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To: CABINET - 28 January 2015

Subject: **REVENUE AND CAPITAL BUDGET MONITORING FOR 2014-15 - NOVEMBER**

Classification: **Unrestricted**

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## 1. SUMMARY

1.1 This report provides the budget monitoring position for November 2014-15 for both revenue and capital budgets. Due to revenue finance resources being focused predominately on preparing the 2015-16 budget, which is a separate item on the agenda for this meeting, no activity data is supplied in this report.

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 a summary of the remaining proposed management action
- Appendix 2 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**

## 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

### 3. SUMMARISED REVENUE MONITORING POSITION

3.1 The net projected variance against the combined directorate revenue budgets is an underspend of £0.959m, before management action, but management action is expected to reduce this to an underspend of £4.264m. 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 £4.054m 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 £0.781m**. 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 1 but further work is required to identify actions to eliminate this forecast £0.781m underlying pressure if we want to be able to provide these roll forwards. We also need to take into consideration that delivery of the £3.305m 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 £1.813m reduction in the forecast position (excluding schools and before rollover requests), as shown in table 1. This is mainly due to:

**E&YP** - further underspending on: Early Years, Educational Psychology, other schools services and schools improvement and further re-phasing against the Kent Youth Employment programme and the Tackling Troubled Families programme. In addition, the forecast underspend for Children's Centres is now less than previously forecast.

**SCH&W (SCS)** - a general reduction in strategic management, preventative services, leaving care and legal budgets has been offset by an increase in fostering, residential care and adoption.

**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 and domiciliary care budgets continuing to increase, offset by the release of funds held within other adult services. The increased pressure on direct payments 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. Whilst the increased pressure on domiciliary care results from a review on the expected timing of transformational savings.

**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 2. 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, as well as a reduction within highways and transportation largely due to reduced streetlight energy costs, reduced estimates of tree inspection costs, and increased income from Safety Awareness Courses.

**S&CS** - a further improvement in the position mainly due to fewer than anticipated business cases requiring funding in Local Healthwatch & Complaints Advocacy.

**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
<b>Directorate Totals</b>	+952,116	-959	-3,305	-4,264	-2,451	-1,813
Adjustments: - Legally committed roll fwd (see section 3.6 for detail)		+210	-	+210	+210	-
<b>Underlying position (including legally committed roll fwd requirements only)</b>	<b>+952,116</b>	<b>-749</b>	<b>-3,305</b>	<b>-4,054</b>	-2,241	-1,813
- Roll forward/ re-phasing required to continue/ complete existing initiatives (see section 3.7 for detail)		+4,835	-	+4,835	+3,507	+1,328
<b>Underlying position (including ALL roll fwd requirements)</b>	<b>+952,116</b>	<b>+4,086</b>	<b>-3,305</b>	<b>+781</b>	+1,266	-485

### 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	84,036.5	-3,956	-	-3,956	-2,327	-1,629
2	Social Care, Health & Wellbeing - Specialist Children's Services	127,517.0	+4,240	-1,200	+3,040	+3,095	-55
	Social Care, Health & Wellbeing - Asylum	280.0	+1,666	-	+1,666	+1,666	-
	Social Care, Health & Wellbeing - Special Operations	-	+809	-	+809	+699	+110
	<i>Sub Total SCH&amp;W - Specialist Children's Services</i>	<i>127,797.0</i>	<i>+6,715</i>	<i>-1,200</i>	<i>+5,515</i>	<i>+5,460</i>	<i>+55</i>
3	Social Care, Health & Wellbeing - Adults	345,049.2	-505	-2,105	-2,610	-2,330	-280
4	Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	-
5	Growth, Environment & Transport	180,058.6	-2,050	-	-2,050	-2,280	+230
6	Strategic & Corporate Services	82,638.2	-675	-	-675	-486	-189
7	Financing Items	132,536.7	-488	-	-488	-488	-
	<b>TOTAL (excl Schools)</b>	<b>952,116.2</b>	<b>-959</b>	<b>-3,305</b>	<b>-4,264</b>	<b>-2,451</b>	<b>-1,813</b>
1	<i>Schools (E&amp;YP Directorate)</i>	-	+12,883	-	+12,883	+2,777	+10,106
	<b>TOTAL</b>	<b>952,116.2</b>	<b>+11,924</b>	<b>-3,305</b>	<b>+8,619</b>	<b>+326</b>	<b>+8,293</b>

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

- a) The net position for Specialist Children's Services (exc. Asylum and Special Operations) has improved slightly from the previous reported position by -£0.055m. However, the service continues to report a significant financial pressure for 2014-15 with a net overspend of £4.240m, which is partially offset by £1.200m of proposed management action, with the remaining pressure of £3.040m 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 £0.809m 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 -£0.505m before management action within Social Care, Health & Wellbeing - Adults is made up of a pressure on the Social Care budgets of £2.787m, 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 £3.292m. Further management action of £2.105m 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 reflects a planned 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 £7.162m (£2.787m + £4.375m) more than our base budget on adult social care, but this is expected to reduce to £5.057m after delivery of management action.
- 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. Intimal findings have resulted in a review of the timing of when savings will be delivered. It is now anticipated savings will be realised over a longer time period than previously forecast and this has been reflected as an increased pressure on domiciliary care. It is anticipated that further outcomes 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) The Government have now confirmed that the grant funding for the Kent Support & Assistance Service (Social Fund) will not continue beyond this financial year. The provisional local government finance settlement for 2015-16 identifies a separate sum of money within the Revenue Support Grant (RSG) for this responsibility, but this is not the re-instatement or transfer of this grant, and has been created through using existing RSG allocations. Therefore effectively this grant has been removed for this service although the corresponding responsibilities still resides with the Local Authority. As the funding is ceasing, an option would be to roll forward the underspending on this service, to provide this service for another year whilst alternative longer term solutions are considered.
- h) Within Education & Young People's Services, the SEN Home to School Transport budget continues to experience pressure, with a forecast overspend of +£2.390m. This is partially offset by recoupment income received from other local authorities whose pupils attend our special schools (-£0.478m); 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 (-£1.167m). An underspend on Children's Centres of -£2.420m 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, 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 both the Kent Youth Employment programme and the Troubled Families programme, with the directorate as a whole forecasting a net underspend after management action and excluding schools of -£3.956m.
- 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 £2.050m. The most significant services contributing to this position are Subsidised Bus Routes (-£0.673m); Highways budgets (-£0.722m) predominately from savings on streetlight energy and speed awareness courses; Community Services budgets (-£0.999m) 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 (+£0.112m); Regulatory Services budgets (-£0.253m) mainly due to lower than expected costs of long inquests; Concessionary Fares (-£0.234m) offset by a net pressure on the waste budgets (+£0.758m - 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 £2.838m currently reported. This is largely offset by savings predominately from contract changes, giving an overall net pressure on the waste budget of £0.758m. The tonnage for April to November was 33,600 tonnes above the affordable level for this period and the current forecast pressure on waste tonnage of £2.838m assumes 41,500 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 11 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. A contingency to cover the potential impact of continued higher than budgeted levels of waste tonnage in 2015-16 has been included in the draft 2015-18 MTFP, published on 12 January.

- l) Following the start of the new school academic year, indications from the data supplied by our external provider MCL Transport Services show a potential budget pressure on this service. We are currently working with MCL to understand the cause of this pressure, but the number of passes issued appears in line with our budget build assumptions. We also assumed in our budget that some of the lower cost users would not renew. Therefore if there is a real pressure on this service, the most likely reason will be because the average cost per pass is higher than our assumptions at the time of setting the budget. An update will be provided in the quarter 3 report to Cabinet in March, which will include robust data on usage trends and numbers of applicants for the second half year pass.
- m) The forecast for Public Health is an underspend of £0.163m, 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 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 1 provides some details of the outstanding management action reflected in the forecast £0.781m overspending position shown in the headline table on page 3. 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  

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+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 -£5.045m (£4.835m as detailed below + £0.210m per section 3.6 above). We are currently reporting an underspend after management action of -£4.264m, so we have a shortfall of £0.781m, as highlighted in the headline position 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)	+824 k
▪ re-phasing of Vulnerable Learners Assisted Apprenticeship placements in to 2015-16 (see annex 1)	+53 k
▪ Kent Support & Assistance (Social Fund) (see annex 3)	+2,703 k
▪ re-phasing of Health Reform (see annex 6)	+14 k
▪ Tackling Troubled Families (see annex 1)	+1,241 k
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	+4,835 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 £381.161m (£318.160m excluding PFI). The forecast outturn against this budget is £280.023m (£261.316m excluding PFI) giving a variance of -£101.138m (-£56.845m excluding PFI). 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	143,987	-49,915	-86	-49,829	1
Social Care, Health & Wellbeing - Specialist Children's Services	-	2,028	-70	-	-70	2
Social Care, Health & Wellbeing - Adults	82,918	76,976	-51,494	-23,908	-27,586	3
Social Care, Health & Wellbeing - Public Health	-	-	-	-	-	4
Growth, Environment & Transport	259,191	128,406	5,584	939	4,645	5
Strategic & Corporate Services	28,806	29,764	-5,243	-	-5,243	6
Financing Items	-	-	-	-	-	7
<b>TOTAL</b>	<b>598,425</b>	<b>381,161</b>	<b>-101,138</b>	<b>-23,055</b>	<b>-78,083</b>	

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

- a) The majority of schemes are within budget and on time.
- b) -£23.055m of the -£101.138m variance is due to **real** variances. These are categorised as follows:

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

- PFI - Excellent Homes for All (SC,H&WB - Adults) -£25.222m. The budget has been revised following a reduction in PFI credit with the forecast now reflecting the estimated construction cost at financial close.

- 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) +£1.169m. This reflects additional grant awarded by the DfT to deliver local sustainable transport schemes (+£0.834m), additional external funding of +£0.045m, a revenue contribution of £0.320m to purchase new buses less a contribution to the Member Highway Fund towards an Integrated Transport Scheme (-£0.030m)

- Marsh Million (GET) +£0.100m. This reflects additional funding received from a project partner.

