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To: CABINET – 28 January 2019

Subject: **REVENUE & CAPITAL BUDGET MONITORING - NOVEMBER 2018-19**

Classification: Unrestricted

1. SUMMARY

- 1.1 This report provides the budget monitoring position up to 30 November 2018-19 for both revenue and capital budgets.
- 1.2 The format of this report is:
- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
 - Appendix 1 – a high level breakdown of the directorate monitoring positions;
 - Appendix 2 – activity information for our highest risk budgets;
 - Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;
 - Appendix 4 –quarterly monitoring of prudential indicators;
- 1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. It is essential that a balanced revenue position is achieved in 2018-19, as any residual pressures rolled forward into 2019-20 will only compound an already challenging 2019-20 budget position. The forecast revenue pressure is £1.984m (including Corporate Director adjustments) increasing to £4.393m including roll forwards and this needs to be managed down to at least a balanced position. The forecast has decreased by -£1.902m (excluding roll forward requests) and -£1.477m (including roll forward requests) from the previous reported position.
- 1.4 Although this forecast revenue pressure is an improvement compared to the position at the same point last year, we cannot be complacent and any savings that can be made which address future years pressures will help meet the 2019-20 gap and subsequent years.
- 1.5 £2.103m of the forecast pressure relates to the Asylum service and negotiations continue with the Home Office to seek full reimbursement of the costs of supporting unaccompanied asylum seekers and care leavers.
- 1.6 There is a reported variance of -£81.513m on the 2018-19 capital budget (excluding schools and PFI). This is a movement of -£15.721m from the previous report and is made up of +£3.447m real movement and -£12.274m rephasing movement.

2. RECOMMENDATIONS

- 2.1 **Note** the forecast revenue budget monitoring position for 2018-19 and capital budget monitoring position for 2018-19 to 2020-21, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 2.2 **Approve** the capital cash limit adjustment proposed in section 5.
- 2.3 **Approve** the setting up of an earmarked reserve to fund dedicated work to clear the Deprivation of Liberty backlog proposed in paragraph 3.3.2.1.

3. SUMMARISED REVENUE MONITORING POSITION

- 3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £1.984m. After allowing for roll forwards the position increases to £4.393m. This forecast position, after roll forward requirements, represents a movement of -£1.477m. The main reasons for the movement this month are provided in section 3.3 below.

In total, this position reflects that we are on track to deliver the majority of the £50.2m of savings included in the approved budget for this year, but further work is urgently required to identify options to eliminate the residual £4.393m forecast pressure. The position by directorate, together with the movement from the last report, is shown in table 1a & 1b below.

3.2 Table 1: Directorate revenue position

Directorate	Budget	Net Forecast Variance *	Corporate Director Adjustment	Revised Net Variance	Last Reported Position	Movement
	£m	£m	£m	£m	£m	£m
Adult Social Care & Health						
Strategic Management & Directorate Budgets (ASCH)	36.378	-5.010	1.4	-3.610	-3.514	-0.096
Disabled Children, Adult Learning Disability & Mental Health	231.739	4.503	-1.4	3.103	3.344	-0.241
Older People & Physical Disability	150.894	0.124		0.124	-0.099	0.223
<i>Total Adult Social Care & Health</i>	<i>419.011</i>	<i>-0.383</i>	<i>0.000</i>	<i>-0.383</i>	<i>-0.269</i>	<i>-0.114</i>
Children, Young People & Education						
Strategic Management & Directorate Budgets (CYPE)	2.270	1.988		1.988	2.008	-0.020
Education Services, Planning & Resources	39.644	3.673		3.673	3.579	0.094
Quality & Standards	1.239	-0.110		-0.110	0.000	-0.110
Early Help & Preventative Services	18.071	-0.963	-0.150	-1.113	-0.964	-0.149
Specialist Children's Services	125.026	2.090	-0.150	1.940	2.192	-0.252
<i>Total Children, Young People & Education</i>	<i>186.250</i>	<i>6.678</i>	<i>-0.3</i>	<i>6.378</i>	<i>6.815</i>	<i>-0.437</i>
Growth, Environment & Transport						
Strategic Management & Directorate Budgets (GET)	0.662	0.571		0.571	0.582	-0.011
Economic Development	4.635	-0.060	0.150	0.090	-0.060	0.150
Highways, Transportation & Waste	140.827	-0.894		-0.894	-0.533	-0.361
Environment, Planning & Enforcement	14.609	0.649		0.649	0.533	0.116
Libraries, Registration & Archives	9.413	-0.311		-0.311	-0.299	-0.012
<i>Total Growth, Environment & Transport</i>	<i>170.146</i>	<i>-0.045</i>	<i>0.150</i>	<i>0.105</i>	<i>0.223</i>	<i>-0.118</i>
Strategic & Corporate Services						
Strategic Management & Directorate Budgets (S&CS)	-1.508	-0.005		-0.005	-0.017	0.012
Engagement, Organisation Design & Development	13.123	0.355		0.355	0.501	-0.146
Finance	9.507	-0.226		-0.226	-0.116	-0.110
General Counsel	7.598	-1.070		-1.070	-0.003	-1.067
Infrastructure	38.973	1.130		1.130	0.720	0.410
Strategic Commissioning including Public Health	7.103	0.000		0.000	-0.013	0.013
Strategy, Policy, Relationships & Corporate Assurance	1.895	0.070		0.070	0.071	-0.001
Business Services Centre	0.000	0.000		0.000	0.000	0.000
<i>Sub Total Strategic & Corporate Services</i>	<i>76.691</i>	<i>0.254</i>	<i>0</i>	<i>0.254</i>	<i>1.143</i>	<i>-0.889</i>
Financing Items & Unallocated	111.837	-4.370		-4.370	-4.026	-0.344
TOTAL (Excl Schools)	963.935	2.134	-0.150	1.984	3.886	-1.902
<i>Schools (CYPE Directorate)</i>	<i>0</i>	<i>15.317</i>		<i>15.317</i>	<i>9.999</i>	<i>5.318</i>
TOTAL	963.935	17.451	-0.15	17.301	13.885	3.416

