications should receive the award within 24 hours. However, approval of awards for lower priority cases e.g. applications for furniture from low risk households may be slower. Therefore, actual awards made in any month can exceed the number of applications for the month, either due to the processing of low priority cases from previous months, or as a result of individual applications resulting in multiple awards being granted, as referred to above.

- **Graph 1** above represents the number of individual awards granted, (there could be multiple awards arising from an individual application), compared to (i) the number of applications received and (ii) the affordable number of awards, as calculated using the budgeted average award rate, which is the maximum number of awards that can be afforded, not the anticipated level of demand. In the early months of 2013-14 the number of applications received was higher than the number of awards made, which predominately reflected that applications for cash awards were being received in line with the old DWP scheme, but this type of award is not generally offered as part of this pilot scheme. Initially there were also a number of inappropriate referrals being made whereby the applicant did not qualify. However, the number of awards made is now higher than the number of applications received illustrating that some applications result in more than one award e.g. an award for food and clothing and an award for energy vouchers. There is an admin cost involved in assessing the applications received, irrespective of whether they result in an award being made. The gross budget for this service, as shown in Table 1 is £5.140m, with £0.555m being the cost of administering the scheme including signposting applicants to alternative appropriate services, and £4.585m available to award where appropriate (column d in the table above).

Because of the uncertainty about both future levels of demand and government funding, the funding for awards in 2013-14 was ring-fenced and rolled forward to 2014-15 to provide some stability to the service. **This roll forward of £1,722.2k was approved by Cabinet in July and is reflected in the cash limits and the affordable level for this indicator.** *(The table above shows an underspend of £1,452.8k in 2013-14 (column d - column e), which is based on the number of awards approved during the financial year. Although awards are approved for individuals in dire need, these awards are not always taken up for a variety of reasons. During 2013-14 £269.4k of approved awards, mainly for furniture and equipment, were not taken up by clients. Therefore the financial underspend as a consequence of the value of awards actually paid (taken up) in 2013-14 was £1,722.2k).*
- **Graph 2** represents the value of awards made against the maximum profiled funding available. The number and value of awards made is significantly lower than the affordable level and reflects the current take up of this scheme being low in comparison to the old DWP scheme (which is what the funding, and affordable level, is based upon). The graph illustrates that the value of awards made is showing a steadily increasing trend since the inception of this pilot scheme and this is expected to continue to increase as the scheme matures and communication increases about what the scheme provides. In addition, it is anticipated that changes to welfare reform may still impact on the value of awards given. However, if applicants are successfully signposted to alternative appropriate services to receive sustained support, and an award is not made, then this will be beneficial to the applicant and would result in an underspend against this scheme, which is still a positive outcome for the pilot.

- **Graph 3** compares the budgeted average award value, based on the anticipated mix and value of awards, to the actual average award. Using DWP data, and excluding cash awards, it was anticipated that the majority of awards for this pilot would be for food & clothing, high volume & low value, and therefore the budgeted average award for 2013-14 was set with this in mind at £91. The affordable average award value was revised for 2014-15 to match the actual average award value for 2013-14 of £125. This increase in the budgeted average award value from £91 to £125 reflects a higher than expected number of awards in 2013-14 for furniture & equipment which have a higher award value.

To the end of September, on average, award values in 2014-15 have been lower with an average of £98 currently reported. In the first half of 2014-15, 38% of the number of awards have been for food & clothing, compared to 49% for 2013-14. Furniture & equipment (incl white goods) accounts for 38% of the number of awards but 45% of the value of awards (the percentages were 19% and 54% respectively for 2013-14, indicating an increasing number falling into this category, but also a shift to lower value items of furniture and equipment). As a result, the actual average award is lower than budgeted due to the apportionment of the award types being different to what was anticipated.

The awards figures for December 2013-14 include the impact of both energy and food awards being issued for 14 days rather than the normal 7 days to cover the Christmas period. Also, there was a higher number (and value) of cash awards made in December 2013, which included emergency payments to households evacuated because of the flooding.

3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2014-15 of £76,976k. The forecast outturn against the 2014-15 budget is £77,303k giving a variance of +£327k.

3.2 Table 1 below details the Adults Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Rolling Programmes									
Home Support Fund	6,600	2,200	280	280	Real - grant	Predicted additional expenditure on equipment to be legitimately capitalised at year end.	Green		
Individual Projects									
Kent Strategy for Services for Older People (OP):									
Community Care Centre - Ebbsfleet	0	0	0	0			Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0	0			Green		
OP Strategy - Transformation / Modernisation	6,978	6,089	0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:									
Learning Disability Good Day Programme-Community Hubs	2,182	1,580	0	0			Green		
Learning Disability Good Day Programme-Community Initiatives	679	622					Green		
Active Care / Active Lives Strategy:									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	63,000					Green		
Developing Innovative and Modernising Services:									
Information Technology Projects	2,507	2,507	1,015	1,015	Real - £905k grant, £110k dev cons	Predicted expenditure on Telecare equipment to be capitalised at year end.	Green		
Lowfield St (formerly Trinity Centre, Dartford)	972	978	-968	-968	Rephasing	Development of site delayed, in further negotiations with developer on how to proceed. Budget rephased to 15/16.	Amber	Project delayed therefore amber status.	
Total	82,918	76,976	327	327					

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

SOCIAL CARE, HEALTH & WELLBEING DIRECTORATE
PUBLIC HEALTH
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
	Total (£k)	-	-780	+780	-

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		
Social Care, Health & Wellbeing - Public Health							
Strategic Management & Directorate Support Budgets	170.1	-170.1	0.0	+13			
<u>Public Health:</u>							
- Children's Public Health Programmes	5,924.5	-5,924.5	0.0				
- Drug & Alcohol Services	752.2	-752.2	0.0				
- Obesity & Physical Activity	2,794.8	-2,794.8	0.0				
- Public Health - Mental Health Adults	912.1	-912.1	0.0				
- Public Health Staffing, Advice & Monitoring	4,887.4	-4,887.4	0.0	-793	-793	<i>Underspend due to vacancies</i>	
- Sexual Health Services	11,996.7	-11,996.7	0.0				
- Targeting Health Inequalities	6,116.1	-6,116.1	0.0				
- Tobacco Control & Stop Smoking Services	4,013.4	-4,013.4	0.0				
	37,567.3	-37,567.3	0.0	-780			
- <i>trf to(+)/from(-) Public Health reserve</i>				+780	+780	<i>Transfer of underspend to reserves</i>	
Total SCH&W (Public Health)	37,567.3	-37,567.3	0.0	0			

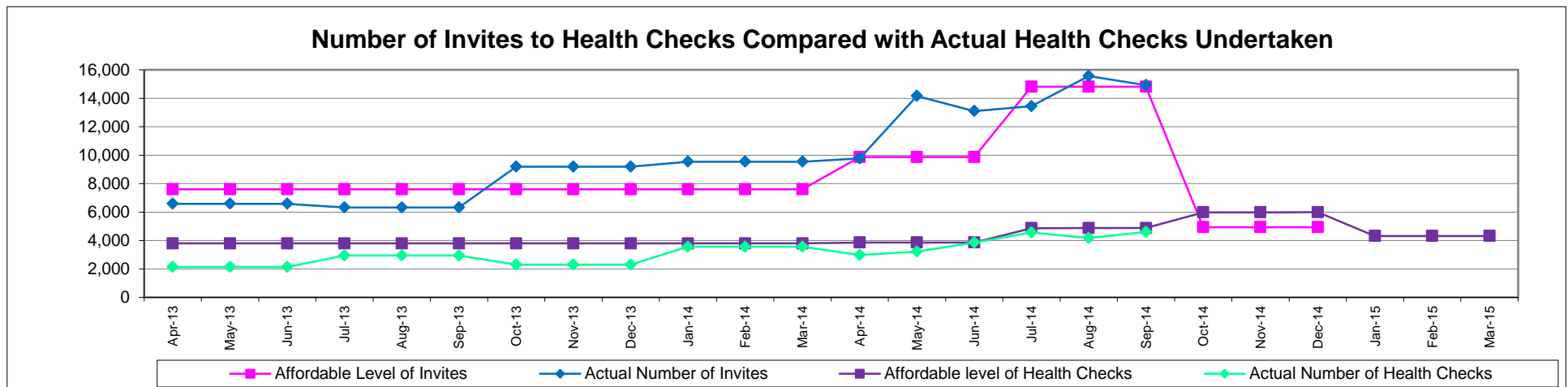
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Health Check invites compared to number of Health Checks undertaken

	2013-14				2014-15			
	Invites		Checks		Invites		Checks	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Apr					9,877	9,776	3,860	2,984
May	22,810	19,761	11,405	6,455	9,877	14,169	3,860	3,225
Jun					9,878	13,108	3,862	3,865
Jul					14,816	13,457	4,874	4,572
Aug	22,810	18,996	11,405	8,836	14,816	15,577	4,875	4,179
Sep					14,816	14,933	4,876	4,613
Oct					4,939		5,987	
Nov	22,810	27,608	11,405	6,924	4,939		5,988	
Dec					4,938		5,989	
Jan					0		4,324	
Feb	22,811	28,639	11,406	10,709	0		4,325	
Mar					0		4,325	
TOTAL	91,241	95,004	45,621	32,924	88,896	81,020	57,145	23,438

Comments:

- As can be seen from the difference in total budgeted activity for invites and checks, not all people invited for a health check attend a check and there is often a delay between the invite and the health check taking place.
- The invites planned activity is weighted towards the early part of the year to give time for the follow-up process to maximise the number of people attending a health check.
- The planned number of invites was based on DH estimates, more recent GP data shows an increase in eligible population by more than 5,000. This activity is anticipated to be above budget for the year.