- The remaining -£0.117m 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.

- ii) **Proposals for managing real variances within the capital programme which have a nil impact on the programme as a whole:**

- 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

- Goat Lees Primary School (EYP) -£0.375m. The forecast underspend against this project will be used to part fund the pressure on the Basic Need programme in future years (please see section 4.3.d below).

- Annual Planned Enhancement Programme (EYP) +£0.250m due to additional works at Minster Primary. This is to be funded from a corresponding underspend on the Modernisation Programme - Future Years.

- HWRC West Kent (GET) -£0.600m. The existing site's lease has been extended therefore no new capital project is needed. The underspend is requested to fund the emergency works at Richborough and Sturry Road Closed Landfill sites.

- 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.

- TS/HWRC - Swale (GET) -£0.250m to reflect revised scheme cost. This underspend will be used to fund +£0.150m on the Street light Timing - Invest to Save project due to higher than expected costs including a greater number of columns needing to be rewired to enable conversion and higher staff costs and +£0.100m on Weather Damage - Major Patching where additional works have had to be carried out.

- c) -£78.083m of the -£101.138m variance relates to **rephasing** on a number of projects. The main projects comprising the rephasing are as follows:
- Basic Need Programme 2013-15 (EYP) -£15.419m rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been forecast in 2015-16.
- Special School Review Phase 2 (EYP) -£24.446m. Rephasing due to delays at the planning stage on a number of complicated projects. Redesign and reconfigurations have also been necessary due to budget pressures.
- Sevenoaks Grammar School -£3.500m and Trinity Free School, Sevenoaks (EYP) -£2.500m. Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.
- Dover Christ Church (EYP) -£1.500m. Rephasing due to construction delays which have pushed back the completion of two main phases of work.
- Devolved Formula Capital Grants for Pupil Referral Units (PRUs) (EYP) -£1.209m. Following the completion of a recent PRU review works will now progress.
- BSF Wave 3 Build Costs (EYP) -£0.723m. Rephasing as a result of outstanding ICT issues at schools which have yet to be resolved.
- Community Learning & Skills Service - Sittingbourne Reprovision (EYP) -£0.482m due to a lack of suitable alternative venues and sites coming forward.
- PFI - Excellent Homes for All (SCH&W Adults) -£19.071m. Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.
- OP Strategy - Transformation/Modernisation (SCH&W Adults) -£5.589m. Rephasing to 2015-16 to allow for formal procurement options to be explored as part of the business case development for the Older Persons Strategy.
- Information Technology Projects (SCH&W Adults) -£1.958m rephased whilst reviewing the IT strategy as part of the budget process.
- 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.
- 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 - rephasing due to the retendering of the LCA Part 1 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.
- Broadband (GET) -£1.337m rephasing to reflect programme of scheduled works.
- Lorry Park (GET) -£1.055m - further options are being explored hence anticipated start date has been delayed.

Kent Thameside Strategic Transport Programme (GET) -£0.749m. Rephasing on Rathmore Road as work was suspended while awaiting planning consent.

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.

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

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

Dartford Library Plus (GET) -£0.434m. Suggested changes from a public consultation have impacted on delivery times.

North Farm Longfield Road, Tunbridge Wells (GET) -£0.381m. The predicted completion has slipped by a month to end of June 2015 as a result of unchartered utility services that require diversion or protection.

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

Southborough Hub (GET) -£0.125m. A new enhanced scheme is currently being considered and the project has been reprofiled accordingly.

Modernisation of Assets (S&CS) -£3.700m. Rephasing due to awaiting outcome of environmental recommendations on two large building works.

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.

Replacement and Enhancement of Core Website (S&CS) -£0.320m rephasing as the first phase of the redevelopment required more time than originally anticipated but this has not effected the overall completion date of the project.

Swanley Gateway (S&CS) -£0.308m. The contractor has identified additional works to the roof which will extend the project by two months.

The remaining -£0.730m rephasing comprises minor rephasing on a number of projects across the capital programme. The annexes to this report provide the detail.

d) **Future years unfunded variances:**

Basic Need Programme 2013-15 (EYP) There is an overall pressure against the Basic Need Programme of £12.351m which includes a £2.360m pressure relating to construction inflation which was previously reported as a separate line. £0.381m of this pressure can be funded from underspends elsewhere in the programme and the remainder has been reviewed as part of the budget setting process.

Special Schools Review Phase 2 (EYP) Across the three year programme the total forecast pressure is £7.060m of which £6.940m is unfunded. This includes a £1.000m pressure relating to construction inflation which was previously reported as a separate line.

#### 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 2.

### 5. CONCLUSIONS

5.1 The overall forecast overspend position, after taking into account the requirements to roll forward, has reduced by £0.426m from +£4.512m to +£4.086m since the quarter 2 monitoring position provided to Cabinet in December. However, management action of £3.305m (an increase of £59k from last month) is proposed, which is expected to reduce this position to +£0.781m, an improvement of £0.485m 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 £3.305m of management action, and even if achieved:
- 3) a £0.781m forecast pressure still needs to be resolved, if we are to be in a position to roll forward all of the funds listed in paragraphs 3.6 & 3.7.

If we do not resolve this residual £0.781m underlying pressure before the year end, then all of the roll forwards 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.

5.2 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.

### 6. 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 2.

### 7. BACKGROUND DOCUMENTS

None

## 8. CONTACT DETAILS

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**2014-15 NOVEMBER SUMMARY OF THE PROPOSED MANAGEMENT ACTION**

	Outstanding management action
	£'000
<b>SCH&amp;W</b>	
<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	-1,465
LDMH - Review of all current activities and jointly funded arrangements	-640
Sub Total - Adults Social Care	<u>-2,105</u>
 <b>Total SCH&amp;W (Children's and Adults)</b>	 <u><u><b>-3,305</b></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		
<b>Cash limit change due to revised external/grant funding availability/previous decisions:</b>						
SCH&W (Adults)	PFI - Excellent Homes for All	-25,222			PFI	Adjustment to budget required to reflect estimated construction value.
GET	Marsh Million	100			Other External Funding	Additional funding received from a project partner.
<b>Cash limit change to cover overspends elsewhere in the capital programme:</b>						
GET	Integrated Transport Schemes	-30			Grant	To contribute to projects in Member Highway Fund.
GET	Member Highway Fund	30			Grant	To be funded from Integrated Transport Schemes
GET	HWRC - West Kent	-600			Prudential	To fund emergency works at Richborough Closed Landfill site and Sturry Road Closed Landfill Site
GET	Richborough Closed Landfill Site - Emergency Works	200	200		Prudential	To be funded from HWRC - West Kent
GET	Sturry Road Landfill Site - Emergency Works	49	151		Prudential	To be funded from HWRC - West Kent
GET	Member Highway Fund	25			Grant	To be funded from Highway Major Enhancement
GET	Highway Major Enhancement	-25			Grant	To contribute to projects in Member Highway Fund.
<b>Other cash limit changes:</b>						
GET	Management and Modernisation of Assets - Vehicles	25			Revenue	Purchase of equipment for Kent Scientific Services - reserve held
GET	Integrated Transport Schemes	320			Revenue	Revenue contribution to purchase buses.

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

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (excl Schools) (£k)</b>	+84,037	-3,956	-	-3,956
	<b>Schools (£k)</b>	-	+12,883	-	+12,883
	<b>Directorate Total (£k)</b>	<b>+84,037</b>	<b>+8,927</b>	<b>-</b>	<b>+8,927</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Education &amp; Young People's Services</b>						
<b>Delegated Budget:</b>						
Schools & Pupil Referral Units Delegated Budgets	693,524.3	-693,524.3	0.0	+12,883	+2,777  +10,106	Drawdown from school reserves for 38 expected academy converters  Movement from quarter 2 - decrease in expected academy converters in 2014- 15 from 38 to 35 -£215k; expected drawdown of reserves for remaining Kent schools based on schools six month monitoring +£10,321k
<b>TOTAL DELEGATED</b>	693,524.3	-693,524.3	0.0	+12,883		
<b>Non Delegated Budget:</b>						
E&YP Strategic Management & directorate support budgets	6,124.1	-8,158.0	-2,033.9	+1,193	+1,922  -347	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.  Underspend on legal fees
						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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-143 DSG variance - EYP directorate wide supplies & services +60 Other minor variances -299 Movement from quarter 2 - DSG movement of -£166k for feasibility studies; other minor changes -£133k	
<b>Children's Services - Children in Need</b>						
- Children's Centres	14,427.9	-1,576.5	12,851.4	-2,420	-2,434 Savings from vacancies linked to the service restructure -456 Underspend on non staffing budgets across the 17 children's centre hubs -30 Other minor variances +500 Movement from quarter 2: impact of the new structure which took effect from July with vacancies continuing to be appointed to throughout the autumn; additional non staffing savings	Part of this saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
- Preventative Services	5,442.9	-1,331.0	4,111.9	+324	+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 -52 Movement from quarter 2	
	19,870.8	-2,907.5	16,963.3	-2,096		
<b>Children's Services - Education &amp; Personal</b>						
- 14 - 19 year olds	3,937.1	-1,032.3	2,904.8	-1,093	-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.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-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 -171 Movement from quarter 2 - includes an additional roll forward request of £73k for Kent Youth Employment programme	
- Attendance & Behaviour	3,398.2	-2,620.9	777.3	-101	-235 Increased penalty notice income from pupils being absent from school <i>(includes a DSG variance of -£126k)</i>  +261 Kent Integrated Adolescent Support Service (KIASS) Education Welfare staffing pressure <i>(includes a DSG variance of +£193k)</i> -130 <i>DSG variance - underspend on Individual Tuition</i> +89 Other minor variances -86 Movement from quarter 2 <i>(including a DSG movement of -£79k)</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
- Early Intervention & Prevention	2,471.8	0.0	2,471.8	-269	-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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-43 Other minor variances	
					-6 Movement from quarter 2	
- Early Years & Childcare	6,725.2	-4,673.2	2,052.0	+163	+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	
					-168 Movement from quarter 2 - underspend on Every Child a Talker project -£137k; other -£31k	
- 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 &amp; 4 year old places lower than affordable</i>	
- Education Psychology Service	2,920.3	-600.0	2,320.3	-337	-180 Traded income from schools for non statutory psychology services	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-12 Other minor variances	
					-145 Movement from quarter 2 - increased underspend due to staff vacancies and additional income	
- Individual Learner Support	8,202.9	-7,335.1	867.8	-300	-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	
					+14 Movement from quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Statemented Pupils	5,370.3	-5,370.3	0.0	-23	+256 -35 -244	<i>DSG variance - Increase in Severe Complex Accessibility Funding (SCAF) agreements for nursery pupils due to increased responsibility for 1 to 1 support</i> Other minor variances <i>DSG Movement from quarter 2 - increase in SCAF agreements +£150k; reduced demand for support -£416k; other +£22k</i>
- Youth Service	7,988.4	-2,455.8	5,532.6	+181	+160 +21	Other minor variances Movement from quarter 2
- Youth Offending Service	5,463.3	-2,441.9	3,021.4	-314	-255 -33 -26	Underspend on KIASS district budgets due mainly to staff vacancies Other minor variances Movement from quarter 2
	108,237.9	-88,289.9	19,948.0	-8,750		
<u>Children's Services - Other Children's Services</u>						
- Safeguarding	507.5	-150.0	357.5	-29	-15 -14	Quarter 2 reported position Movement from quarter 2
<u>Community Services</u>						
- Community Learning & Skills (CLS)	13,190.6	-14,319.3	-1,128.7	+60	+150 -114 +24	Property related costs Other minor variances each less than £100k in value Movement from quarter 2
- Supporting Employment	1,056.2	-335.0	721.2	-52	-40 -12	Quarter 2 reported position Movement from quarter 2
- Troubled Families Programme	5,058.3	-4,700.4	357.9	-1,241	-1,241	Movement from quarter 2 - a roll forward request will be submitted to continue supporting families as part of the Tackling Troubled Families government initiative
	19,305.1	-19,354.7	-49.6	-1,233		