Directorate		Budget	Net Forecast Variance *	Corporate Director Adjustment	Revised Net Variance	Last Reported Position	Movement
		£m	£m	£m	£m	£m	£m
Variance from above (excl Schools)					1.984	3.886	-1.902
Roll Forwards	- committed				0.434		0.434
	- re-phased				0.975	1.984	-1.009
	- bids				1.000		1.000
Total Roll Forward Requirements					2.409	1.984	0.425
(-ve) Uncommitted balance / (+ve) Deficit					4.393	5.870	-1.477

* the variances reflected in appendix 1 will feature in this column

3.3 Table 1b: Provisional Directorate **revenue** position after roll forwards:

Directorate	Variance £m	Roll Forwards			Revised Variance £m
		Committed £m	Re-phased £m	Bids £m	
Adult Social Care & Health	-0.383	0.434			0.051
Children, Young People & Education	6.378		0.975		7.353
Growth, Environment & Transport	0.105				0.105
Strategic & Corporate Services	0.254			1.000	1.254
Financing Items & Unallocated	-4.370				-4.370
TOTAL (Excl Schools)	1.984	0.434	0.975	1.000	4.393

3.3.1 The main reasons for the movement of -£1.902m before roll forwards and -£1.477m after roll forwards are:

3.3.2 Adult Social Care and Health:

The overall movement for the Directorate forecast variance since the September position is a decrease of -£0.114m. This includes offsetting Corporate Director Adjustments between divisions (with a net zero effect). This amendment is to adjust for a timing issue, to be resolved by cash limit changes in the next month. An explanation of significant movements is detailed below.

3.3.2.1 Strategic Management and Directorate Budgets – Adults

The pressure within Strategic Management and Directorate has decreased since September by -£0.096m.

This movement relates to several offsetting movements across various service lines.

The Directorate was requesting a roll forward of £1.0m for the dedicated piece of work to clear the Deprivation of Liberty Safeguarding (DoLS) backlog. Instead it has been deemed prudent to transfer this underspend into a ringfenced reserve to fund future years, resulting in a movement of +£1.027m.

-£0.335m relates to 'Housing Related Support' services commissioned for clients with Learning Disabilities, where contracts with several providers have come to an end with eligible needs met via the Supporting Independence Service contract within other service lines.

-£0.367m of centrally held funds have been released to reflect pressures already recognised within the forecast position.

The Directorate is requesting a roll forward of -£0.434m to support staff training for a new Adult Social Care ICT system which will now occur in the next financial year. Implementation of the system is funded with a one off budget, and the request is being made to roll forward the underspend to 2019-20 in line with the implementation timetable.

3.3.2.2 Disabled Children, Adult Learning Disability and Mental Health

The pressure within 'Disabled Children, Adult Learning Disability & Mental Health' has decreased by -£0.241m since September.

There has been an increase in variance of +£1.699m within Adult Learning Disability funded by new monies received for ongoing winter pressures, rather than drawing down from one-off reserves.

Adult Learning & Physical Disability Pathway - Residential Care Services have decreased by -£1.399m since September. This is linked to high cost Transforming Care clients who will now be discharged from health placements in 2019-20 rather than 2018-19.

Assessment Staffing for Mental Health Services decreased by -£0.363m due to slippages in recruiting new staff.

The pressure within Looked After Children's Services has decreased by -£0.204m since September; services for children with a disability (0-18) has decreased by -£0.221m due to an increase in direct payment reclaims of -£0.135m; a reduction in spend on equipment for disabled children of -£0.050m and a reduction in short break provisions of -£0.031m. Children & young people social care staffing has increased by +£0.019m due to maternity leave cover by agency staff.

3.3.2.4 Older People and Physical Disability

The pressure on 'Older People & Physical Disability' has increased since September by +£0.223m.

There has been an increase in variance of +£0.900m within Older People (+£0.500m 'Older People - Residential Care Services' and +£0.400m 'Older People - Residential Care Services') funded by new monies received for ongoing winter pressures, rather than drawing down from one-off reserves.

The pressure within Older People & Physical Disability Assessment Services has decreased since September by -£0.483m due to income received as a result of integrated working with health colleagues, grant funding and slippages in recruitment following the Assessment Service redesign project. There has also been a reduction of -£0.240m within the Equipment forecast.

3.3.3 Children, Young People and Education Directorate:

The forecast for Children, Young People and Education Directorate indicates an overall pressure of £6.378m (after Corporate Director adjustments of -£0.300m and before the Tackling Troubled Families roll forward request – see 3.4.2). £2.103m of this pressure relates to the Asylum service. This variance has moved by -£0.437m from September monitoring, the most significant movements are described below.

3.3.3.1 Early Help & Preventative Services

The Early Help & Preventative Services forecast has decreased by -£0.149m since September monitoring including Corporate Director adjustments. The movement is solely due to further anticipated underspends expected before the end of the financial year in line with previous outturn.