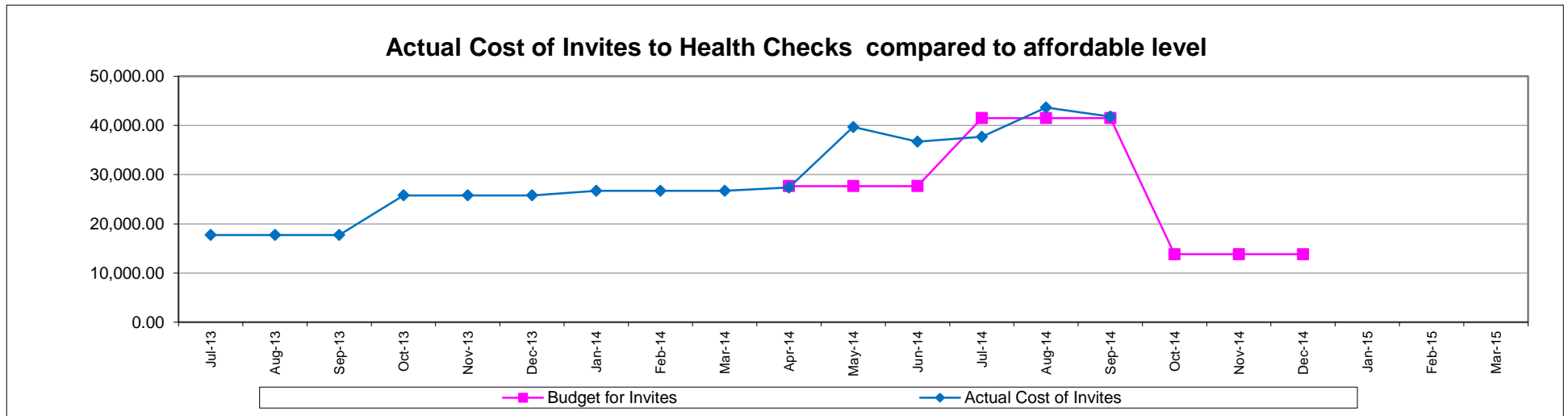
2.2 Cost of Health Check invites and Health Checks undertaken compared to budget

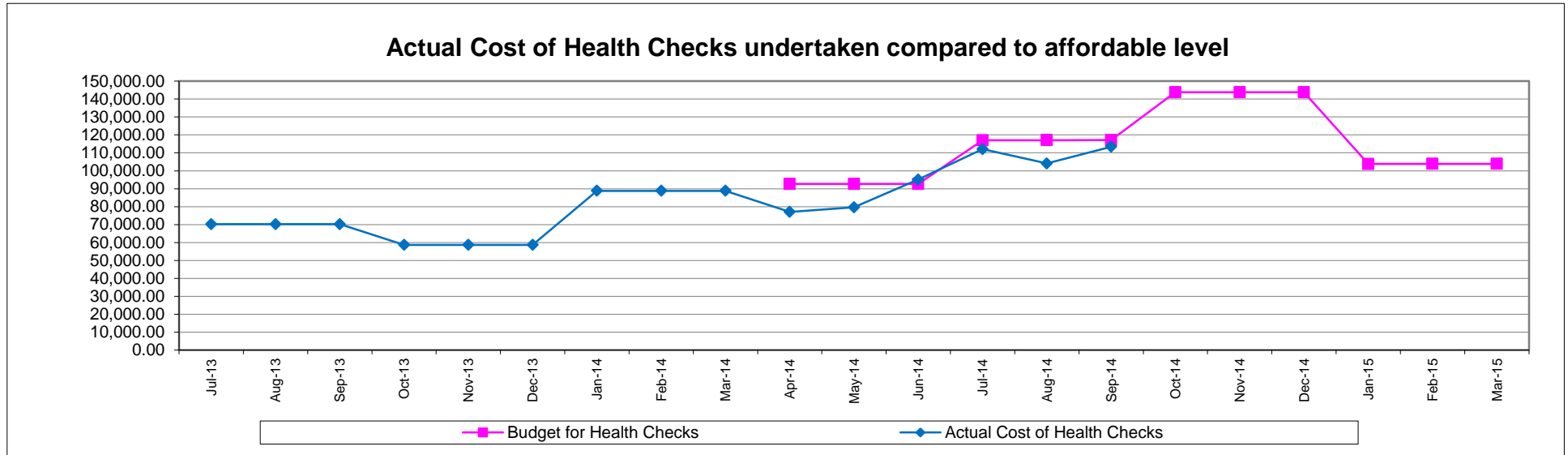
	2013-14 *		2014-15			
	Invites	Checks	Invites ~		Checks #	
	actual cost (£)	actual cost (£)	Budget (£)	actual cost (£)	Budget (£)	actual cost (£)
Apr			27,656	27,373	92,700	77,081
May	0	0	27,656	39,673	92,700	79,696
Jun			27,658	36,702	92,748	95,130
Jul			41,485	37,680	117,052	112,119
Aug	53,189	210,746	41,485	43,616	117,076	104,137
Sep			41,485	41,812	117,100	113,424
Oct			13,829		143,781	
Nov	77,302	175,920	13,829		143,805	
Dec			13,826		143,829	
Jan			0		103,843	
Feb	80,189	266,524	0		103,869	
Mar			0		103,869	
TOTAL	210,680	653,190	248,909	226,856	1,372,372	581,587

* In 2013-14 the service was initially commissioned on a block contract basis. From the second quarter this was amended to a performance basis, with specific activity budgets set for the year, with payments being related to the level of activity provided.

Health check activity for the first six months of 2014-15 is below budget. We are now expecting lower than budgeted activity in the second half of the year.

~ The health check invites activity for the first six months of 2014-15 is above budget. We are expecting the activity to be in line with budget in the third quarter.





Comments:

- The NHS Health Checks programme is monitored closely with a focus on performance and contract management. The targets for 2014-15 are more stretching, providers are expected to deliver significantly more checks during the year. The target for invites is weighted towards the first part of the year to give time for the follow-up process to maximise the number of health checks that are delivered in year.
- The budget for Health Checks is made up of a fixed cost element £465,756 and a performance element £1,621,281. The performance element is shown in the activity data above, with a budget of £248,909 for invites and £1,372,372 for health checks (totalling £1,621,281).
- The budgeted activity level for invites is based on the eligible population. The budgeted activity level for health checks is higher in 2014-15 as the provider is expected to make up for the underperformance in the previous year. It is now anticipated that the number of health check invites will be greater than budgeted due to an increase in eligible population. Any pressure as a result of this will be offset by a saving on checks.

GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Directorate Total (£k)	+180,000	-2,280	-	-2,280

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	
Growth, Environment & Transport						
Strategic Management & Directorate Support budgets	4,794.9	-93.6	4,701.3	+122	+407 Savings held centrally but being more than achieved through underspends within other budget headings (primarily in Community Wardens, Sports Development, and Development Planning within Highways Management). -207 This results from a number of vacancies as well as some staffing costs being covered by the Facing the Challenge budget (see annex 6). -78 Other minor variances	This pressure is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP Part of this saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
<u>Children's Services - Education & Personal</u>						
- 14 - 19 year olds	111.9	-59.3	52.6	0		
<u>Community Services:</u>						
- Arts Development (incl. grant to Turner Contemporary)	2,435.8	-300.7	2,135.1	-35		
- Community Safety	443.3	-61.2	382.1	0		
- Community Wardens	2,689.8	0.0	2,689.8	-183	-267 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). +84 Other minor variances	This saving is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Gypsies & Travellers	666.1	-430.0	236.1	-68		
- Libraries, Registration & Archives (LRA)	18,526.2	-5,256.7	13,269.5	-418	-333 Increased Registration Service income primarily from ceremonies and nationality checking service -179 Staffing vacancies +150 Estimated additional costs (legal, consultations, etc) relating to possible establishment of a charitable trust for future provision of the LRA service -62 Increased Libraries & Archives income primarily from audio visual hire, fines and sale of old stock +6 Other minor variances	This additional income is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Sports Development	3,008.9	-2,208.7	800.2	-124	-98 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). -26 Other minor variances	This saving is on-going and realignment of budgets between these A to Z lines will need to be reflected in the 2015-18 MTFP
	27,770.1	-8,257.3	19,512.8	-828		
<u>Environment:</u>						
- Country Parks	1,532.9	-1,023.7	509.2	-14		
- Countryside Access (incl. Public Rights of Way)	2,646.9	-885.1	1,761.8	-32		
- Environment Management	4,752.7	-2,414.6	2,338.1	-54		
	8,932.5	-4,323.4	4,609.1	-100		
<u>Highways:</u>						
- Highways Maintenance						
- Adverse Weather	3,214.9	0.0	3,214.9	+12		
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	-69		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+259	+154	Traffic management costs at junctions on high speed roads where additional grass cutting and weed control has been required as a result of the favourable growing conditions (mild & moist) and high water table.	
					+105	Other minor variances, each below £100k.	
- Highway drainage	2,962.4	0.0	2,962.4	+70			
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-2			
	24,648.1	-851.7	23,796.4	+270			
- Highways Management:							
- Development Planning	2,117.5	-2,135.2	-17.7	-52	-91	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).	This saving is on-going and realignment of budgets between these A to Z lines will need to be reflected in the 2015-18 MTFP
					+39	Other minor variances	
- Highways Improvements	1,596.7	-33.3	1,563.4	-82			
- Road Safety	3,059.8	-2,146.4	913.4	-279	-384	Lower than budgeted average cost per attendee for Speed Awareness courses	This net saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-58	Reduced costs of Speed Awareness courses due to lower than budgeted number of attendees	
					+171	Reduced income for Speed Awareness courses due to fewer attendees	
					-8	Other minor variances	
- Streetlight energy	5,689.5	0.0	5,689.5	-218	-162	Greater than budgeted savings achieved from part night switch-off energy saving initiative, partially offset by costs of additional streetlights at new developments.	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					-56	Lower than budgeted impact of electricity price increase	
- Traffic management	5,304.7	-3,363.2	1,941.5	-127	-145	Increased permit scheme income	
					+18	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	+164	+150	Backlog of tree inspections	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
					+124	Additional weed treatment. The budget only provides for one treatment but two treatments have been undertaken this year due to the mild and moist conditions leading to favourable growing conditions.	
					-100	Procurement saving on grass cutting	
					-10	Other minor variances	
	21,129.7	-7,678.1	13,451.6	-594			
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,121.7	-60.0	1,061.7	-9			
- Planning Applications	1,094.4	-600.0	494.4	0			
	2,216.1	-660.0	1,556.1	-9			
<u>Regeneration & Economic</u>							
- Regeneration & Economic Development Services	5,709.3	-1,777.8	3,931.5	+49			
<u>Regulatory Services</u>							
- Coroners	3,664.4	-1,032.7	2,631.7	-170	-152	Long Inquest costs lower than expected	
					-18	Other minor variances	
- Emergency Planning	761.8	-169.0	592.8	-57			
- Trading Standards (incl. Kent Scientific Services)	3,812.8	-945.6	2,867.2	+16			
	8,239.0	-2,147.3	6,091.7	-211			
<u>Schools Services</u>							
- Other Schools Services	416.4	0.0	416.4	+24			
<u>Transport Services:</u>							
- Concessionary Fares	17,006.0	-27.0	16,979.0	-783	-545	Reduced bus operator costs due to reduced number of journeys being taken	Part of this saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
					-376	The budget to fund the bulk renewal of the bus passes, which happens every five years, is £376k; this was last done in 2012-13 meaning that aside from passes for new applicants, this budget will remain underspent this year.	An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)
					+150	It has been agreed that it is now more appropriate to set up a smoothing reserve with a fixed annual contribution, which is then fully drawn down every five years to fund the bulk renewal of passes. The annual contribution to reserves required is £75k and the renewal takes place in four years time. For this year only a £150k transfer to reserves is required, representing a two year contribution for 2013-14 and 2014-15.	
					-12	Other minor variances	
- Freedom Pass / Young Person's Travel Pass	13,301.5	-4,596.0	8,705.5	0		This budget was reduced considerably in 2014-15, due to the introduction of the new Young Person Travel Pass scheme from September, resulting in an increased fee payable to acquire the pass, as well as an assumed reduction in cost as there would be a number of people who no longer thought the pass to be cost effective for their needs, and therefore usage was expected to reduce accordingly. Half year passes can also now be purchased. These new criteria came into effect from September, and hence there are a number of variables that could impact on this budget.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Freedom Pass / Young Person's Travel Pass (continued)						<p>The quarter 2 position is that approximately 24,200 passes have been issued; it appears therefore that the overall take-up will not reduce as much as originally modelled between September and February, due to the revised policy enabling the purchase of half year passes. At this stage it is difficult to quantify what impact these variables may have as the first half year passes have now been acquired but we can only speculate on how many of these applicants will also purchase the second half year pass (applications are due by early January). We also do not yet have any substantial data on number of journeys travelled under the new scheme, however our external advisors are currently undertaking a reconciliation of the information received from bus companies and we are expecting to receive the data at the end of November.</p> <p>The activity reported for the April to June period, under the old scheme, shows a reduction in the passes issued against budget but a higher number of journeys travelled (see section 2.3)</p>
- Subsidised Bus Routes	10,093.8	-2,185.7	7,908.1	-656	-602	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies
					-54	Other minor variances
- Transport Operations	1,271.4	-214.5	1,056.9	+78		
- Transport Planning	562.8	-228.0	334.8	-20		
	42,235.5	-7,251.2	34,984.3	-1,381		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Waste Management</u>						
- Waste Commissioning & Contract Management	1,353.9	0.0	1,353.9	-37		
- Recycling & Diversion from Landfill:						
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-188	-280 Underspend due to contract changes at household waste recycling centres -205 The amounts to be paid in recycling bonuses to contractors are expected to be lower than budget primarily as a result of a change of contractor at two sites, where under the terms of the new contract no bonuses are payable. +327 Reduction in income primarily in relation to the sale of recycled textiles -30 Other minor variances	
- Partnership & development	500.7	-168.0	332.7	+40		
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	+180	+231 The Church Marshes Waste Transfer Station is currently not able to take food waste, meaning that Swale Borough Council's contractor must dispose of this at a different site and is incurring additional costs in doing so. KCC has agreed to reimburse these costs until problems at the site are resolved, which should be by the end of the financial year. -51 Other minor variances	
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-612	+509 Forecast increase of +23,900 tonnes of hardcore, wood, garden and food waste, and other materials; the higher volume of waste has generated a small amount of additional income which is also included within this variance.	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-1,038 Savings resulting from the new Materials Recycling Facilities contract	The full year effect of saving from new waste contracts will need to be reflected in the 2015-18 MTFP
					-102 Actual price of in-vessel composting is lower than budgeted	
					+19 Other minor variances	
	22,749.9	-3,244.0	19,505.9	-580		
- Waste Disposal:						
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	+118	+154 Insufficient creditor provision set up for Southern Water charges in 2013-14, plus an increase in the metered water charges at North Farm	Approx. £90k of this pressure is expected to be ongoing and will need to be addressed in the 2015-18 MTFP
					-36 Other minor variances	
- Disposal Contracts	31,131.0	-156.0	30,975.0	+881	+884 Additional +6,600 tonnes of residual waste to be sent to the Allington Waste to Energy plant	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.
					+228 Forecast increased tonnage of residual waste to be sent to landfill (+9,000 tonnes) following re-direction of waste due to down time at the Allington Waste to Energy Plant	
					-302 Income from Trade Waste at North Farm and Dunbrik	
					+71 Other minor variances	This is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Haulage & Transfer Stations	9,947.0	-75.0	9,872.0	-739	-804 Underspend due to contract changes at transfer stations	
					+32 Additional haulage fees due to higher volume of waste	
					+33 Other minor variances	