Budget Book Heading	Cash Limit			Variance	Explanation		Management Action/ Impact on MTFP
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
<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 &amp; High Needs Education Budgets</u>							
- Exclusion Services	2,082.4	-2,082.4	0.0	-46	-46	<i>DSG movement from quarter 2</i>	
- High Needs Further Education Colleges - Post 16 year olds	1,951.0	-1,951.0	0.0	+438	+438	<i>Schools Unallocated DSG movement from quarter 2 - increased costs of high needs placements for post 16 students in colleges</i>	
- 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	+3,438			
<u>Schools Services:</u>							
- High Needs Pupils - Recoupment	905.9	-905.9	0.0	+670	+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>	
					+131	<i>Schools Unallocated DSG movement from quarter 2 - increase in costs of Kent children with high needs receiving education in other local authorities</i>	

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	+228	+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
					+212	<i>DSG variance - Pressure on mobile classrooms budget to fulfil basic need</i>
					+12	Other minor variances
					-318	Movement from quarter 2 - reduction in capital maintenance work -£275k; other -£43k
- Redundancy Costs	1,188.7	-1,188.7	0.0	0		
- School Improvement	10,566.7	-7,429.4	3,137.3	+68	+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)
					-220	<i>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
					-242	Movement from quarter 2 - reduction in training and development shortfall - £123k; other movements -£119k
- Schools Staff Services	2,644.0	-2,541.0	103.0	-79	-68	Quarter 2 reported position
					-11	Movement from quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Teachers & Education Staff Pension Costs	8,328.0	-2,684.0	5,644.0	-397	-481	Reduced annual capitalisation costs of pensions
					+84	Movement from quarter 2
	30,427.8	-21,649.7	8,778.1	+490		
<b>Transport Services</b>						
- 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
					-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	-1,167	-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
					-3	Movement from quarter 2
- SEN HTST	18,972.5	-425.0	18,547.5	+1,912	+2,055	Higher than budgeted numbers of pupils travelling with overall costs influenced by other factors such as distance and type of travel

## ANNEX 1

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					£'000		
					+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	
					+135	Movement from quarter 2	This saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
	33,428.5	-2,433.0	30,995.5	+358			
<u>Assessment Services</u>							
- Assessment & Support of Children with Special Education Needs	9,834.0	-7,475.2	2,358.8	-123	-124	Staff vacancies <i>(includes a DSG variance of -£83k)</i>	
					-58	Other minor variances	
					+59	Movement from quarter 2	
- Children's Social Care Staffing	6,026.5	-3,276.6	2,749.9	-510	-287	Early Intervention team staff vacancies <i>(includes a DSG variance of -£165k)</i>	
					-53	Other minor variances	
					-170	Movement from quarter 2 <i>(includes an DSG variance of -£91k)</i>	
	15,860.5	-10,751.8	5,108.7	-633			
<u>Support to Frontline Services</u>							
- Human Resources	0.0	0.0	0.0	0			
TOTAL NON DELEGATED	286,415.5	-202,379.0	84,036.5	-7,553			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- <i>Transfer to(+)/from(-) DSG reserves</i>				+3,597	<p><b>Net transfer to the Schools</b>  <b>Unallocated DSG reserve to offset:</b>  +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 &amp; Recoupment</i>  -569 <i>Movement from quarter 2 - DSG underspend on High Needs</i></p> <p><b>Net transfer to the Central DSG reserve to offset:</b>  +330 <i>DSG variances of -£330k explained above</i>  -24 <i>A number of other smaller DSG variances totalling +£24k</i>  +788 <i>Movement from quarter 2 - DSG underspend on the central DSG budget</i></p>	
TOTAL NON DELEGATED after transfer to / from DSG reserve	286,415.5	-202,379.0	84,036.5	-3,956	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 £2,125k underspend against this programme, the Assisted Apprentices programme and the Troubled Families 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 -£1,621k.	
<b>Total E&amp;YPS</b>	<b>979,939.8</b>	<b>-895,903.3</b>	<b>84,036.5</b>	<b>+8,927</b>		

## 2. CAPITAL

2.1 The Education and Young People's Services Directorate has a working budget (excluding schools) for 2014-15 of £143,987k. The forecast outturn against the 2014-15 budget is £94,072k giving a variance of -£49,915k.

2.2 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
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.	Green		
				250	Real overspend - grant	Overspend relates to additional works at Minster Primary.			
Devolved Formula Capital Grants for Pupil Referral Units (PRUs)	329	1,759	-1,209	-1,209	Rephasing	A recent review has been carried out of the PRUs. Works are to progress now the review is complete.	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
<b>Basic Need Schemes - to provide additional pupil places:</b>									
Basic Need Programme 2013-15	70,037	51,077	-15,419	-15,419	Rephasing	Rephasing due to extended planning periods on some schemes, particularly the new schools. The greatest spend during the lifecycle of projects is the construction costs which have now been re-forecast in 2015/16. No delays to project completion dates.	Amber	There is an overall overspend of £12,351k which has been reviewed in detail during the budget setting process. £375k of this will be funded from the underspend on Goat Lees, £6k from the underspend on Unit Review. The overspend includes £2,360k pressure from construction inflation, which was previously reported separately.	
Basic Need Allocations 2015-16 and 2016-17	27,449	0	0				Amber	Significant pressures are being forecast against the future years Basic Need programme.	

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 <sup>1</sup>	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	0	139	0				Green		
<b>Modernisation Programme</b> - 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		
<b>Special Schools Review</b> - major projects supporting the special schools review:									
Special Schools Review phase 1	0	670	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 <sup>1</sup>	Explanation of Project Status	Actions
Special Schools Review phase 2	56,220	33,706	-24,326	120	Real - £120k supported borrowing.	£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 has been reviewed during the budget setting process. The overspend includes £1,000k relating to construction inflation which was previously reported as a separate line.	
				-24,446	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)	0	6	0				Green		
Primary Improvement Programme			36	36	Real - prudential	Overspend to be funded from Unit Review.	Green		
Specialist Schools	185	325	0				Green		
<b>Academy Projects:</b>									
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	-1,500	-1,500	Rephasing	Construction delays on the project have pushed back the completion of two main phases of work.	Green		
The Duke of York's Royal Military School	4,922	4,778	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 <sup>1</sup>	Explanation of Project Status	Actions
Isle of Sheppey Academy	200	0	0				Green		
The John Wallis C of E Academy	2,146	2,869	0				Green		
Knowle Academy Sevenoaks	2,767	3,860	0				Green		
Wilmington Enterprise College	376	430	0				Green		
Skinner's Academy	0	0	265	265	Real - grant	Additional works in exchange for a piece of land from the school.	Amber		
Academy Unit Costs	0	511	0				Green		
BSF Wave 3 Build Costs	0	834	-723	-723	Rephasing	Outstanding ICT issues at schools yet to be resolved.	Green		
BSF Unit Costs	0	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		
<b>Other Projects:</b>									
Canterbury Family Centre	0	37	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 <sup>1</sup>	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	0				Green		
Integrated Youth Service - Youth Hub Reprovision	948	1,081	0				Green		Increase cash limit by £100k revenue
Nursery Provision for Two Year Olds	2,368	2,375	0				Green		
One-off Schools Revenue to Capital	0	421	0				Green		
Platt CEPS	0	85	0				Green		
Schools Self Funded projects - Quarryfield /Aldington Eco Centre	0	11	0				Green		
Sevenoaks Grammar Schools	13,769	5,540	-3,500	-3,500	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	Green		
Tenterden Infant School	0	25	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 <sup>1</sup>	Explanation of Project Status	Actions
Trinity Free School, Sevenoaks	0	3,794	-2,500	-2,500	Rephasing	Rephasing due to agreeing contract terms and documentation but the expected completion date remains unchanged.	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	0	148	0				Green		
Youth - Modernisation of Assets	0	34	0				Green		
Website & Portal Development	0	0	30	30	Real - revenue	To be funded through an SLA with schools.	Green		
<b>Total</b>	<b>227,510</b>	<b>143,987</b>	<b>-49,915</b>	<b>-49,915</b>					