3.3.3.2 Specialist Children's Services

The Specialist Children's Services forecast has decreased by -£0.252m since September monitoring including Corporate Director adjustments of -£0.150m reflecting anticipating underspends on staffing. There has also been a -£0.118m movement in the Looked After Children - Care and Support budget line since September. The remaining -£0.020m is made up of various compensating movements across Residential, Safeguarding and Adoption & Special Guardianship Services. There is a movement of +£0.036m in Asylum Services.

3.3.4 Growth, Environment & Transport:

The current position is a forecast overspend of +£0.105m, which is a net improvement of -£0.118m from the last reported position.

3.3.4.1 Highways, Transportation & Waste

The division has seen an overall net reduction of -£0.361m with some significant offsetting movements requiring explanation.

Highway Transportation (including School Crossing Patrols) is showing a decrease of -£0.174m due primarily to increased income for Highways pre-application advice.

Highway Asset Management (Roads and Footways) is reporting a +£0.200m movement primarily due to an increase in non-recoverable repairs, i.e. damage to highway assets where a claim to recover costs from a third party is no longer possible.

The underspend within Highway Asset Management (Other) has increased by -£0.392m through a combination of additional street works and permit income of -£0.223m and reduced estimates of streetlight energy costs based on the latest information of -£0.217m. Other small movements make up the balance of +£0.048m.

Waste Facilities & Recycling Centres is showing +£0.213m, which is to reflect a profit share payment to one district as their share of the savings to KCC accruing from the new recycling scheme. The benefit of this scheme has been seen in reduced volumes of residual waste.

The Highways, Transport & Waste Management Costs and Commercial Operations position has improved by -£0.220m. This is primarily in Driver Diversion Schemes where a

combination of increased client numbers, a drive towards reducing course expenditure costs and delay with systems development have all reduced the net cost of delivering the service. Other minor changes make up the balance of movement of +£0.012m.

3.3.4.2 Environment, Planning & Enforcement

The overall position for the division has worsened by +£0.116m. Public Protection is showing an increased pressure, with Coroners the primary reason, who are forecasting additional costs for staffing.

3.3.4.3 Economic Development

The overall position for this division has worsened by +£0.150m due to a review of the pipeline for loan applications to the Kent & Medway Business Fund. Where loans are made, an administration and management fee are charged to cover the costs of co-ordinating the programme and loan applications are lower than anticipated. Due to the timing of this report, a Corporate Director Adjustment has been raised as a provision that a proportion of these pipeline loan applications will not have a sufficiently robust business case. This will be reflected in the monitoring directly in subsequent months.

3.3.4.4 Other small changes across the rest of the Directorate make up the balance of the movement of -£0.024m.

3.3.5 Strategic & Corporate Services:

Since the last report to Cabinet, the overall forecast for the Strategic and Corporate Services Directorate has reduced by -£0.889m. This is mainly accounted for by a new forecast underspend on Members' grants of -£1.0m and reductions in forecast for Engagement Organisation Design & Development of -£0.146m and Finance of -£0.110m, offset by an increase to the Infrastructure forecast of +£0.410m. The balance of the movement is made up of other Divisional changes all individually less than £0.1m.

The movement in Infrastructure is made up of increases to the corporate variances already reported below.

Included within the Directorate budget is the Public Health expenditure which is funded from a ring-fenced grant. The current forecast outturn is an underspend of -£1.086m which is a reduction of -£0.505m from the position last reported to Cabinet. Within this is a decrease in "Public Health - Sexual Health" of -£0.316m which primarily results from actual invoices now received for 2017/18 activity, that were estimated and accounted for last year, but are now below the original cost estimates. The "Public Health - Healthy Lifestyles" forecast is down (-£0.194m) following reductions in Stop Smoking prescribing costs. Other minor changes make up the balance of the movement (+£0.005m).

3.3.6 Financing Items

The underspend has increased by -£0.344m since the last report, reflecting increased dividends from externally managed funds and an underspend on the Carbon Reduction Commitment Levy.

3.4 Revenue budget monitoring headlines (please refer to Appendix 1)

3.4.1 Adult Social Care and Health

The overall forecast variance for the Directorate is an underspend of -£0.4m and an explanation of significant variances are detailed in the paragraphs below.

This variance position reflects activity data to date in the 2018-19 financial year and we will continue to refine the forecast alongside activity trends over the remaining months.

Two offsetting Corporate Director Adjustments are proposed;

- +£1.4m increase to 'Strategic Management and Directorate Support'.
- -£1.4m decrease to 'Disabled Children, Adult Learning Disability & Mental Health'.

This amendment is to adjust for a timing issue, to be resolved by cash limit changes next month.

The Directorate is requesting to roll forward £0.4m to support staff training relating to a new Adult Social Care ICT system (see 3.4.1.1). This will bring the Directorate to a breakeven position.

3.4.1.1 Strategic Management and Directorate Budgets – Adults

The forecast variance for 'Strategic Management & Directorate Budgets - Adults' is -£3.6m.

- A proportion of this variance relates to centrally held funds still to be allocated which cover pressures already recognised within the forecast position. It includes a -£1.7m underspend against sustainability funding, which partially offsets pressures from unachievable in year savings of +£0.4m.
- An underspend of -£1.8m against 'Strategic Management & Directorate Support' primarily relates to 'Housing Related Support' services commissioned for clients with Learning Disabilities, where contracts with several providers have come to an end. Support for these clients is being provided through 'Learning Disability Community Based Services' such as 'Supporting Independent Living' services.
- There is an additional underspend of -£0.4m within 'Strategic Management & Directorate Support' relating to the implementation of a new Adult Social Care ICT system. The associated staff training will now take place in 2019-20 and a request is being made to roll forward the underspend in line with the implementation timetable.