ANNEX 5

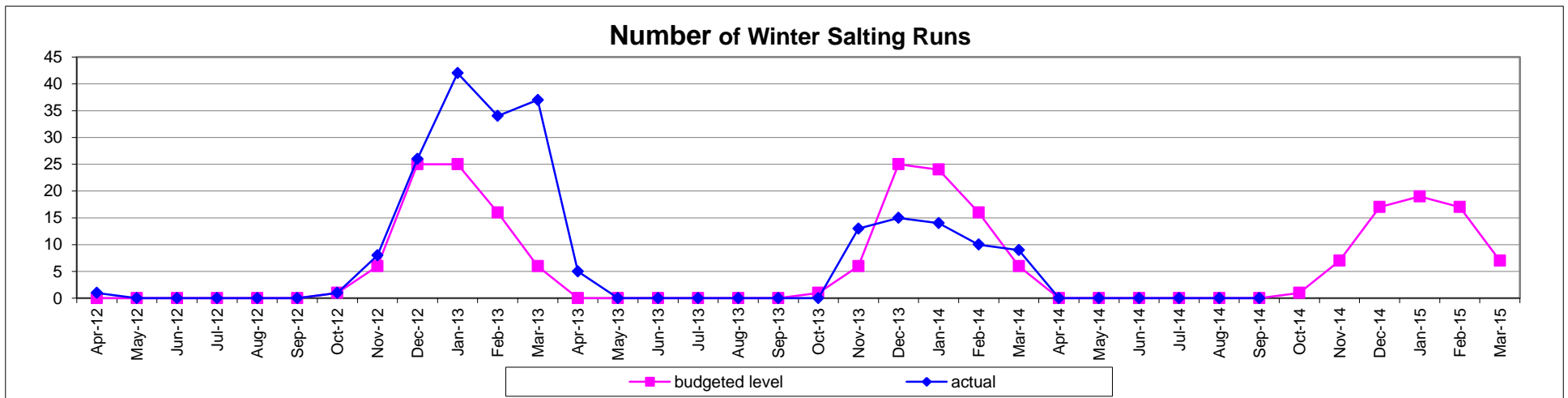
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Landfill Tax	4,651.0	0.0	4,651.0	+735	+735	Forecast increase in the volume of waste sent to landfill due to an overall increase in residual waste and unplanned maintenance at the Allington Waste to Energy plant (+9,000 tonnes)
	46,297.0	-261.0	46,036.0	+995		
Total GE&T	216,604.3	-36,604.7	179,999.6	-2,280		
Assumed Mgmt Action						
Total Forecast <u>after</u> mgmt action	216,604.3	-36,604.7	179,999.6	-2,280		

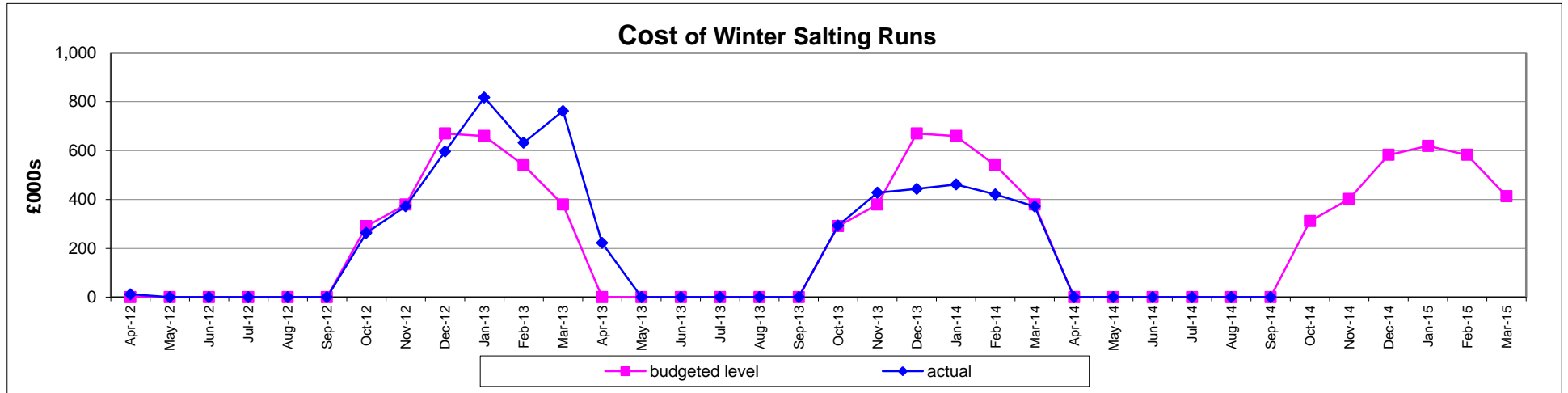
2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs

	2012-13				2013-14				2014-15			
	No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs		No. of salting runs		Cost of salting runs	
	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000	Budgeted level	Actual	Budgeted level £'000	Actual £'000
Apr	-	1	-	12	-	5	-	222	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-	-	-	-	-
Sep	-	-	-	-	-	-	-	-	-	-	-	-
Oct	1	1	291	263	1	-	291	293	1	-	311	-
Nov	6	8	379	372	6	13	379	428	7	-	402	-
Dec	25	26	670	596	25	15	670	443	17	-	583	-
Jan	25	42	660	817	24	14	660	462	19	-	619	-
Feb	16	34	540	632	16	10	540	421	17	-	583	-
Mar	6	37	379	762	6	9	379	371	7	-	414	-
	79	149	2,919	3,454	78	66	2,919	2,639	68	-	2,911	-

The budgeted number of salting runs assumes county wide coverage but in some cases, the actual number includes salting runs for which only part county coverage was required.



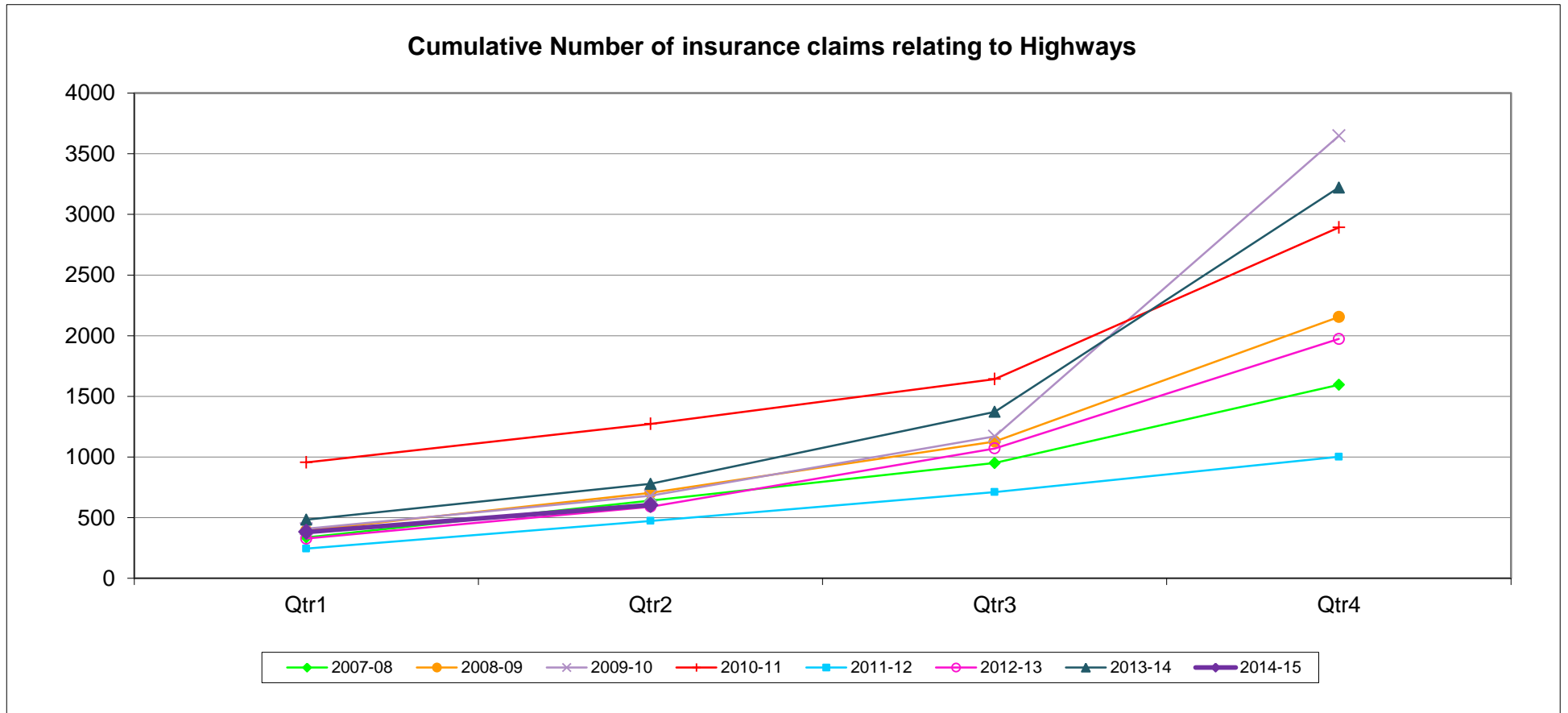


Comments:

- As a result of the prolonged hard winter which extended into April 2013, unbudgeted salting runs were required at the start of last financial year resulting in additional expenditure of £222k. However the actual number of salting runs was below budgeted levels due to the mild winter of 2013-14. Overall there was a net underspend of -£176k on the adverse weather budget in 2013-14 which was due to an underspend of -£280k on winter salting runs (as shown in the table above), an overspend of £146k due to insufficient provision being made for 2012-13 salting costs and an underspend of £42k of other costs associated with adverse weather, not directly attributed to salting runs. The 2014-15 budgeted level of runs is lower than either of the last two years as the contract has changed with a greater proportion of the total cost per run now being fixed, resulting in fewer overall runs being affordable.
- The actual number of salting runs in 2012-13 was above the budgeted levels, however, the budgeted cost of salting runs was calculated using the worst case scenario in terms of the rate of spread of salt. As the actual spread of salt was at a lower rate than assumed, this resulted in the costs of salting runs not being as high as the number of salting runs may suggest. Overall there was a net overspend of £1.669m on the adverse weather budget in 2012-13, which was due to an overspend of £0.535m on winter salting runs (as shown in the table above) and an overspend of £1.134m of other costs associated with adverse weather, not directly attributed to salting runs, such as costs of snow clearance, maintenance costs of farmers' ploughs, salt bins & weather stations.

2.2 Number of insurance claims arising related to Highways

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
Apr to Jun	337	393	408	956	245	327	484	382
Jul to Sep	640	704	680	1,273	473	590	779	604
Oct to Dec	950	1,128	1,170	1,643	710	1,071	1,373	
Jan to Mar	1,595	2,155	3,647	2,893	1,002	1,973	3,221	



Comments:

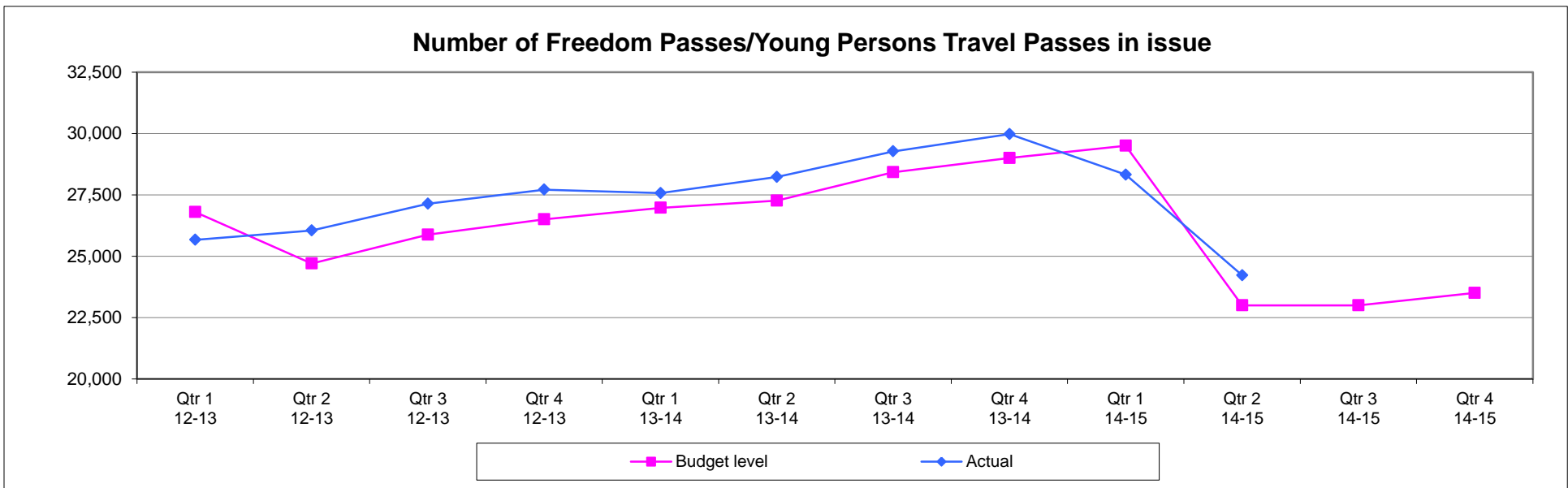
- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have three years to pursue an injury claim and six years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 September 2014.
- Claims were high in each of the years 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers may increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 which could have been due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. However, claim numbers increased again in 2012-13, which was likely to be due to the prolonged hard winter and the consequent damage to the highway, but claim numbers did not increase to the levels experienced during 2008-09 to 2010-11, probably due to the continuation of the find and fix programmes of repair. Claim numbers were again high in 2013-14, probably due to the particularly adverse wet weather conditions and the consequent damage to the highway. However, additional funding has been made available to address this.
- Claim numbers for 2011-12, 2012-13 and 2013-14 have increased since the July monitoring report presented to Cabinet on 13 October 2014 as new claims have been received relating to incidents occurring during these years, as explained above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on claims received over the past 12 months where it is considered that we do not have any liability, of just under 92%.

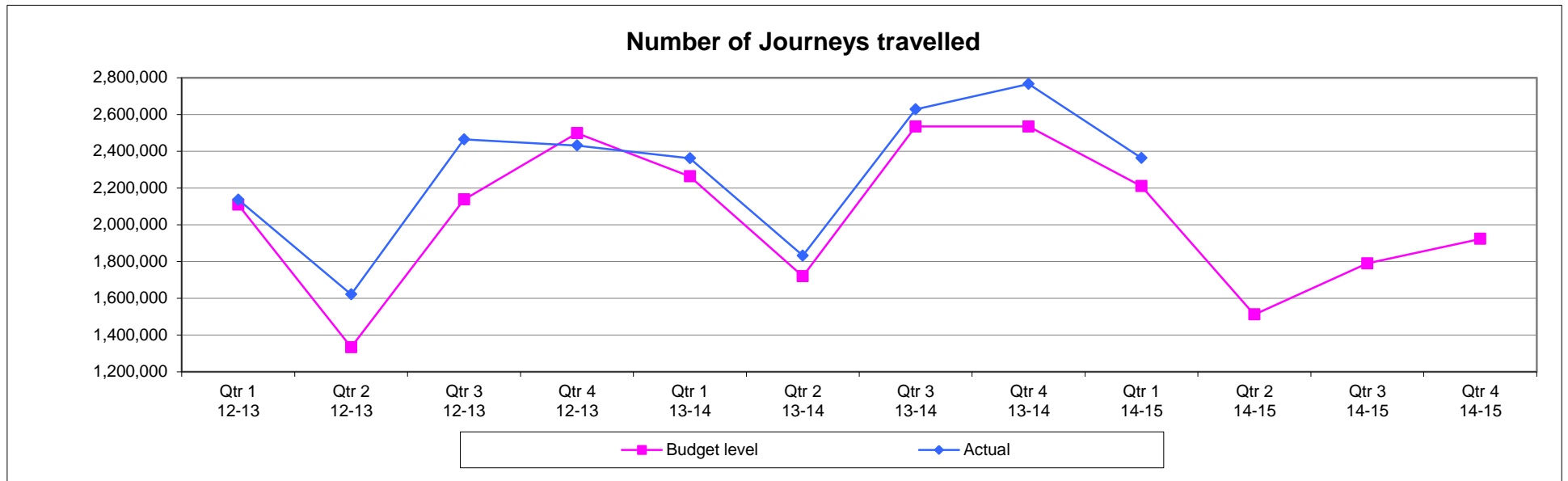
2.3 Young Persons Travel Pass (formerly Freedom Pass)

	2012-13				2013-14				2014-15			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)	Budget level	Actual	Budget level (000's)	Actual (000's)
Qtr 1	26,800	25,668	2,108	2,136	26,970	27,571	2,263	2,361	29,500	28,322	2,210	2,363
Qtr 2	24,703	26,051	1,333	1,621	27,260	28,227	1,719	1,832	23,000	24,223	1,512	*
Qtr 3	25,877	27,141	2,137	2,464	28,420	29,272	2,534	2,627	23,000		1,789	
Qtr 4	26,500	27,711	2,498	2,431	29,000	29,972	2,534	2,765	23,500		1,922	
			8,076	8,652			9,050	9,585			7,433	2,363

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

* MCL Transport Services are currently undertaking a reconciliation of the Q2 data provided by the bus companies and this activity data should be available at the end of November.