## 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**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
<b>Total excl Asylum (£k)</b>	+127,517	+4,240	-1,200	+3,040
<b>Asylum (£k)</b>	+280	+1,666	-	+1,666
<b>Special Ops (£k)</b>	-	+809	-	+809
<b>Total (£k)</b>	<b>+127,797</b>	<b>+6,715</b>	<b>-1,200</b>	<b>+5,515</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Specialist Children's Services</b>						
Strategic Management & Directorate Support budgets	4,976.5	-175.0	4,801.5	-205	-339 Underspend on commissioning staffing budget +152 Staffing pressure +104 Other minor variances, each below £100k -122 Movement from Quarter 2 due to a reduction in staffing costs	
<b>Children's Services - Children in Care (Looked After)</b>						
- Fostering	33,373.5	-41.0	33,332.5	+1,168	-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 £'000	Income £'000	Net £'000	Net £'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 +278 Net Movement from Quarter 2 from an increase in IFA's and a reduction in house fostering	
- Legal Charges	7,411.9	0.0	7,411.9	-612	+300 Unachievable saving -732 Reduction in legal fees and court charges -180 Movement from Quarter 2 - further reductions in legal fees and court charges	This saving will need to be reflected in the 2015-18 MTFP
- Residential Children's Services	15,886.8	-2,862.7	13,024.1	-8	-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) -269 Independent Sector residential care: Forecast unit cost -£107.18 below affordable level of £3,266.04 +400 Independent Sector residential care: unachievable saving	The overall saving within Residential Children's Services will be reflected in the 2015-18 MTFP

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +135 Independent residential care: reduction in income as a result of activity being 105 weeks below affordable level -300 Reduction in secure accommodation placements +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 +211 Movement from Quarter 2 due to an increase in activity in independent sector residential care	
- Virtual School Kent	4,348.7	-2,953.3	1,395.4	0		
	61,020.9	-5,857.0	55,163.9	+548		
<b>Children's Services - Children in Need</b>						
- Preventative Services	10,650.5	-1,327.6	9,322.9	-319	+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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
					-113 Saving on section 17 payments due to reduced activity	
					-36 Other minor variances	
					-175 Movement from Quarter 2 due in the main to an underspend on daycare and short breaks.	
	10,650.5	-1,327.6	9,322.9	-319		
<b>Children's Services - Other Social Services</b>						
- Adoption	10,788.5	-1,319.1	9,469.4	+1,090	-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	
					+53 Movement from Quarter 2	
- 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	
					+474 Pressure relating to under 18 UASC due to ineligibility	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+605 Pressure relating to over 18's due to ineligibility, of which £481k relates to All Rights Exhausted (ARE) clients	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.
					+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.	
- Leaving Care (formerly 16+)	5,296.9	0.0	5,296.9	+111	+510 Additional young people requiring this service in order to provide stability and continuity whilst they continue their education.	The overall pressure within leaving care will need to be addressed in the 2015-18 MTFP
					-265 Rebadging of existing eligible expenditure to 'Staying put' grant income from DfE	
					-17 Other minor variances	
					-117 Movement from Quarter 2 as a result of further young people requiring the leaving care service	
- Safeguarding	4,979.4	-460.4	4,519.0	-139	-101 Underspend on Kent Safeguarding Children Board (KSCB) base budget	
					-37 Other minor variances	
					-1 Movement from Quarter 2	
	32,948.1	-13,382.8	19,565.3	+2,728		
<b>Assessment Services</b>						
- Children's social care staffing	40,573.7	-1,630.3	38,943.4	+3,154	+1,297 Pressure on staffing budgets due to appointment of agency staff	This overall pressure will need to be addressed in the 2015-18 MTFP
					+1,500 Unachievable saving	
					+357 Recruitment & retention payments for children's social workers	The full year effect of this pressure will need to be addressed in the 2015-18 MTFP
					-2 Movement from Quarter 2	
<b>Total SCH&amp;W (SCS)</b>	<b>150,169.7</b>	<b>-22,372.7</b>	<b>127,797.0</b>	<b>+5,906</b>		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Assumed Mgmt Action</b>				-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 £1,400k 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.
<b>Total SCH&amp;W (SCS) Forecast after mgmt action</b>	<b>150,169.7</b>	<b>-22,372.7</b>	<b>127,797.0</b>	<b>+4,706</b>		
<b>Memorandum</b> <i>These costs are in addition to the position reported above</i>  Special Operations				<b>+809</b>		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. +138 In house fostering: 395 weeks @ £349.87 per week +128 Staffing +40 IFA fostering: 39 weeks @ £1,024.19 per week +230 Residential: 66 weeks @ £3,490.91 per week +142 Interpreter costs +131 Legal costs +110 Movement from Quarter 2

## 2. CAPITAL

2.1 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 £1,958k giving a variance of -£70k.

2.2 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Individual Projects</b>									
Transforming Short Breaks	0	431	-70	-70	Rephasing		Green		
ConTROCC	0	759	0				Green		
Early Help Module (EHM)	0	838	0				Green		
<b>Total</b>	<b>0</b>	<b>2,028</b>	<b>-70</b>	<b>-70</b>					

### 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**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

	Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
<b>Total (£k)</b>	<b>+345,049</b>	<b>-505</b>	<b>-2,105</b>	<b>-2,610</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Social Care, Health &amp; Wellbeing - Adult Social Care</b>						
Strategic Management & Directorate Support budgets	6,950.5	-373.5	6,577.0	-24	+192 +122  -115 -90 -21	Legal Charges for two exceptional cases and a greater frequency of Adult Safeguarding and Court of Protection cases 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. Operational Support vacancy management and ongoing reviews of staffing structure Reduced demand for a number of support services (Occupational Health, No Recourse to Public Funds and Health & Safety) 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 £'000	Income £'000	Net £'000	Net £'000			
					-112	Movement from Quarter 2 is mainly due to various minor movements across Operational Support	
<u>Support to Frontline Services:</u>							
- Adults Social Care Commissioning & Performance Monitoring	4,050.1	-526.3	3,523.8	+20	+101	Pressure 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	
					-90	Movement from Quarter 2 of which £63k relates to a reduction in the pressure on Strategic Commissioning staffing budget	
<u>Adults &amp; Older People:</u>							
- Direct Payments							
- Learning Disability	16,927.6	-30.0	16,897.6	-174	+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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					+29 Movement from Quarter 2 of which includes an additional -£241k recovery of unspent funds from clients offset by additional one-off payments (+£211k) and an increase in the number of clients receiving a direct payment	
- Mental Health	1,208.3	0.0	1,208.3	-237	-422 Forecast -5,001 weeks below affordable level of 15,479 weeks +96 Forecast average unit cost +£6.22 above affordable level of £78.06 +119 One-off direct payments -31 Other minor variances +1 Movement from Quarter 2	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Older People	6,767.3	0.0	6,767.3	+5,525	+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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					+962	Movement from Quarter 2 mainly due to an increase in the number of clients receiving a direct payment along with a decrease in the recovery of unspent funds from clients. Part of this increase is due to the transfer of clients from domiciliary services following the re-let of the domiciliary contract. This pressure has more than offset any reduction in forecast spend resulting from the transfer of clients to direct payments following the re-let of the domiciliary contract.	
- Physical Disability	10,238.4	0.0	10,238.4	+2,132	+1,536	Forecast +7,963 weeks above affordable level of 53,511 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+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	
					+421	Movement from Quarter 2 due to an increase in the number of clients receiving a direct payment partially offset by an increase in the recovery of unspent funds by clients. Part of this increase is due to the transfer of clients from domiciliary services following the re-let of the domiciliary contract. This pressure has more than offset any reduction in forecast spend resulting from the transfer of clients to direct payments following the re-let of the domiciliary contract.	
Total Direct Payments	35,141.6	-30.0	35,111.6	+7,246			

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Domiciliary Care						
- Learning Disability	1,087.0	0.0	1,087.0	-451	-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 -224 Movement from Quarter 2 due to the release of unrealised creditors (-£156k) along with a reduction in domiciliary care activity.	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	+2,071	+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 -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 +859 Movement from Quarter 2 of which the majority of this movement results from the ongoing work highlighted in the September monitoring report to understand the impact of the transformation changes on the expenditure incurred to date. Savings are now expected to be realised over a longer time period than previous forecast therefore resulting in an increased pressure on this service.	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 £'000	Income £'000	Net £'000	Net £'000		
- Physical Disability	4,158.1	0.0	4,158.1	+1,582	+961 Forecast +73,322 hours above affordable level of 263,527 hours -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 +584 Movement from Quarter 2 due to savings now being expected to be realised over a longer time period than previous forecast resulting in an increased pressure on this service.	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
Total Domiciliary Care	35,728.3	-2,252.3	33,476.0	+3,202		
- Non Residential Charging						
- Learning Disability	0.0	-2,900.2	-2,900.2	-211	-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. -1 Movement from Quarter 2	Realignment of budget with other community based service headings will need to be addressed in the 2015-18 MTFP along with demographic pressures & savings
- Older People	0.0	-8,999.4	-8,999.4	-316	-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. -16 Movement from Quarter 2	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		
- Physical Disability / Mental Health	£'000	£'000	£'000	£'000	£'000	
	0.0	-1,314.9	-1,314.9	-341	-92	Quarter 2 reported position
					-249	Movement from Quarter 2 due to further forecast increases in client contributions
Total Non Residential Charging Income	0.0	-13,214.5	-13,214.5	-868		
- Nursing & Residential Care						
- Learning Disability	77,267.8	-6,294.2	70,973.6	-550	-2,030	Forecast -1,735 weeks below affordable level of 67,697 weeks
					+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
					-473	Movement from Quarter 2 is mainly due to the reduction in the number of clients in residential placements
- Mental Health	7,726.7	-993.0	6,733.7	+850	+624	Forecast +1,048 weeks above affordable level of 12,860 weeks
					-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
					+254	Movement from Quarter 2 mainly due to an increase in clients in residential placements