3.4.1.2 Disabled Children, Adult Learning Disability and Mental Health

Disabled Children, Adult Learning Disability and Mental Health Services are forecasting a net pressure of +£3.1m.

- +£1.7m of this pressure relates to Learning Disability Community Based Services (26+) where there is increasing activity within the Supporting Independent Living Service. The cost of growing complexity and increasing client numbers is creating a pressure. Additional pressure has been created by clients previously supported under the Housing Related Support contracts. These clients are now receiving Learning Disability Community Services. This will be partially offset by the allocation of centrally held funds in the Strategic Management and Directorate Budgets (see 3.4.1.1).

- There is a reduction in drawdown from one-off reserves of +£1.7m (see 3.3.2.2).
- There is an underspend of -£1.4m within Adult Learning Residential Care Services linked to high cost Transforming Care clients who will now be discharged from health placements in 2019-20 rather than 2018-19.
- There is an additional pressure of +£0.3m related to Mental Health Services. This reflects increased complexity of needs within this client group.
- A forecast pressure of +£0.6m is reported within services for children with a disability (0-18), relating to an increase in the cost of complex residential placements for young children, and is reflecting the full year effect of increases in both activity and the cost of care packages in the final quarter of the previous financial year of +£1.0m. This pressure is partially offset by underspends in day care and direct payment services of -£0.4m.
- There is a further +£0.2m pressure on children & young people social care staffing which reflects the need for the service to maintain low numbers of vacancies and the use of agency staff to meet the current demands for the service. The pressures on this service are expected to continue and will need to be reflected in the 2019-22 MTFP.

3.4.1.3 Older People and Physical Disability

Older People and Physical Disability services are forecasting a net underspend of +£0.1m, which includes several offsetting variances. The most significant variances are detailed below.

- Older People (65+) Residential Services is reporting an activity based overspend of +£0.5m. This is indicative of increased service usage. It is anticipated that pressures will increase within this service area over the winter period. There is an additional adjustment of +£1.5m for debt.
- Older People (65+) Community Services is reporting an activity based overspend of +£1.0m. This position reflects current activity trends in combination with an adjustment built into the position for projected future demographic growth.
- There is a reduction in drawdown from one-off reserves of +£0.9m (see 3.3.2.4).
- The pressure in Older People (65+) Community Services is offset by a variance of -£1.1m against Adaptive & Assistive Technology (as efficiencies within the procurement and running of this service come into full effect in 2018-19), and an underspend of -£0.6m against Carers Support. There is also a small underspend of -£0.2m within Adult Physical Disability Services.
- There is also an underspend forecast of -£1.7m against Assessment Staffing and -£0.1m against Children in Need (Disability) - Assessment Staffing. This is due to staff vacancies in combination with a slippage in recruitment following the Assessment Service redesign project.
- The Older People and Physical Disability forecast assumes that there will be also be some increased activity over the winter months.

3.4.2 Children, Young People and Education Directorate

The forecast for the Children, Young People and Education Directorate indicates an overall pressure of £6.4m (after Corporate Director adjustments of -£0.3m), of which £2.1m relates to the Asylum service.

Tackling Troubled Families has achieved additional income of -£1.0m as a result of more successful Payment By Results submissions to the MHCLG and is requesting roll forward of this surplus into the next financial year in order to ensure there is sufficient funding to maintain this programme in 2019-20. This roll forward increases the forecast pressure to £7.4m.

3.4.2.1 Strategic Management & Directorate Budgets (CYPE)

+£2.3m of the pressure relates to the integration savings target that is not expected to be made due to a delay in the appointment of senior posts. Short term compensating savings are being reported below and any further savings specifically related to integration will be reflected against the relevant budget lines as and when agreed. The wider impact of integration is being developed to deliver the full saving in 2019-20 through the Change for Kent Children Programme. This pressure is partially offset by the one-off reduction in early retirement costs from 2017-18 of -£0.3m.

3.4.2.2 Education Services, Planning & Resources

There are a number of pressures from 2017-18 which are continuing into 2018-19, including:

- ongoing school security costs of +£0.5m;
- the installation, hire, and removal of mobile classrooms to support the Basic Need programme of +£0.8m;
- +£0.4m revenue maintenance costs associated with schools are expected to be more than the grant available. This covers both planned maintenance agreements and subsequent resultant work which falls under the Total Facilities Management contracts.

There are also emerging pressures on:

- The Education Psychology Service of +£0.6m, due to increasing statutory workloads which is resulting in the continual use of agency staff to cover staff vacancies and the need to offer enhanced salary packages to attract and retain permanent staff. In addition, as the service focused on meeting its statutory responsibilities, it has had to reduce traded activities which has led to a shortfall in income;
- +£0.9m pressure in home to school and college transport. Current pupil numbers indicate a pressure of +£1.2m on SEN home to school transport offset by -£0.3m underspend on mainstream transport service;
- +£1.6m support of children with Special Education Needs (SEN). The pressure is resulting from the increasing provision of therapy services, home tuition and higher demand for statutory assessments, along with additional payments to reflect the greater complexity of needs of the pupils placed in our special schools and specialist resource provision.
- +£0.2m shortfall in traded income relating to emergency planning due to more limited market requirement.

Where the demands and subsequent financial pressures are expected to continue into 2019-20, this is being highlighted in the medium-term plan submission.

The pressures above are partially offset by reviewing the funding set aside in respect of The Education People (TEP) of -£1.0m. In addition, due to the delay in the launch of the company there is also a -£0.3m one-off pension saving.