Comments:

- Applications have steadily increased since quarter one of 2012-13, due in part to changes in education transport policy, and the continued popularity of the scheme, resulting in a pressure on this budget in 2012-13, hence Cabinet, at the 15 July 2013 meeting, agreed to allocate £800k of rolled forward 2012-13 underspending to support this budget in 2013-14.
- The figures for actual journeys travelled are regularly reviewed and updated as further information is received from the bus companies, so may be subject to change.
- The above figures do not include journeys travelled relating to free home to school transport as these costs are met from the Education & Young People Directorate budget and not from the Young Persons Travel Pass budget.
- The reduction in the budgeted number of journeys for 2014-15 is as a result of the introduction of a new scheme, agreed by County Council in February 2014, restricting travel to between the hours of 6am and 7pm, Monday to Friday, between 1 September and 31 July; meaning the pass is no longer valid during the school summer holidays or at weekends. As a result of these changes it was anticipated that the number of passes in issue will reduce and this is reflected in the 2014-15 budgeted number of passes shown in the table above. It is now evident that demand has not reduced to the scale anticipated at the time of setting the budget.
- The above figures show that the number of passes in issue in Quarter 1 was below the budgeted number, however there was a higher than budgeted number of journeys being travelled. Following implementation of the changes to the scheme, 24,200 new passes have been issued (as at 30 September 2014) for the new academic year. Although this is above the budgeted level, it remains difficult to quantify the full impact of the changes until we have information on journey numbers travelled, so a balanced position is currently forecast. Robust data on trends of journeys travelled will not be available until quarter 3.

2.4 Waste Tonnage

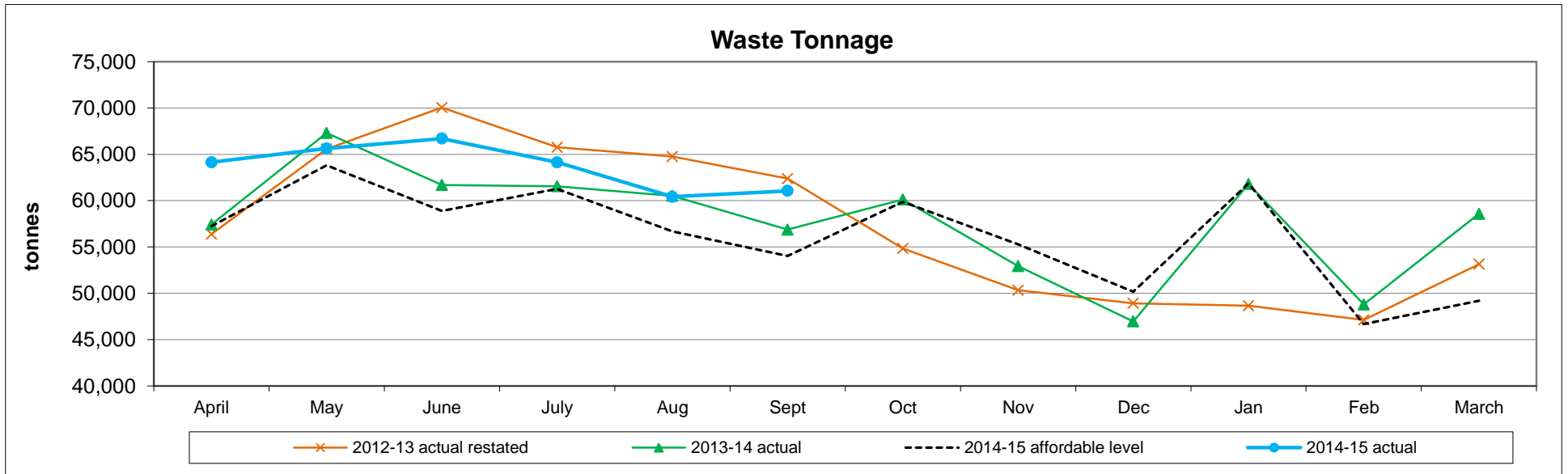
	# 2012-13 restated	2013-14 restated	2014-15	
	Waste Tonnage	Waste Tonnage	Affordable Level ^	* Waste Tonnage
Apr	56,390	57,423	57,246	64,136
May	65,562	67,314	63,802	65,631
Jun	70,033	61,701	58,899	66,701
Jul	65,764	61,563	61,282	64,143
Aug	64,760	60,519	56,684	60,433
Sep	62,377	56,884	54,032	61,061
Oct	54,837	60,127	59,881	
Nov	50,344	52,934	55,294	
Dec	48,925	46,979	50,167	
Jan	48,668	61,791	61,844	
Feb	47,135	48,801	46,682	
Mar	53,150	58,583	49,187	
	687,945	694,619	675,000	382,105

^ Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. From April 2013, due to changes in managing waste contracts, all service providers have transferred on to a calendar month basis .

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

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

These waste tonnage figures include residual waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.



Comments:

- From 2013-14 Waste tonnage data is based on waste outputs from transfer stations rather than waste inputs to our facilities. This is necessary due to the changes in how waste is being presented to KCC by the waste collection authorities, where several material streams are now being collected by one refuse collection vehicle utilising split body compaction. These vehicles are only weighed in once at our facilities, where they tip all of the various waste streams into the separate bays, and then the vehicle is weighed out when empty. The separate waste streams are stored separately at our transfer stations, where these materials are bulked up for onward transfer to various processing plants/facilities. The bulked loads are weighed out, providing data for haulage fees and then are weighed in at the relevant processing plant, providing data for processing fees. All the data presented in the table above has been restated on this output basis in order to enable comparison.
- The overall volume of waste managed in 2013-14 was 694,619 tonnes, which was 20,381 tonnes below the affordable level and equated to a saving of £2.155m. However this saving on waste volumes was offset by other pressures within the service, giving an overall saving against the waste management budget of £0.778m last year.
- The actual tonnage in 2013-14 of 694,619 tonnes was far higher than the forecast figure of 676,900 tonnes based on actuals to January and reported to Cabinet in April. This unexpected increase in volume in the final quarter of 2013-14 has continued into 2014-15, with cumulative tonnage activity for the first six months of the year approximately 30,200 tonnes more than the affordable level for the same period; the 2014-15 affordable level is based on the actual activity of the first three quarters of 2013-14. This increase in waste tonnage is reflected in the current financial forecast in table 1 of this annex.
- Based on the actual waste tonnage for April to September, and forecasts for October to March, the overall volume of waste to be managed this financial year is expected to be approximately 714,500 tonnes, which is 39,500 tonnes above the affordable level and equates to a pressure of £2.388m. However with the advent of the new contracts some of the tonnage, primarily soil and hardcore, does not attract an incremental cost as it is processed as part of a fixed management fee irrespective of the volume of waste, therefore an increase in waste tonnage may not always result in an increased pressure on the waste budget. The pressure on waste volumes is mostly offset by other savings within the service, as detailed in table 1, giving an overall net pressure against the waste management budget of +£0.378m. The service believes that the increase in waste tonnage experienced over the last nine months can be mostly explained by two separate issues. Firstly, climatic: the extraordinarily mild and moist winter and spring, as well as a markedly high water table, led to a very favourable and advanced growing season, leading to high levels of organic waste. In addition, large volumes of broken fence panels etc were evident in the early part of the year as a result of repairs to winter storm damage. Secondly, the growth in the UK economy has led to increased waste arising across the UK, but particularly in the south east, where economic activity is greatest, in particular in house purchases and renovations. The current forecast assumes that the increased tonnage as a result of the unusual weather conditions will not continue throughout the remainder of the year, but in view of a wet August, mild September and October together with a high water table, there is a significant risk that the current trend will continue and consequently the overspend as a result of higher waste volumes will increase.

- The figures in Table 1 of section 1.2 are based on actual activity for April to September, with estimates for the remaining months. Overall waste volumes are currently 4.6% higher for the first half year when compared with the same period for last year, but the forecast assumes that the increase in tonnage as a result of the climatic issues will not continue throughout the year, hence the current forecast of 714,500 tonnes is only 2.9% higher than actual tonnage for 2013-14.

3. CAPITAL

3.1 The Growth, Environment and Transport Directorate has a working budget for 2014-15 of £128,406k. The forecast outturn against the 2014-15 budget is £134,905k giving a variance of +£6,499k.