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	-2,507	-2,113	Forecast -4,334 weeks below affordable level of 78,686 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+869	Leading to a shortfall in client contributions	
					-325	Forecast average unit cost -£4.13 below affordable level of £491.75	
					-494	Independent Sector: forecast average unit client contribution -£6.28 above affordable level of -£194.20	
					+50	Other minor variances	
					-494	Movement from Quarter 2 is due to the release of unrealised creditors (-£390k) and the reduction in the number of clients in a nursing placement (-£303k) partially offset by a corresponding reduction in client income (+£218k)	
- Older People - Residential	80,206.7	-33,009.1	47,197.6	-2,160	-2,377	Forecast -5,756 weeks below affordable level of 147,739 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+1,115	Leading to a shortfall in client contributions	
					+573	Forecast average unit cost +£3.88 above affordable level of £409.12	
					-1,696	Independent Sector: forecast average unit client contribution -£11.48 above affordable level of -£182.29	
					+128	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).	
					-149	Lower than anticipated utility, security and equipment costs for in-house units	
					-87	Other minor variances for in-house units	
					-52	Other minor variances	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross £'000	Income £'000	Net £'000	Net £'000			
					+385	Movement from Quarter 2 is mainly due to an increase in the unitary charge for Gravesham Place along with an increase in costs associated with clients in residential placements	
- Physical Disability	11,344.4	-1,558.1	9,786.3	+1,812	+2,363	Forecast +2,835 weeks above affordable level of 13,003 weeks	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					-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	
					+87	Movement from Quarter 2	
Total Nursing & Residential Care	224,397.0	-66,639.0	157,758.0	-2,555			
- Supported Accommodation							
- Learning Disability	36,397.3	-1,849.6	34,547.7	+1,108	+819	Forecast +97,807 hours above affordable level of 3,996,038 hours	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
					+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	
					-215	Movement from Quarter 2 due to a reduction in the number of clients in a supported living placement along with additional income for the pathway to independence project	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
- Older People	4,575.4	-4,350.0	225.4	+167	+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. -103 Forecast average unit cost -£6.40 below affordable level of £14.04 +48 Other minor variances -9 Movement from Quarter 2	Demographic pressures & savings are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Physical Disability / Mental Health	3,727.9	-269.4	3,458.5	+640	+77 Mental Health Forecast +6,351 hours above affordable level of 170,188 hours  +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	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 £'000	Income £'000	Net £'000	Net £'000		
					+121	Movement from Quarter 2 mainly due to an increase in the number clients in supported living placements
Total Supported Accommodation	44,700.6	-6,469.0	38,231.6	+1,915		
- Other Services for Adults & Older People						
- Community Support Services for Mental Health	3,916.1	-851.0	3,065.1	-204	-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
					+10	Movement from Quarter 2
- Day Care						
- Learning Disability	13,214.5	-127.7	13,086.8	+833	+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.
					+151	Current demand for services provided by the independent sector
					+446	Movement from Quarter 2 due to an increase in both day care activity and transport related costs
- Mental Health	1,566.8	-30.2	1,536.6	-64	-50	Quarter 2 reported position
					-14	Movement from Quarter 2

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 £'000	Income £'000	Net £'000	Net £'000			
- Older People	2,242.4	-45.0	2,197.4	-516	-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	
					-66	Movement from Quarter 2	
- Physical Disability	937.5	0.0	937.5	+10	-33	Quarter 2 reported position	
					+43	Movement from Quarter 2	
Total Day Care	17,961.2	-202.9	17,758.3	+263			
- Other Adult Services	11,607.1	-20,357.6	-8,750.5	-4,543	-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).	
					+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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					£'000 +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  -2,325 Movement from Quarter 2 is mainly due to the release of funds. This budget line holds some of the NHS support for social care monies, including funds required for additional winter pressures. Plans continue to be developed and implemented with the NHS to ensure that health outcomes are being met from the investments. Pressures are being shown against their respective budget lines and the compensating funding stream is reflected 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
- Safeguarding	1,160.5	-282.1	878.4	+19	+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  -77 Movement from Quarter 2	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	-544	-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 +113 Movement from Quarter 2 is due to increased support requirement for high needs service users in in-house residential homes.	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	+418	+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 +66 Movement from Quarter 2	These demographic pressures are expected to be ongoing & will need to be addressed in the 2015-18 MTFP
- Social Isolation	4,477.4	-2,076.3	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	22,431.9	-7,121.3	15,310.6	+13		

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	-2,703	-2,683	<p>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.</p> <p>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.</p> <p>+1 Other minor variances</p> <p>-21 Movement from Quarter 2</p>	
Total Other Services for Adults & Older People	62,217.0	-32,232.9	29,984.1	-7,155			
<u>Housing Related Support for Vulnerable People (Supporting People)</u>							
- Administration	440.0	0.0	440.0	-53	-53	Movement from Quarter 2	
- 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 £'000	Income £'000	Net £'000	Net £'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	-469		
<u>Public Health</u>						
- Drug & Alcohol Services	544.2	0.0	544.2	-122		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 -140 Movement from Quarter 2 resulting from increased staffing underspend
- <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				-120		
<u>Assessment Services</u>						
- Adult Social Care Staffing	38,724.0	-4,243.7	34,480.3	-1,697	-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 £'000	Income £'000	Net £'000	Net £'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 -23 Movement from Quarter 2 is due to further savings resulting from the restructure of older people and physical disability assessment teams (-£123k) partially offset by increased retirement costs and training	
<b>Total SCH&amp;W (Adults)</b>	<b>471,030.4</b>	<b>-125,981.2</b>	<b>345,049.2</b>	<b>-505</b>		

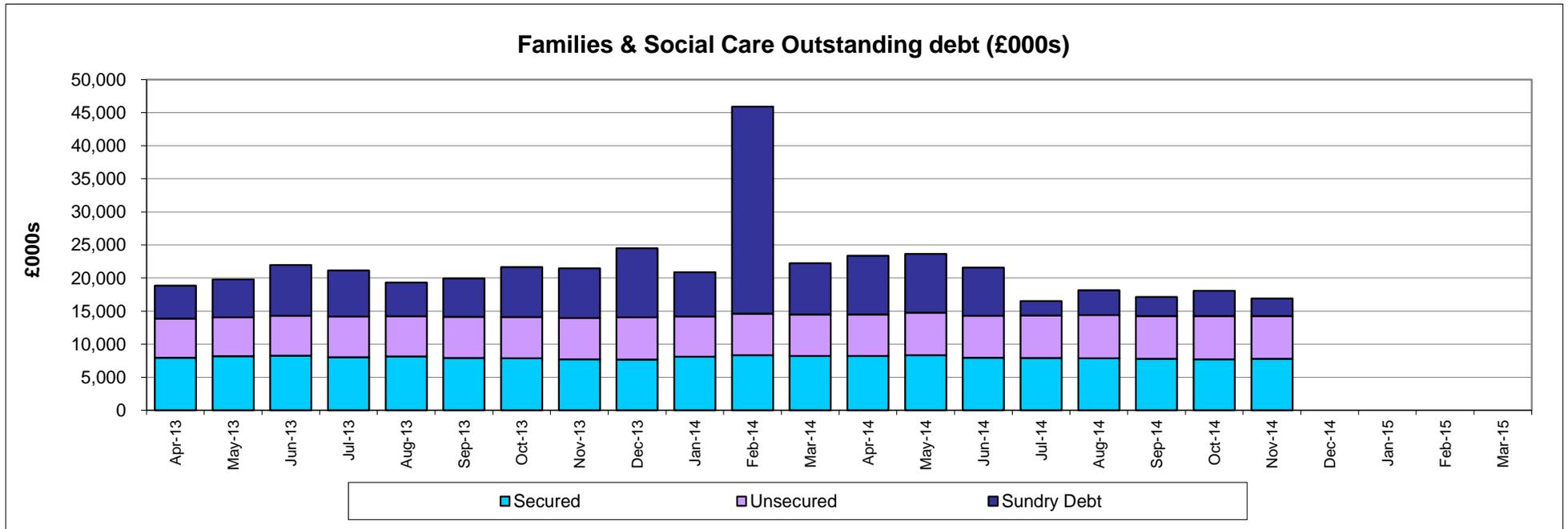
Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Assumed Mgmt Action</b>				-2,105	-2,046	<p>Indications are that the performance against the transformation savings is showing an improved position compared to that 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.</p> <p>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.</p>
					-59	Movement from Quarter 2
<b>Total SCH&amp;W (Adults) Forecast after mgmt action</b>	<b>471,030.4</b>	<b>-125,981.2</b>	<b>345,049.2</b>	<b>-2,610</b>		