3.4.2.3 Early Help & Preventative Services

Early Help & Preventative Services are forecasting a -£0.1m underspend after the Tackling Troubled Families roll forward and Corporate Director adjustments.

3.4.2.4 Specialist Children's Services (excluding Asylum)

The Specialist Children's Service is forecasting a -£0.2m underspend after Corporate Director adjustments, which is formed from a number of compensating variances.

The Care Leavers Service is forecasting a pressure of +£0.5m resulting from the need to recruit additional staff and the use of agency staff to meet the current demand of supporting children. This also includes the anticipated impact of new legislation requiring local authorities to continue to offer support to young people up to the age of 25. The impact of this new legislation is expected to be ongoing and will increase in future years.

A pressure of +£1.2m is forecast for Looked after Children placement costs, pressures on the cost of legal services of +£0.8m, residential services of +£0.3m and supported accommodation of +£0.7m and are partially offset by underspends on fostering services of -£0.5m of which -£0.3m is one-off and secure accommodation of -£0.1m. This reflects the ongoing pressure resulting from the service supporting increasingly complex children requiring more specialist placements (at a higher cost) rather than an increase in the overall number of looked after children. Children Social Work is also seeing a significant rise in the overall cost for legal proceedings even though the number of proceedings has remained constant. Work is ongoing with Invicta Law to understand the underlying causes and results will be reported in future monitoring reports and reflected in the MTFP as required.

These pressures are offset by anticipated underspends on the safeguarding service of -£0.4m; unit costs across adoption & special guardianship orders of -£1.2m partially resulting from the full year effect of the means-testing which was introduced in 2017-18; and staffing underspends of -£0.3m.

3.4.2.5 Specialist Children's Services – Asylum Seekers:

The pressure on the Asylum Service is expected to continue, with an estimate of +£2.1m shortfall in grant income based on a number of assumptions. The Home Office have recently confirmed there will be no significant change to the current grant rates for 2018-19. This follows a meeting with the Home Office and Senior Officers in December 2018.

Negotiations continue with the Home Office to recover the shortfall in funding for this service over recent years.

The main variances for the Asylum service are:

- -£0.4m surplus in grant income from supporting under 16 year olds. This is in line with previous years and is normally used to offset any shortfalls in grant relating to 16-17 year olds and 18+ care leavers.
- +£0.5m shortfall in grant income for supporting 16-17 year olds. There are still a number of children placed in higher cost placements who arrived before the age of 16, and have chosen to remain in their current placements. Attempts to move any individual who is settled in their placement is likely to result in legal challenge. This pressure is less than the previous year as it is assumed new 16-17 year olds will be placed in lower cost supported accommodation settings.
- +£0.7m shortfall in grant income to support the National Transfer Scheme Reception Centre. The pressure on this service has increased since 2017-18 as the number of new UASC arrivals has reduced leading to a reduction in the total grant received to run this service and therefore a greater overall shortfall in funding.

- +£1.1m shortfall in grant income for supporting care leavers (18+). Historically, the grant rate has not been sufficient to recover the costs associated with supporting this age group. Work is progressing to ensure care leavers are applying for both job seekers allowance and housing benefit where eligible to do so.
- -£0.2m surplus as the final 2017-18 Home Office grant received for Care Leavers was higher than previously expected.
- +£0.4m placement costs associated with children who are presented to us as Asylum Children that are deemed not to be eligible for the Home Office Grant (referred to as ineligible children).

3.4.3 Growth, Environment and Transport

Overall the Directorate is forecasting a minor pressure of +£0.1m, with +£3.4m of pressures being mostly offset by forecast underspends of -£3.3m. The latter includes a number of one-off initiatives that have been implemented to try and bring the budget closer to balance. A number of the pressures will likely continue into 2019-20 and have been accounted for as part of next year's budget to ensure sufficient resource is available in the coming year.

3.4.3.1 Strategic Management & Directorate Budgets

The Directorate is showing a pressure of +£0.7m against the "Budget & Savings Plans to be allocated" budget line. These were unallocated savings that formed part of the 2018-19 budget and that have been addressed during the year. Offsetting management action is shown against individual key services, including -£0.1m against the Strategic Management & Directorate Budget itself. Permanent solutions to these saving allocations have been found going forward, and will be re-allocated for the 2019-20 budget. For the current year, a number of one-off initiatives have been implemented and are shown in each relevant budget line.

3.4.3.2 Highways, Transportation and Waste

There is an overall pressure within Waste Facilities & Recycling Centres of +£1.1m, despite the forecast volume of waste being -23,182 tonnes below budgeted levels.

Increases in Materials Recycling Facilities (MRF) costs since the budget was set has led to a pressure of +£0.5m. Reduced paper and card waste income (-6,423 tonnes), as well as a significant drop in the price we receive, has left an income shortfall of +£0.7m, whilst additional composted waste of +5,600 tonnes has added a further +£0.4m to the forecast meaning a total pressure of +£1.6m.

These pressures have been partially offset by a reduction of -4,669 tonnes and -£0.3m of recycling credits; the insurance settlement for North Farm of -£0.2m; as well as -£0.8m of forecast underspend due to the current mix of waste types (each with their own disposal cost) forecast to cost less than budgeted levels has led to total savings/underspends of -£1.3m.

In addition to the net +£0.3m pressure referred to above, is +£0.5m of unbudgeted payments to Gravesham Borough Council (new recycling scheme as referred to above, plus other in year variances) as well as +£0.3m for the cost of new waste compactors. In total these reconcile back to the +£1.1m overall pressure. Further details on activity can be found in Appendix 2.15.