3.2 Table 1 below details the Growth, Environment and Transport directorate Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Rolling Programmes									
Country Parks Access and Development	180	77	0	0			Green		
Library Modernisation Programme	1,095	782	0	0			Green		
Management and Modernisation of Assets - Vehicles	430	141	0	0			Green		
Public Rights of Way	2,505	1,098	270	270	Real - grant	Real variance due to 4 PROW schemes originally to be carried out by Highways, now being done under the PROW programme. Grant to be moved from highways to cover the cost.	Green		Increase 14-15 cash limit by £270k grant
			-80	-80	Rephasing		Green		

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Public Sports Facilities Improvement - Capital Grant	300	100	0	0			Green		
Village Halls and Community Centres - Capital Grants	725	325	0	0			Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	39,724	-79	-79	Real - grant -£86k Real - external other +£7k	Underspend (grant) by £86k and £20k (grant) contribution from MHF to fund the overspend reported against the Weather Damage project. £7k external contributions received towards tourism signs.	Green		Increase 14-15 cash limit by £20k grant

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Integrated Transport Schemes under £1 million	11,346	4,999	519	519	Real - grant +£506, Rephasing - dev con -£54 Real - external other +67	Real variance due to additional grant of £756k awarded by the DfT to deliver local sustainable transport schemes and electric vehicle charge points. £270k of grant is requested to be vired to PROW for the delivery of schemes. A contribution of £20k grant from MHF towards one of the Integrated transport schemes. Some of the developer funded schemes are now being rephased due to design issues. An additional £67k external contribution towards some IT schemes and Electric vehicle charge points.	Green		Decrease 14-15 cash limit by £270k grant to PROW; Increase cash limit by £20k grant to H&T
Member Highway Fund		1,117	-40	-40	Real - grant	£20k grant contributions to Highway Major Enhancements and £20k grant to Integrated transport schemes.	Green		Decrease 14-15 cash limit by £40k grant
Land compensation and Part 1 claims arising from completed projects	1,213	261	86	86	Real - dev con		Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Major Schemes - Preliminary Design Fees	450	680	0	0			Green		
Individual Projects									
Dartford Library Plus	434	434	0	0			Green		
Kent History & Library Centre	0	104	0	0			Green		
New Community Facilities at Edenbridge	0	43	0	0			Green		
Southborough Hub	250	125	0	0			Green		
Tunbridge Wells Library	0	10	0	0			Green		
Broadband	21,850	12,955	-1,337	-1,337	Rephasing - +£4,213k grant, -£5,550k prudential	Rephasing: due to works scheduled, this does not effect the completion date of this project.	Green		
Cyclopark	0	35	0				Green		
Empty Property Initiative	7,500	2,972	10	10	Real - revenue		Green		
Eurokent Road (East Kent)	69	71	-62	-62	Rephasing - external other		Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Folkestone Heritage Quarter	300	402	310	310	Real - external other	Successful HLF funding claim (total of £1.3m) for regeneration of heritage quarter and harbour area in Folkestone.	Green		
Incubator Development	0	401					Green		
LIVE Margate	2,656	5,076	-3,376	-3,376	Rephasing - prudential	KCC has endeavoured to acquire some key strategic sites and it is taking longer to finalise these acquisitions.	Green		
Marsh Million	200	333	0				Green		
No Use Empty - Rented Affordable Homes	250	563	0				Green		
Old Town Hall, Gravesend	58	15	0				Green		
Payers Park	0	500	0				Green		
Regeneration Fund Projects	2,006	2,902					Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently a significant amount of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Regional Growth Fund - Journey Time Improvement (JTI)	4,556	330	0				Green		
Rural Broadband Demonstration Project	1,315	675	-516	-516	Real - £516k: £100k prudential and £416k prudential/revenue	The rural allocation was based on providing grants to local communities. On review of the market, the response is likely to be insufficient to generate good value for money for KCC. The funding has been rolled into the Superfast Extension Programme to enable more rural areas to be covered. This scheme is due to start in 2016-17.	Green		
Swale Parklands	0	48	-25	-25	Real - prudential	Underspend to fund Tram Road/Tontine Street.	Green		
Tram Road/Tontine Street Road Works	0	13	25	25	Real - prudential	To be funded from Swale Parklands.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
TIGER	16,000	4,796	5,478	5,478	Rephasing	The fund is heavily committed, and hence currently a significant amount of the spend will be defrayed (according to current actual and pipeline cases) in current year.	Green		
Escalate	5,400	5,500	-311	-311	Rephasing	The forecast has been adjusted according to current actual and pipeline cases in current year.	Green		
Energy and Water Efficiency Investment Fund - External	431	235	0	0			Green		
Energy Reduction and Water Efficiency Investment - KCC	292	172	0	0			Green		
Sandwich Sea Defences	1,875	1,515	-75	-75	Rephasing		Green		
Coldharbour Gypsy site		41	34	34	Real - external other		Green		
Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):									
Mid Kent Joint Waste Project									
HWRC - Tonbridge and Malling	300		0	0			Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
HWRC-West Kent	600	600	-600	-600	Real - prudential	Existing site's lease is now extended therefore no new project is needed. Underspend to be held to offset emerging pressures elsewhere in the GET capital programme.	Green		
TS/HWRC - Ashford	50	50	0	0			Green		
TS/HWRC - Swale	3,380	1,880	-1,280	-1,280	Rephasing	The forecast assumes only bridge works to be carried out in this financial year. The scheme is subject to review to ensure the delivery of the project within the budget allocation.	Green		
Kent Highway Services									
Weather Damage - Major Patching	0	1,516	106	106	Real Grant	Additional works had been carried out. The overspend is managed by the underspend shown against the Highway Major Enhancement Programme.	Amber		
Carriageway Collapse-Emergency works	0	1,119	0	0			Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0	0					

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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	3,447	2,011	-1,374	-1,374	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Growth without Gridlock initiatives	350	0	0	0					
Kent Thameside Strategic Transport Programme	11,526	1,479	-649	-649	Rephasing	The programme is under review. Rephasing due to Rathmore Road Link (a scheme within the programme). Work had been suspended temporarily until receiving planning consent by the Planning Committee.	Green		
Lorry Park	14,620	1,080	-1,070	-1,070	Rephasing	Further options are being explored hence the start date has been delayed.	Amber		
North Farm Longfield Road, Tunbridge Wells	4,275	6,054	10	10	Rephasing		Green		
Rushenden Link (Sheppey) - major road scheme	749	694	-559	-559	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Sandwich Highways Depot	3,000	0	0	0			Green		

ANNEX 5

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Sittingbourne Northern Relief Road - major road scheme	2,722	2,395	-1,934	-1,934	Rephasing	Review of delivery programme due to re tendering of LCA part 1 works.	Green		
Street Lighting Column - Replacement Scheme	2,500	1,804	0	0			Green		
Street Lighting Timing - Invest to Save	1,817	1,512	0	0			Green		
South East Maidstone Strategic Link - Major Road Scheme	0	0	0	0					
Thanet Park Way	2,600	1,642	-500	-500	Rephasing	The rephasing is due to delays in the procurement process.	Green	Revised completion date was reported in the June Monitoring.	
Westwood Relief Strategy - Poorhole Lane Improvement	1,727	4,386	-435	-435	Rephasing	Scheme is expected to be completed in May 2015. Two months worth of works are now being rephased.	Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Ashford Schemes									
A28 Chart Road, Ashford	16,600	0	660	660	Rephasing	The scheme has now received planning consent and needs to be progressed. The anticipated spend has now been brought forward to cover initial development works and engagement with utilities.	Amber	The overall scheme cost has increased and this will be funded from the anticipated LEP grant and developer contributions.	
Drovers Roundabout junction	192	242	0	0			Green		
Orchard Way Railway bridge, Ashford	0	0	0	0					
Victoria Way	468	505	0	0			Green		
Total	259,191	128,406	6,499	6,499					

1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

STRATEGIC & CORPORATE SERVICES DIRECTORATE
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+82,700	-486	-	-486

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	
Strategic & Corporate Services						
Strategic Management & Directorate Support Budgets	3,535.1	-5,089.3	-1,554.2	-160	-157	Staff vacancies, mainly due to secondments to the Facing the Challenge team
					-3	Other minor variances
Community Services						
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+482	+165	In the current year there has been an increase in the number and duration of calls to the Contact Centre, resulting in a need to increase staffing levels to maintain performance.
					+320	The service transferred to S&CS with a previous year saving of -£573k and a further -£213k saving for 2014-15 in the base budget. Delivery was focussed on reducing staffing levels but has not been entirely possible because of the unanticipated effect on performance/ outputs, as described above.
					-3	Other minor variances
- Gateways & Customer Relationship	2,940.6	-113.3	2,827.3	-67		
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	0		
	7,791.5	-2,343.4	5,448.1	+415		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<u>Local Democracy</u>						
- Community Engagement	415.3	0.0	415.3	+145	+271	The service transferred to S&CS with an existing saving of £327k based on an anticipated service review which should have happened in the previous financial year. A review is currently being undertaken which will be subject to a Member decision on scoping the future nature of the service.
					-126	Other minor variances, each below £100k, including savings from a moratorium on non critical spend to offset the pressure on this service.
- County Council Elections	570.0	0.0	570.0	0		
- Local Member Grants	2,120.5	0.0	2,120.5	0		
- Partnership arrangements with District Councils	2,463.2	0.0	2,463.2	0		
	5,569.0	0.0	5,569.0	+145		
<u>Support to Frontline Services</u>						
- Business Strategy	3,365.5	-82.0	3,283.5	-215	-231	Staff vacancies & maternity leave. A committed roll forward of £14k will be requested for Health Reform monies which is due to be spent in April & May 2015.
					+16	Other minor variances
- Business Strategy (Facing the Challenge & Corporate Portfolio Office)	504.2	0.0	504.2	0	+3,011	Facing the Challenge costs in excess of the gross budget of £484.1k which was rolled forward from 2013-14
					-3,011	Drawdown from reserves to meet Facing the Challenge costs in excess of cash limit
					+595	Corporate Portfolio Office costs in excess of the gross budget of £20.1k which was rolled forward from 2013-14