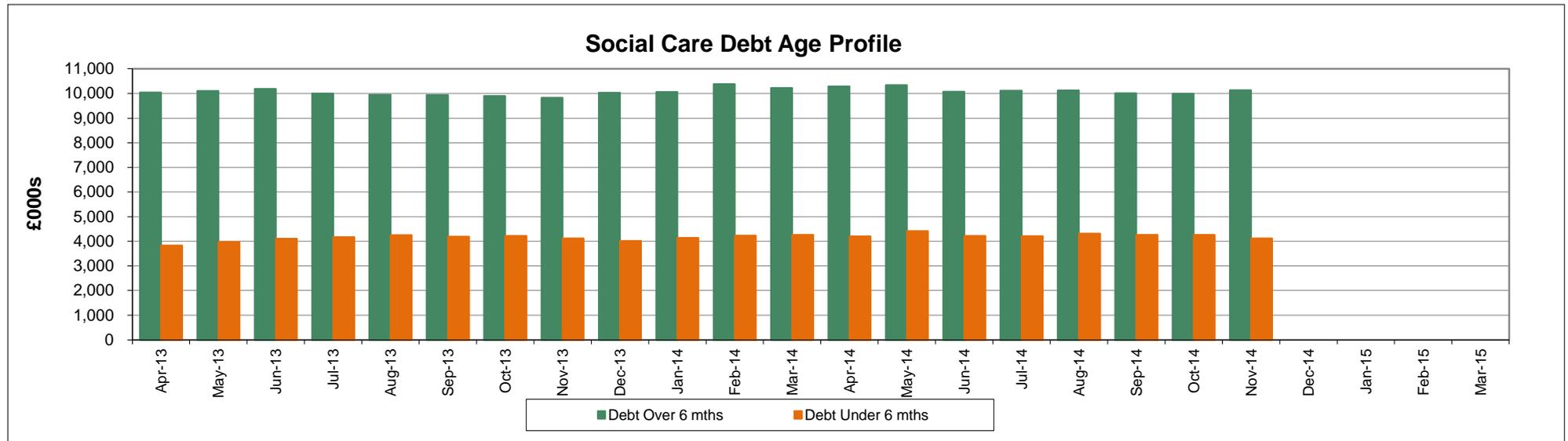
## 2. SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of November was £16.907m compared with September's figure of £17.119m (reported to Cabinet in December) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £2.658m of sundry debt compared to £2.849m in September. The amount of sundry debt can fluctuate for large invoices to Health. Also within the outstanding debt is £14.249m relating to Social Care (client) debt which is a small reduction of £0.021m from the last reported position to Cabinet in December. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

	Social Care Debt						
	Total Due Debt (Social Care & Sundry Debt)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£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)	Sundry Debt	Total Social Care Due Debt	Debt Over 6 months	Debt Under 6 months	Secured	Unsecured
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Sep-14	17,119	2,849	14,270	10,015	4,255	7,805	6,465
Oct-14	18,060	3,808	14,252	9,992	4,260	7,709	6,543
Nov-14	16,907	2,658	14,249	10,131	4,118	7,777	6,472
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 December of secured, unsecured and health debt, together with a breakdown of unsecured debt by client group.

<b>Social Care debt by Customer Credit Status</b>	<b>September £000s</b>	<b>November £000s</b>	<b>Movement £000s</b>
Secured	7,805	7,777	-28
Unsecured - Deceased/Terminated Service	1,866	1,818	-48
Unsecured - Ongoing	4,586	4,606	20
Caution/Restriction (Unsecured)	12	45	33
Health (Unsecured)	1	3	2
<b>TOTAL</b>	<b>14,270</b>	<b>14,249</b>	<b>-21</b>

<b>Unsecured debt by Client Group</b>	<b>September £000s</b>	<b>November £000s</b>	<b>Movement £000s</b>
Older People/Physical Disability	6,062	6,048	-14
Learning Disability	302	315	13
Mental Health	100	109	9
Health	1	0	-1
<b>TOTAL</b>	<b>6,465</b>	<b>6,472</b>	<b>7</b>

### 3. CAPITAL

3.1 The Social Care, Health and Wellbeing Directorate - Adult Services has a working budget for 2014-15 of £76,976k (£13,976k excluding PFI). The forecast outturn against the 2014-15 budget is £25,482k (£6,775k excluding PFI) giving a variance of -£51,494k (-£7,201k excluding PFI).

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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Home Support Fund	6,600	2,200	280	280	Real - grant	Predicted additional expenditure on equipment to be legitimately capitalised at year end.	Green		
			1,015	1,015	Real - £905k grant, £110k dev cons	Predicted expenditure on Telecare equipment to be legitimately capitalised at year end.	Green		
<b>Individual Projects</b>									
<b>Kent Strategy for Services for Older People (OP):</b>									
Community Care Centre - Ebbsfleet	0	0	0				Green		
Community Care Centre - Thameside Eastern Quarry	0	0	0				Green		
Think Autism	0	0	19	19	Real - grant		Green		
OP Strategy - Transformation / Modernisation	6,978	6,089	-5,589	-5,589	Rephasing	Rephasing to 15/16 to allow for formal procurement options to be explored as part of the business case developments for the Older Persons Strategy.	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Kent Strategy for Services for People with Learning Difficulties/Physical Disabilities:</b>									
Learning Disability Good Day Programme-Community Hubs	2,182	1,580	0				Green		
Learning Disability Good Day Programme-Community Initiatives	679	622	0				Green		
<b>Active Care / Active Lives Strategy:</b>									
PFI - Excellent Homes for All - Development of new Social Housing for vulnerable people in Kent	63,000	63,000	-44,293	-44,293	Real - Underspend £25,222 Rephasing £19,071	Reduction in PFI credit with the forecast figure reflecting estimated construction cost at financial close. Rephased as financial close on the PFI deal was reached later than anticipated as a result of various Central Government reviews.	Green		Reduce cash limit by £25,222 in 14/15
<b>Developing Innovative and Modernising Services:</b>									
Information Technology Projects	2,507	2,507	-1,958	-1,958	Rephasing	Rephased whilst reviewing the IT Strategy as part of the budget process.	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.	Green		
<b>Total</b>	82,918	76,976	-51,494	-51,494					

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**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

	Cash Limit	Variance Before transfer to Public Health Reserve	Transfer to Public Health Reserve	Net Variance after transfer to Public Health Reserve
<b>Total (£k)</b>	-	<b>-693</b>	<b>+693</b>	-

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Social Care, Health &amp; Wellbeing - Public Health</b>						
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	18,555.7	-18,555.7	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	4,897.4	-4,897.4	0.0	-706	-793	<i>Underspend due to vacancies</i>
					+87	Movement from Quarter 2
- 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			
	55,380.8	-55,380.8	0.0	-693		
- <i>trf to(+)/from(-) Public Health reserve</i>				<b>+693</b>	<b>+693</b>	<i>Transfer of underspend to reserves</i>
<b>Total SCH&amp;W (Public Health)</b>	<b>55,380.8</b>	<b>-55,380.8</b>	<b>0.0</b>	<b>0</b>		

**GROWTH, ENVIRONMENT & TRANSPORT DIRECTORATE**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Directorate Total (£k)</b>	<b>+180,059</b>	<b>-2,050</b>	<b>-</b>	<b>-2,050</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Growth, Environment &amp; Transport</b>						
Strategic Management & Directorate Support budgets	4,794.9	-93.6	4,701.3	+112	+407	This pressure is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP
					-207	Part of this saving is expected to be ongoing and will be reflected in the 2015-18 MTFP
					-78	Other minor variances
					-10	Movement from quarter 2
<b>Children's Services - Education &amp; Personal</b>						
- 14 - 19 year olds	111.9	-59.3	52.6	0		
<b>Community Services:</b>						
- Arts Development (incl. grant to Turner Contemporary)	2,435.8	-300.7	2,135.1	-28		
- Community Safety	443.3	-61.2	382.1	-31		
- Community Wardens	2,689.8	0.0	2,689.8	-208	-267	This saving is expected to be on-going and realignment of budgets will be required in the 2015-18 MTFP
					+84	Other minor variances
					-25	Movement from quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Gypsies & Travellers	666.1	-430.0	236.1	-67		
- Libraries, Registration & Archives (LRA)	18,526.2	-5,256.7	13,269.5	-538	-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 -120 Movement from quarter 2 primarily through -£137k of additional staff vacancies not being filled pending internal staffing review, -£100k rebate, -£76k of additional income, mainly from ceremonies, +£210k contribution to reserve in anticipation of future costs associated with the possible establishment of a charitable trust.	This additional income is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Sports Development	2,725.5	-1,925.3	800.2	-127	-98 Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets). -26 Other minor variances -3 Movement from quarter 2	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
	27,486.7	-7,973.9	19,512.8	-999		
<u>Environment:</u>						
- Country Parks	1,532.9	-1,023.7	509.2	+1		
- Countryside Access (incl. Public Rights of Way)	2,646.9	-885.1	1,761.8	-12		
- Environment Management	4,752.7	-2,414.6	2,338.1	-64		
	8,932.5	-4,323.4	4,609.1	-75		

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Highways:</b>						
- Highways Maintenance						
- Adverse Weather	3,214.9	0.0	3,214.9	0		
- Bridges & Other Structures	2,242.3	-221.9	2,020.4	-120		
- General maintenance & emergency response	12,397.0	-475.8	11,921.2	+484	+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.
					+225	Movement from quarter 2 primarily following the identification of additional safety critical maintenance work.
- Highway drainage	2,962.4	0.0	2,962.4	+214	+144	Movement from quarter 2 is made up of a number of small changes.
- Streetlight maintenance	3,831.5	-154.0	3,677.5	-50		
	24,648.1	-851.7	23,796.4	+528		
- Highways Management:						
- Development Planning	2,117.5	-2,135.2	-17.7	-64	-91	Staffing vacancies (to offset saving held centrally within Strategic Management & Directorate Support budgets).
					+39	Other minor variances
					-12	Movement from quarter 2
- Highways Improvements	1,596.7	-33.3	1,563.4	-191	-82	Reported position at quarter 2
					-109	Movement from quarter 2 due to a number of small changes in forecasts

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Road Safety	3,059.8	-2,146.4	913.4	-409	-384 Lower than budgeted average cost per attendee for Speed Awareness courses -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 -130 Movement from quarter 2 primarily resulting from an increase in the number of people attending speed awareness courses, which is now estimated to be 34,000 rather than the 32,000 reported at Quarter 2, with a consequent increase in income.	This net saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Streetlight energy	5,689.5	0.0	5,689.5	-336	-162 Greater than budgeted savings achieved from part night switch-off energy saving initiative, partially offset by costs of additional streetlights at new developments. -56 Lower than budgeted impact of electricity price increase -118 Movement from quarter 2 following reconciliation of electricity consumption for the April to September period.	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
- Traffic management	5,304.7	-3,363.2	1,941.5	-144	-145 Increased permit scheme income +18 Other minor variances -17 Movement from quarter 2	
- Tree maintenance, grass cutting & weed control	3,361.5	0.0	3,361.5	-106	+150 Backlog of tree inspections +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.	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-100 Procurement saving on grass cutting -10 Other minor variances -270 Movement from quarter 2 due to revising the estimate for the costs of tree inspection down from £150k to £50k in this financial year; this cost will also now be met from Department for Transport funding.	This saving is expected to be on-going and will need to be reflected in the 2015-18 MTFP
	21,129.7	-7,678.1	13,451.6	-1,250		
<u>Planning &amp; 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 &amp; Economic</u>						
- Regeneration & Economic Development Services	5,739.3	-1,777.8	3,961.5	-22		
<u>Regulatory Services</u>						
- Coroners	3,664.4	-1,032.7	2,631.7	-169	-152 Long Inquest costs lower than expected -18 Other minor variances +1 Movement from quarter 2	
- Emergency Planning	761.8	-169.0	592.8	-85		
- Trading Standards (incl. Kent Scientific Services)	3,812.8	-945.6	2,867.2	+1		
	8,239.0	-2,147.3	6,091.7	-253		
<u>Schools Services</u>						
- Other Schools Services	445.4	0.0	445.4	0		
<u>Transport Services:</u>						
- Concessionary Fares	17,006.0	-27.0	16,979.0	-234	-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		
- Concessionary Fares (continued)	£'000	£'000	£'000	£'000	£'000	An annual net saving of £301k will be reflected in the 2015-18 MTFP (£376k less £75k annual contribution to reserves)
					-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.	
					+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	
					+549 Movement from quarter 2 due to higher than expected level of activity following the warm summer resulting in increased payments to operators. The previous forecast was based on interim payments to operators with actual usage now established to be at a higher level.	