The above pressures are largely offset as Residual Waste is forecasting a significant underspend of -£0.8m. This is due to two primary reasons, firstly -£0.6m of predicted volume

variance of -4,850 tonnes across Waste to Energy and Waste Treatment Final Disposal contracts (see Appendix 2.14) and secondly, an additional -£0.5m of trade waste income. Without the new recycling scheme (as above) being introduced, the -£0.6m volume variance would have been significantly lower. There are +£0.3m of other pressures including +£0.1m for clearing fly-tipped waste, and +£0.1m for increased clinical waste.

Highway Asset Management (Roads and Footways) is now forecasting a pressure of +£0.5m, the majority of which relates to non-recoverable works, i.e. damage to highway assets where a claim to recover costs from a third party is no longer possible. These are unfunded and therefore represent a pressure. However, this pressure is offset by an underspend of -£1.1m within Highway Asset Management (Other) through additional income for street permits, as well as other savings including streetlight works and energy.

Highways, Transport & Waste Management Costs and Commercial Operations is forecasting -£0.3m underspend primarily within Driver Diversion Schemes.

Highway Transportation (including School Crossing Patrols) is reporting an underspend of -£0.2m due to a higher level of income from Highways pre-application advice.

The rest of the division is reporting an underspend of -£0.1m, including -£0.1m against Subsidised Buses and Community Transport and which leaves Highways, Transportation & Waste with an underspend of -£0.9m.

3.4.3.4 Environment, Planning & Enforcement

Public Protection is forecasting a pressure of +£0.9m, with +£0.8m relating primarily to the Coroner's service but also +£0.1m within Community Wardens, mainly due to a forecast shortfall in funding. Other small variances of +£0.1m account for the difference.

Within the Coroner Service forecast is a contractual pressure of some +£0.4m (full year effect £0.6m) relating to body removals, where costs have increased considerably following the end of the old contracts and whereby the market was only willing to continue with the service at full cost recovery. Options to mitigate this pressure, or deliver the service in a different way, are currently being explored but all future options are likely to cost in excess of the previous arrangements whereby funeral directors provided this service at a subsidised rate and which is no longer commercially viable. This has been right-sized in next year's budget.

The remaining Coroner's pressures relate to increasing pathology, post mortem, toxicology and body storage costs due to both a rising population/level of activity, and legislative changes partially offset by an increased contribution from Medway, as well as anticipated costs from within the Medical Examiner budget not being required in the current year as this new pilot/service has been delayed.

The above pressures are partially offset by a number of small savings within Environment & Planning budgets of -£0.3m to leave an overall pressure of +£0.6m.

3.4.3.5 The Libraries, Registration & Archives underspend of -£0.3m includes -£0.1m additional release in a renewals reserve (RFID replacement was re-procured at beneficial rates and final costs are now confirmed), plus minor savings in other areas.

3.4.3.6 Economic Development

The Economic Development division overspend of +£0.1m includes a Corporate Director Adjustment in relation to a review of the administration and management fee income that is forecast to be derived from loan applications to the Kent & Medway Business Fund. The forecast has been reduced accordingly.

3.4.3.7 The improved position has been achieved primarily through one-off savings this year. A permanent solution to -£0.5m of the -£0.7m of unallocated savings plans has been found as part of the 2019-20 budget build process; plans are being worked on to find the remaining balance.

The Directorate remains committed to achieving a balanced position by the year-end, however the significant number of activity-led budgets means the potential for further adverse movements in the remainder of the year cannot be ignored.

3.4.4 Strategic and Corporate Services

The overall variance reflected in Appendix 1 for the directorate is an overspend of +£0.3m which includes variances of +£0.4m for EODD, -£0.2m for Finance, -£1.1m for General Counsel and +£1.1m for Infrastructure.

3.4.4.1 Engagement, Organisation Design and Development (EODD)

The +£0.4m pressure in EODD is made up of +£0.2m relating to the Contact Centre & Digital Web Services budget set in 2015 using a transformation plan suggested by Agilisys, predicting that the number of calls and average call duration would fall significantly. Although the call volumes and times have reduced, this is not in line with the original budgeted plan, resulting in a budget pressure. The commissioners of this service, together with Agilisys, are working with directorate services to reduce these figures further. Strategic Commissioning and Agilisys are also working together on changes to the contract which will further mitigate the position for the new financial year. The remainder of the divisional variance +£0.2m relates to staffing overspends due to re-phased plans for restructuring. The Division is currently working on management action to mitigate this position.

3.4.4.2 Finance

The variance for the Finance division of -£0.2m is mainly due to staffing budget vacancy management and lower spending on specialist fees.

3.4.4.3 General Counsel

In General Counsel division the variance of -£1.0m relates to the forecast underspend on Local Member Grants. This underspend will be the subject of a roll forward request to Cabinet at year-end.

3.4.4.4 Infrastructure

For Infrastructure budgets the variance of +£1.1m is due to Property related services, the largest part of which is the Corporate Landlord variance of +£0.7m, £0.5m of which relates to Corporate pressures for: non-capitalisable costs for assets held for disposal; the withdrawal of Commercial Services from the Aylesford Depot and the re-phasing of the Planned Asset Utilisation saving. All these Corporate pressures have been addressed within

the MTFP and the budgets right-sized for 2019/20. The remainder is made up of many smaller variances. The commissioner and Gen2 are looking at ways of delivering mitigating savings to compensate for this position. Other non-Corporate Landlord property related pressures are: a forecast overspend of +£0.3m for Oakwood House where income is expected to be below budget. The service is working on potential solutions to mitigate the situation in the short-term whilst decisions are made for the longer-term strategy; a variance of +£0.1m on Education legal fees, where a change in accounting treatment relating to the use of capital grant funding on this demand led budget has created this pressure. The budget will be rightsized in the MTFP for 2019-20.