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-595 Drawdown from reserves to meet Corporate Portfolio Office costs in excess of cash limit +252 Corporate/Customer Services Transformation Assessment works +341 Adult Social Care Transformation Phase 2 Assessment works +113 0-25 Children's Services Transformation Assessment works +1,000 0-25 Children's Services Transformation Design works - in accordance with Cabinet Member decision 14/00086 -1,706 Drawdown from reserves to fund Transformation works detailed above It is anticipated that these transformation costs, together with the matching drawdown from reserves, will be transferred to the relevant services before the end of the financial year.	
- Communications & Consultation	2,805.4	-131.0	2,674.4	-413	-198 Staff vacancies -42 Income from Public Health to fund costs of Press Campaign Officer -173 Other minor variances, each below £100k	
- Democratic & Members	3,835.1	-128.7	3,706.4	-63		
- Finance & Procurement	19,664.9	-7,761.9	11,903.0	-135	+277 Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review -208 Staffing vacancies	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-141 Reduction in specialist fees within Financial Management	
					-63 Other minor variances	
- Human Resources	15,879.1	-6,535.8	9,343.3	-573	-129 Staffing vacancies	The training budget will be subject to review as part of the mtfp process
					-294 Revision to the training budget following finalisation of workforce development plans	
					-147 Additional income for recruitment services provided to schools & academies	
					-3 Other minor variances	
- Information, Communications & Technology	34,927.1	-17,351.3	17,575.8	-19		
- Legal Services & Information Governance	10,068.3	-12,407.9	-2,339.6	+232	+182 Reduction in income resulting from market conditions	
					+50 Other minor variances	
- Property & Infrastructure Support	32,990.7	-6,405.0	26,585.7	+300	+300 Property Group budget for 2014-15 has a £300k savings target which depends on service changes and reviews taking place in other parts of the Authority in order to enable the overall property portfolio to reduce. The service reviews are outside the control of Property Group.	Action is being taken to address this through on-going work with service directorates to identify opportunities.
	124,040.3	-50,803.6	73,236.7	-886		
Total S&CS	140,935.9	-58,236.3	82,699.6	-486		
Assumed Management Action						
Total S&CS Forecast <u>after</u> mgmt action	140,935.9	-58,236.3	82,699.6	-486		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts

The total forecast receipts expected to be banked during 2014-15 is £26.576m. With the imminent closure of PEF1 and PEF2 all receipts achieved will now go towards funding the capital programme. Finance and Property colleagues are continuing discussions to resolve any ongoing implications from the closure of the two funds.

2.2 Capital Receipts Funding Capital Programme

	2014-15
	£'000
Capital receipt funding required for capital programme	41,974
Banked in previous years and available for use	32,881
Receipts from other sources*	2,743
Requiring to be sold this year	6,350
Forecast receipts for 2014-15	<u>26,579</u>
Potential Surplus/(Deficit)	20,229

2.2.1 The total capital receipt funding required to fund projects in the capital programme per the latest forecasts for 2014-15 totals £41.974m. Taking into account receipts banked in previous years which are available for use, receipts from other sources, and on the assumption the forecast receipts are achieved in 2014-15, there is a forecast "surplus" of capital receipt funding by the end of the year. It should be noted that any surplus would be a result of timing differences between when the receipts are achieved and when the spend is incurred in the capital programme. Any surplus receipts would therefore be required to fund future capital expenditure.

2.2.2 PEF1 and PEF2 have served their original purpose and work is underway to close these two funds as mentioned in paragraph 2.1 above.

3. CAPITAL

3.1 The working budget for 2014-15 is £29,764k. The forecast outturn against the 2014-15 budget is £28,995k giving a variance of -£769k.

3.2 Table 1 below details the Strategic and Corporate Services Capital Position by Budget Book line.

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
Rolling Programmes									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,793	0				Green		
Individual Projects									
Connecting with Kent	282	651	0				Green		
Customer Journey Programme (Facing the Challenge)	990	709	-709	-709	Rephasing - prudential	Project presently on hold until further clarity on requirements following Facing the Challenge.	Amber	Amber until new completion date agreed.	
Enterprise Resource Programme	0	209	0				Green		
Gateways (Programme Rollout)	296	296	0				Green		
HR System Development	160	160	-60	-60	Rephasing - prudential		Green		
Innovative Schemes Fund	2,000	926	0				Green		

Budget Book Heading	Three year cash limit per budget book 14-15 (£000)	2014-15 Working Budget (£000)	2014-15 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
New Ways of Working	12,400	14,238	0				Green		
Property Asset Management System	0	90	0				Green		
Replacement and Enhancement of Core Website (Facing the Challenge)	412	560	0				Green		
Swanley Gateway (Programme Rollout)	490	1,078	0				Green		
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Amber	Completion date now 31/01/2015 from 31/10/2014: October date was based on the contract term whilst the revised project plan was developed.	
Winter Gardens Rendezvous site	100	100	0				Green		
S&CS Directorate Total	28,806	29,764	-769	-769					

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
SEPTEMBER 2014-15 MONITORING REPORT

1. REVENUE

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	Total (£k)	+131,748	-488	-	-488

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	
Financing Items						
Audit Fees	314.0	0.0	314.0	-141	-141	Forecast based on anticipated fees as notified by our external auditors which includes rebates relating to prior years
Carbon Reduction Commitment Levy	1,000.0	0.0	1,000.0	-200	-200	Anticipated underspend based on current purchase of allowances for estimated carbon emissions
Commercial Services (net contribution)	0.0	-7,691.0	-7,691.0	+1,391	+1,391	Shortfall in dividend from Commercial Services based on first half year results, new costs of rent payments to KCC and higher than expected costs of closing County Print
Contribution to IT Asset Maintenance Reserve	2,352.0	0.0	2,352.0	0		
Contribution to/from Reserves	10,020.2	0.0	10,020.2	+1,962	+445	Transfer to Insurance reserve of surplus on Insurance Fund (see below)
					+1,517	Transfer to the Minimum Revenue Provision (MRP) smoothing reserve of in year saving on MRP to cover potential impact in future years, in line with usual practice (see net debt charges below).

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
Insurance Fund	4,679.0	0.0	4,679.0	-445	-445	Forecast surplus on Insurance Fund following negotiations concerning long term exposure/Period of Time claims during RSA insurance policy years 1996-2001, which has achieved a significant reduction in liabilities.
Modernisation of the Council	3,448.5	0.0	3,448.5	0		
Net Debt Charges (incl Investment Income)	128,042.5	-8,514.0	119,528.5	-1,117	+400	Impact of continued low interest rates on our cash balances and investments
					-1,517	In year saving on MRP as a result of re-phasing of the 2013-14 capital programme, resulting in fewer assets becoming operational last year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year.
Other	939.0	-36.0	903.0	0		
Unallocated	1,193.8	0.0	1,193.8	-1,938	-1,905	Additional Business Rate compensation grant, above the budgeted level, for reimbursement of impact of measures introduced in the 2012 and 2013 Autumn Statements
					-983	Bellwin funds received in respect of emergency costs incurred as a result of the 2013-14 autumn and winter storms & flooding
					+983	Transfer of Bellwin funds to the Emergency Conditions reserve
					-33	Business Rates flood relief grant
Total Financing Items	147,989.0	-16,241.0	131,748.0	-488		

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

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

	Price per Barrel of Oil		
	2012-13	2013-14	2014-15
	\$	\$	\$
Apr	103.32	92.02	102.07
May	94.65	94.51	102.18
Jun	82.30	95.77	105.79
Jul	87.90	104.67	103.59
Aug	94.13	106.57	96.54
Sep	94.51	106.29	93.21
Oct	89.49	100.54	
Nov	86.53	93.86	
Dec	87.86	97.63	
Jan	94.76	94.62	
Feb	95.31	100.82	
Mar	92.94	100.80	

Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UK trade info website.
- Fluctuations in oil prices affect many other costs such as heating, travel, and therefore transportation costs of all food, goods and services, and this will have an impact on all services provided by the Council.