**ANNEX 5**

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	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		
- Freedom Pass / Young Person's Travel Pass (continued)	£'000	£'000	£'000	£'000	£'000	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. An update on the analysis of this data will be reported to Cabinet in the Q3 monitoring report. 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)
- Subsidised Bus Routes	10,093.8	-2,185.7	7,908.1	-673	-602	Additional savings from negotiation of lower than budgeted prices and greater contract efficiencies
					-54	Other minor variances
					-17	Movement from quarter 2
- Transport Operations	1,271.4	-214.5	1,056.9	+86		
- Transport Planning	562.8	-228.0	334.8	-19		
	42,235.5	-7,251.2	34,984.3	-840		

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	-61		
- Recycling & Diversion from Landfill:						
- Household Waste Recycling Centres	7,897.2	-1,982.0	5,915.2	-67	-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 +121 Movement from quarter 2 due to a number of small changes	
- Partnership & development	500.7	-168.0	332.7	-19		
- Payments to Waste Collection Authorities (DCs)	6,241.0	-102.0	6,139.0	+296	+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 +116 Movement from quarter 2 due to an increase in tipping away payments for Canterbury	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Recycling Contracts & Composting	8,111.0	-992.0	7,119.0	-540	+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.
					-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	
					+72	Movement from quarter 2 due to a number of small movements as well as an overall forecast decrease of -1,800 tonnes, primarily reductions within the co-mingled/dry recycling, food and paper/card waste categories, although there were some partially offsetting increases in wood, metal and soil/hardcore.	
	22,749.9	-3,244.0	19,505.9	-330			
- Waste Disposal:							
- Closed Landfill Sites & Abandoned Vehicles	568.0	-30.0	538.0	+36	+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	
					-82	Movement from quarter 2	
- Disposal Contracts	31,131.0	-156.0	30,975.0	+1,107	+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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
					-302 Income from Trade Waste at North Farm and Dunbrik +71 Other minor variances +226 Movement from quarter 2 primarily relating to increases in the amounts of residual waste: +2,200 tonnes sent to the Allington Waste to Energy plant (+£225k) and +1,500 tonnes sent to landfill (+£35k).	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	-867	-804 Underspend due to contract changes at transfer stations +32 Additional haulage fees due to higher volume of waste +33 Other minor variances -128 Movement from quarter 2 following a number of small changes in variances	
- Landfill Tax	4,651.0	0.0	4,651.0	+873	+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) +138 Movement from quarter 2 as a result of the additional 1,500 tonnes of waste sent to landfill	The pressure resulting from increased waste tonnage will need to be addressed in the 2015-18 MTFP.
	46,297.0	-261.0	46,036.0	+1,149		
<b>Total GE&amp;T</b>	<b>216,379.9</b>	<b>-36,321.3</b>	<b>180,058.6</b>	<b>-2,050</b>		
<b>Assumed Mgmt Action</b>						
<b>Total Forecast <u>after</u> mgmt action</b>	<b>216,379.9</b>	<b>-36,321.3</b>	<b>180,058.6</b>	<b>-2,050</b>		

## 2. CAPITAL

2.1 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 £133,990k giving a variance of +£5,584k.

2.2 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Country Parks Access and Development	180	77	-2	-2	Rephasing		Green		
Library Modernisation Programme	1,095	782	-782	-782	Rephasing	Rephased whilst reviewing the Programme through the budget process.	Green		
Management and Modernisation of Assets - Vehicles	430	141	25	25	Real - revenue		Green		Increase cash limit 14-15 by £25k revenue
Public Rights of Way	2,505	1,368	-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 <sup>1</sup>	Explanation of Project Status	Actions
Public Sports Facilities Improvement - Capital Grant	300	100	0				Green		
Village Halls and Community Centres - Capital Grants	725	325	-60	-60	Rephasing		Green		
Highway Major Enhancement / Other Capital Enhancement / Bridge Assessment and Strengthening	83,582	39,744	-7	-7	Real - grant-£25k Real - ex-other +£18k	£25k contribution for the delivery of Stanhope Road crossing at Ashford	Green		Decrease 14-15 cash limit by £25k grant

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 <sup>1</sup>	Explanation of Project Status	Actions
Integrated Transport Schemes under £1 million	11,346	4,749	1,122	1,122	Real - grant +£834k, Real - ex other +£45k, Real -grant -£30k, Real - revenue +£320k Rephasing dev con - £47k	Real variance due to: additional grant of +£834k awarded by the DfT to deliver local sustainable transport schemes and Electric Vehicle Charge Points. +£320k to purchase buses, funded from revenue. A contribution of -£30k grant to MHF to deliver a transport scheme. An additional +£45k external contribution towards Coxheath traffic calming scheme. Rephasing of -£47k is due to some of the developer funded schemes being rephased due design issues.	Green		Increase 14-15 cash limit by £320k revenue; Decrease cash limit by £30k grant
Member Highway Fund	0	1,077	55	55	Real-grant £55k	Overspend to be funded from underspend on Highway Major Enhancements (£25k) and underspend on Integrated transport schemes (£30k).	Green		Increase 14-15 cash limit by £55k grant

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 <sup>1</sup>	Explanation of Project Status	Actions
Land compensation and Part 1 claims arising from completed projects	1,213	261	86	86	Real - dev cont		Green		
Major Schemes - Preliminary Design Fees	450	680	0				Green		
<b>Individual Projects</b>									
Dartford Library Plus	434	434	-434	-434	Rephasing	Following public consultation suggested changes have impacted on delivery times and hence rephasing to 15/16.	Amber	Following public consultation suggested changes have impacted on delivery times and hence rephasing to 15/16.	
Kent History & Library Centre	0	104	-94	-94	Rephasing		Green		
New Community Facilities at Edenbridge	0	43	0				Green		
Southborough Hub	250	125	-125	-125	Rephasing	Agreement has been reached for a tripartite approach to this project by the three councils. The spend is now expected to progress in 15/16.	Green		
Tunbridge Wells Library	0	10	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		

## 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 <sup>1</sup>	Explanation of Project Status	Actions
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 - Ex other		Green		
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	-17	-17	Rephasing - prudential		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	100	100	Real - external other	Additional funding expected from a project partner.	Green		Increase 14-15 cash limit by £100k external other
No Use Empty - Rented Affordable Homes	250	563	0				Green		
Old Town Hall, Gravesend	58	15	33	33	Rephasing £33k: £5k prudential and £28k capital receipts		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 <sup>1</sup>	Explanation of Project Status	Actions
Payers Park	0	500	0				Green		
Regeneration Fund Projects	2,006	2,902	0				Green		
Regional Growth Fund - Expansion East Kent	21,000	9,867	13,293	13,293	Rephasing	The fund is heavily committed, and hence currently quite a lot 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		

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 <sup>1</sup>	Explanation of Project Status	Actions
Tram Road/Tontine Street Road Works	0	13	25	25	Real - prudential	To be funded from Swale Parklands.	Green		
TIGER	16,000	4,796	5,478	5,478	Rephasing	The fund is heavily committed, and hence currently quite a lot 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				Green		
Energy Reduction and Water Efficiency Investment - KCC	292	172	0				Green		
Sandwich Sea Defences	1,875	1,515	-75	-75	Rephasing		Green		
Coldharbour Gypsy site	0	41	34	34	Real - capital receipt		Green		
Archaeological Heritage Findings	0	0	19	19	Real -grant		Green		
<b>Household Waste Recycling Centres (HWRCs) and Transfer Stations (TSs):</b>									
Mid Kent Joint Waste Project	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 <sup>1</sup>	Explanation of Project Status	Actions
HWRC - Tonbridge and Malling	300	0	0				Green		
HWRC-West Kent	600	600	-600	-600	Real - prudential	Existing site's lease is now extended therefore no new project is needed. Underspend is requested to fund the emergency works at Richborough and Sturry Road Closed Landfill sites.	Green		Decrease cash limit in 14-15 by £600k prudential
Richborough Closed Landfill site-Emergency Works	0	0	200	200	Real - prudential	Overspend due to replacement of the bridge which is currently unsafe for vehicular access and some initial site remedial work to overcome the leachate problems. To be funded from the underspend on HWRC - West Kent.	Amber	The overall cost of this scheme is expected to be £400k, £200k of which is forecast for 2015-16.	Increase cash limit by £200k in 14-15 and £200k in 15-16 prudential
Sturry Road Closed Landfill site-Emergency Works	0	0	49	49	Real - prudential	Overspend due to works for the replacement of water treatment plant. To be funded from the underspend on HWRC - West Kent.	Amber	The overall costs of this scheme is expected to be £200k, £151k of which is forecast for 2015-16.	Increase cash limit by £49k in 14-15 and £151k in 15-16 prudential
TS/HWRC - Ashford	50	50	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 <sup>1</sup>	Explanation of Project Status	Actions
TS/HWRC - Swale	3,380	1,880	-1,280	-1,280	-£1,030k rephasing - £250k real - prudential	Rephasing is due to bridge works only to be carried out in this financial year. The revised scheme is showing an overall underspend of £250k, £150k of which is requested to be used to fund the overspend on the Street Lighting Timing project and £100k towards the weather damage programme.	Green		
<b>Kent Highway Services</b>									
Weather Damage - Major Patching	0	1,516	105	105	Prudential +£100k: Ex other +£5k	Additional works had been carried out. The overspend is to be funded by the under spend shown against the Swale transfer station and some external funding of £5k received towards the works.	Amber		
Carriageway Collapse-Emergency works	0	1,119	0				Green		
A228 Colts Hill Strategic Link - Major Road Scheme	0	0	0						
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		