3.4.4.5 Strategic Commissioning including Public Health

Overall, Public Health is forecasting an underspend of -£1.1m which will be transferred to the ring-fenced reserve. Several key service budget lines are showing variances of more than £0.1m which require explanation.

“Public Health - Children's Programme” is forecasting a pressure of +£0.4m. This results primarily from school health continence costs of +£0.1m, infant feeding of +£0.1m, and oral health of +£0.1m. The last is offset by an underspend within “Public Health - Advice and Other Staffing” as the budget for oral health remains on that line. Other minor variances make up the remaining balance of +£0.1m.

Public Health - Mental Health, Substance Misuse & Community Safety is now forecasting a pressure of +£0.1m due to increased prescribing costs for Substance Misuse.

The “Public Health - Sexual Health” budget is reporting an underspend of -£0.4m with increased contraceptive costs of +£0.2m offset by reductions in current year activity of -£0.3m. In addition, actual invoices received for 2017/18 activity, that were estimated and accounted for last year, are below the original cost estimates; resulting in an underspend this year of -£0.3m.

A -£0.6m underspend against “Public Health - Healthy Lifestyles” results from lower prescribing costs from 2017/18 of -£0.2m, reductions in the number of Health checks/invites of -£0.2m, and other small variances of -£0.2m.

“Public Health - Advice and Other Staffing” is showing an underspend of -£0.6m; in part -£0.1m of this relates to oral health as stated above, as well as underspends against campaigns of -£0.3m and workforce development of -£0.1m.

Other Divisions within the Directorate have variances, all of which are under £0.1m.

3.4.5 Financing Items

An underspend of -£4.4m is forecast reflecting additional Extended Rights to Free Travel grant notified by Government since the 2018-19 budget was set of -£0.3m; underspending against the net debt costs budget as a result of higher dividends and interest receipts and the net impact of debt restructuring of -£0.8m; an underspend against the Carbon Reduction Commitment Levy of -£0.2m; an underspend against the non specific price provision of -£0.8m; additional retained Business Rates levy for 2017-18 above the debtor raised of -£0.9m and additional S31 Business Rate Compensation Grant -£1.4m following the reconciliation of unaudited figures for 2017-18 - final audited figures will not be available until later in the year.

3.5 Schools delegated budgets:

The schools delegated budget reserves are currently forecast to end the financial year in surplus by £14.7m, compared to £30.0m at the start of the financial year. This is made up of a forecast surplus of £23.4m on individual maintained school balances, a surplus of £0.9m on the schools apprenticeship levy reserve and a deficit on the central schools reserve of £9.5m.

The table below provides the detailed movements on each reserve:

	Individual School Reserves (£m)	Central Schools Reserve (£m)	Apprenticeship Levy Reserve (£m)	Total School Reserves (£m)
Balance b/wd	31.315	(2.155)	0.855	30.015
Forecast movement in reserves:				
Academy conversions and closing school deficits	0.493	(1.145)		(0.652)
Movement in school reserves (6 month monitoring)	(8.426)			(8.426)
Contribution to capital broadband		(1.000)		(1.000)
School Growth		3.866		3.866
High Needs		(8.125)		(8.125)
Various		0.111		0.111
Overspend on Central DSG budgets		(1.091)		(1.091)
Forecast reserve balance	23.383	(9.539)	0.855	14.968

Note: a negative figure indicates a draw down from reserves/deficit

The Schools' delegated budget is currently showing a pressure of £15.3m.

3.6 Table 2: Performance of our wholly owned companies

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	4.400	4.400	4.400	
GEN2	0.983	0.983	0.983	
Cantium Business Solutions	0.340	0.340	0.340	

4. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

- 4.1 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 the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

5. SUMMARISED CAPITAL MONITORING POSITION

- 5.1 There is a reported variance of -£81.513m on the 2018-19 capital budget (excluding schools and PFI). This is a movement of -£15.721m from the previous report and is made up of -£3.447m real movement and -£12.274m rephasing movement. Headline movements are detailed below by Directorate.

5.2 Table 3: Directorate **capital** position

Directorate	2018-19 Working Budget	2018-19 Variance	Real variance	Re-phasing variance	Last reported position		Movement	
					Real	Rephasing	Real	Rephasing
	£m	£m	£m	£m	£m	£m	£m	£m
Children, Young People & Education	93.808	-24.971	-0.281	-24.690	6.377	-24.152	-6.658	-0.538
Adult, Social Care & Health	9.375	-3.701	-0.462	-3.239	-0.530	-3.188	0.068	-0.051
Growth, Environment & Transport	157.088	-49.083	2.940	-52.023	2.242	-44.597	0.698	-7.426
Strategic & Corporate Services	27.148	-3.758	2.051	-5.809	-0.394	-1.550	2.445	-4.259
TOTAL	287.419	-81.513	4.248	-85.761	7.695	-73.487	-3.447	-12.274

5.3 Capital budget monitoring headlines

The real variances over £0.100m and rephasing variances over £1.000m are as follows:

5.3.1 Children, Young People and Education

- Annual Planned Enhancement Programme: Rephasing movement of -£1.458m. Additional requirements for two fire safety projects have led to extended design and planning stages and project completion will now be in the new financial year.
- Basic Need Programme: Real movement of -£3.450m due to a previously agreed cash limit adjustment which has now been actioned.
- Basic Need Pressure: Rephasing movement of +£3.063m due to the working budget being adjusted to reflect phasing following the review of the 2018 Commissioning Plan.
- Priority School Build Programme: Real movement of -£2.972m due to a previously requested cash limit adjustment which has now been actioned. Rephasing movement of -£1.000m due to initial contractual delays at Benenden Primary, delivery date of which is unaffected.