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 <sup>1</sup>	Explanation of Project Status	Actions
Growth without Gridlock initiatives	350	0	0						
Kent Thameside Strategic Transport Programme	11,526	1,479	-749	-749	Rephasing	The programme is under review. Rephasing due to Rathmore Road Link (a scheme within the programme) where work had been suspended temporarily until the planning consent by the Planning Committee.	Green		
Lorry Park	14,620	1,080	-1,055	-1,055	Rephasing	Further options are being explored hence the start date has been delayed.	Green		
North Farm Longfield Road, Tunbridge Wells	4,275	6,054	-381	-381	Rephasing	Predicted completion slipped by a month to end of June 2015 as a result of unchartered utility services that require diversion or protection.	Amber		
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				Green		
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		

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 <sup>1</sup>	Explanation of Project Status	Actions
Street Lighting Column Replacement Scheme	2,500	1,804	0				Green		
Street Lighting Timing - Invest to Save	1,817	1,512	150	150	Real - Prudential	Increased cost is mainly due to a higher than expected number of columns needing to be rewired to enable conversion and higher staff cost than originally estimated. The overspend is to be funded from the underspend on Swale Transfer Station.	Amber		
South East Maidstone Strategic Link - Major Road Scheme	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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Ashford Schemes</b>									
A28 Chart Road, Ashford	16,600	0	660	660	Rephasing	The scheme has received the planning consent now needs to be progressed. The anticipated spend has now being brought forward cover initial development works and engagement with utilities.	Green	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				Green		
Orchard Way Railway bridge, Ashford	0	0	0						
Victoria Way	468	505	0				Green		
<b>Total</b>	259,191	128,406	5,584	5,584					

## 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**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+82,638</b>	<b>-675</b>	<b>-</b>	<b>-675</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
<b>Strategic &amp; Corporate Services</b>						
Strategic Management & Directorate Support Budgets	3,535.1	-5,089.3	-1,554.2	-159	-157	Staff vacancies, mainly due to secondments to the Facing the Challenge team
					-3	Other minor variances
					+1	Movement from Quarter 2
<u>Community Services</u>						
- Contact Centre & Citizens Advice Help Line	3,569.4	-1,524.1	2,045.3	+545	+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
					+63	Movement from Quarter 2
- Gateways & Customer Relationship	2,940.6	-113.3	2,827.3	-122	-67	Quarter 2 reported variance
					-55	Movement from Quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Local Healthwatch & NHS Complaints Advocacy	1,281.5	-706.0	575.5	-146	-146	Movement from Quarter 2: Reduction in estimated number of business cases which will require funding in 2014-15
	7,791.5	-2,343.4	5,448.1	+277		
<u>Local Democracy</u>						
- Community Engagement	415.3	0.0	415.3	+187	+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.
					+42	Movement from Quarter 2
- 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	-40	-40	Movement from Quarter 2
	5,569.0	0.0	5,569.0	+147		
<u>Support to Frontline Services</u>						
- Business Strategy	3,365.5	-82.0	3,283.5	-221	-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
					-6	Movement from Quarter 2

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- 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	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.
					+413	Movement from Quarter 2: increase in FTC costs	
					-3,011	Drawdown from reserves to meet Facing the Challenge costs in excess of cash limit	
					-413	Movement from Quarter 2: increase in drawdown to meet increased FTC costs	
					+595	Corporate Portfolio Office costs in excess of the gross budget of £20.1k which was rolled forward from 2013-14	
					+10	Movement from Quarter 2: increase in Portfolio Office costs	
					-595	Drawdown from reserves to meet Corporate Portfolio Office costs in excess of cash limit	
					-10	Movement from Quarter 2: increase in drawdown to meet increased Portfolio Office costs	
					+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	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP	
	Gross	Income	Net	Net			
	£'000	£'000	£'000	£'000	£'000		
- Communications & Consultation	2,805.4	-131.0	2,674.4	-366	-198	Staff vacancies	
					-42	Income from Public Health to fund costs of Press Campaign Officer	
					-173	Other minor variances, each below £100k	
					+47	Movement from Quarter 2	
- Democratic & Members	3,835.1	-128.7	3,706.4	-76	-63	Quarter 2 reported variance	
					-13	Movement from Quarter 2	
- Finance & Procurement	19,644.4	-7,761.9	11,882.5	-233	+277	Delay in reduction in Support Services and related activities pending the outcome of Facing the Challenge review	
					-208	Staffing vacancies	
					-141	Reduction in specialist fees within Financial Management	
					-67	Movement from Quarter 2: reduction in specialist fees	
					-63	Other minor variances	
					-31	Movement from Quarter 2	
- Human Resources	15,635.2	-6,464.8	9,170.4	-495	-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	
					+78	Movement from Quarter 2	

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross	Income	Net	Net		
	£'000	£'000	£'000	£'000	£'000	
- Information, Communications & Technology	34,954.1	-17,351.3	17,602.8	-4	-19	Minor variances
					+15	Movement from Quarter 2
- Legal Services & Information Governance	9,574.3	-11,725.9	-2,151.6	+233	+182	Reduction in income resulting from market conditions
					+50	Other minor variances
					+1	Movement from Quarter 2
- Property & Infrastructure Support	32,913.9	-6,411.2	26,502.7	+222	+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.
					-78	Movement from Quarter 2
	123,232.1	-50,056.8	73,175.3	-940		
<b>Total S&amp;CS</b>	<b>140,127.7</b>	<b>-57,489.5</b>	<b>82,638.2</b>	<b>-675</b>		
<b>Assumed Management Action</b>						
<b>Total S&amp;CS Forecast <u>after</u> mgmt action</b>	<b>140,127.7</b>	<b>-57,489.5</b>	<b>82,638.2</b>	<b>-675</b>		

## 2. CAPITAL

2.1 The Strategic and Corporate Services Directorate has a working budget for 2014-15 is £29,764k. The forecast outturn against the 2014-15 budget is £24,521k giving a variance of -£5,243k.

2.2 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 <sup>1</sup>	Explanation of Project Status	Actions
<b>Rolling Programmes</b>									
Corporate Property Strategic Capital	5,300	2,650	0				Green		
Disposal Costs	750	250	0				Green		
Modernisation of Assets	5,626	6,793	-3,700	-3,700	Rephasing - prudential	Mainly due to hiring an environmental consultant to decide most economical way forward on two large building works.	Amber	Rephased due to awaiting outcome of environmental recommendations.	
<b>Individual Projects</b>									
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.	Green	Amber until new completion date agreed.	
Enterprise Resource Programme	0	209	0				Green		
Gateways (Programme Rollout)	296	296	-146	-146	Rephasing - prudential	Enhanced design work and additional value engineering.	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 <sup>1</sup>	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	-320	-320	Rephasing -£320k: £266k prudential revenue and £54k capital receipts	The first phase of the redevelopment took slightly longer than originally anticipated. This has not effected the completion date of the project.	Green		
Swanley Gateway (Programme Rollout)	490	1,078	-308	-308	Rephasing -£308k: £278k dev conts and £30k external other	Contractor has identified additional works and is seeking extension of time.	Amber	Completion date extended by two months to 31/05/2015.	
Sustaining Kent - Maintaining the Infrastructure	0	1,054	0				Green		
Winter Gardens Rendezvous site	100	100	0				Green		
<b>S&amp;CS Directorate Total</b>	<b>28,806</b>	<b>29,764</b>	<b>-5,243</b>	<b>-5,243</b>					

## 1. Status:

Green – on time and within budget

Amber – either delayed completion date or over budget

Red – both delayed completion and over budget

**FINANCING ITEMS**  
**NOVEMBER 2014-15 MONITORING REPORT**

**1. REVENUE**

1.1		Cash Limit	Variance Before Mgmt Action	Management Action	Net Variance after Mgmt Action
	<b>Total (£k)</b>	<b>+132,537</b>	<b>-488</b>	<b>-</b>	<b>-488</b>

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

Budget Book Heading	Cash Limit			Variance	Explanation	Management Action/ Impact on MTFP
	Gross £'000	Income £'000	Net £'000	Net £'000		
<b>Financing Items</b>						
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 +1,517	Transfer to Insurance reserve of surplus on Insurance Fund (see below) 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)	128,012.5	-8,514.0	119,498.5	-1,117	+400 -1,517	Impact of continued low interest rates on our cash balances and investments  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	2,012.5	0.0	2,012.5	-1,938	-1,905 -983 +983 -33	Additional Business Rate compensation grant, above the budgeted level, for reimbursement of impact of measures introduced in the 2012 and 2013 Autumn Statements  Bellwin funds received in respect of emergency costs incurred as a result of the 2013-14 autumn and winter storms & flooding  Transfer of Bellwin funds to the Emergency Conditions reserve  Business Rates flood relief grant
Underspend rolled forward from previous years	-4,000.0	0.0	-4,000.0	0		
<b>Total Financing Items</b>	<b>148,777.7</b>	<b>-16,241.0</b>	<b>132,536.7</b>	<b>-488</b>		