5.3.2 Adult, Social Care & Health

There are no movements to report over £0.100m on real or over £1.0m on rephasing.

5.3.3 Growth, Environment & Transport

5.3.3.1 Highways, Transportation & Waste

- Highway Major Enhancement: Real movement of +£4.542m relating to additional resurfacing works and road collapses, including the A26, which will be funded by additional grant.
- East Kent Access Phase 2: Real movement of -£0.314m. Land compensation claims have been revisited to show a reduced forecast.

- Sittingbourne Northern Relief Road: Real movement of -£0.739m. A reduced forecast has been included in relation to the land acquisition, and land compensation claims.
- West Kent Local Sustainable Transport – Tackling Congestion: Real underspend of -£0.205m due to some works now being undertaken directly by Network Rail. The external funding will reduce by the same amount to reflect this.

5.3.3.2 Environment, Planning and Enforcement and Libraries, Registration and Archives

- Public Rights of Way: Real movement of +£0.124m, due to additional schemes to be funded by developer contributions.
- Southborough Hub: Rephasing movement of -£2.438m. The original project has been redesigned and submitted to planning due to a predicted cost overrun, resulting in rephasing of spend from 2018-19.
- Coroners Phase 2: Real movement of -£2.178m due to the proposed virement of the budget to a new project 'Asset Utilisation – Oakwood House Transformation' (within S&CS directorate), which is a much larger co-location project and includes provision for the Coroners, staff and courts. There is also a rephasing movement of +£1.684m as previously this had been reported as rephasing while the alternative project was being modelled and costed.

5.3.3.3 Economic Development

- Innovation Investment Initiative (I3): Rephasing movement of -£1.011m with the forecast revised due to lower than expected applications.
- Kent & Medway Business Fund: Rephasing movement of -£4.982m with the forecast revised due to lower than expected applications.
- Kent Empty Property Initiative – No Use Empty: Real movement of -£0.659m due to previously reported cash limit changes which have now been actioned.
- No Use Empty – Rented Affordable Homes Extension: Real movement of +£0.159m due to a previously reported cash limit change which has now been actioned.

5.3.4 Strategic & Corporate Services

- Asset Utilisation: Real movement of -£1.500m in 2018-19 and -£1.157m in 2019-20. This is requested to be vired to the Asset Utilisation – Oakwood House Transformation project.
- MOA Plus: Real movement of -£0.326m. This is also requested to be vired to the Asset Utilisation – Oakwood House Transformation project.
- Asset Utilisation – Oakwood House Transformation: This project is to reconfigure Oakwood House to incorporate KCC services such as Coroners. Monies are requested to be vired from Coroners Phase 2 (GET) and from Asset Utilisation and MOA Plus (see above). The monies to be vired result in a real movement in 2018-19 of +£4.004m, but the proposed timescales for delivery of this project mean the majority of this funding is not required until 2019-20 and 2020-21. This results in a rephasing movement of -£3.904m.

- Maximising Value from the Disposal of Council Assets: Real movement of +£0.219m. This is a new project, reflecting the use of Transformation Fund money for this project.

5.4 Cash Limit Adjustments

To Note

Directorate	Project	Year	Amount £m	Reason
S&CS	Maximising Value from Disposal of Council Assets	2018-19	+£0.219m	To be funded from the Transformation Fund (capital receipts)
ASCH	Lowfield Street Dartford	2018-19	-£0.241	Developer contributions will instead be used towards a project within the Good Day Programme
GET	Highway Major Enhancement	2018-19	+£12.091m	Additional grant.

For Approval (from August report)

Directorate	Project	Year	Amount £m	Reason
S&CS	Asset Utilisation	2018-19 2019-20	-£1.500 -£1.157m	To vire to Oakwood House Transformation project (prudential)
S&CS	MOA Plus	2018-19	-£0.326	To vire to Oakwood House Transformation project (prudential)
GET	Coroners Phase 2	2018-19	-£2.178	To vire to Oakwood House Transformation project (£2.118m prudential, £0.060m capital receipt)
S&CS	Asset Utilisation – Oakwood House Transformation	2018-19 2019-20 2020-21	+£0.100 +£4.776 +£0.285	To be vired from Asset Utilisation, MOA Plus and Coroners Phase 2

6. CONCLUSIONS

- 6.1 It is not unusual at this point in the financial year for the revenue position to show an overspend. However, the forecasts show the majority of the £50.2m savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. It is clear that plans have been put in place to reduce the forecast pressure but there still needs to be further management action to reduce this. Considering there is still a forecast pressure of £3.393m (including roll forwards), of which the majority falls within the Children, Young People and Education directorate, there will need to be a range of potential mitigations in order to reduce and then eliminate this forecast pressure. We cannot, under any circumstances, afford to enter 2019-20 with an underlying problem.

7. RECOMMENDATIONS

Cabinet is asked to:

- 7.1 **Note** the forecast revenue budget monitoring position for 2018-19 and capital budget monitoring position for 2018-19 to 2020-21, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.
- 7.3 **Approve** the capital cash limit adjustment requests detailed in Section 5.
- 7.4 **Approve** the setting up of an earmarked reserve to fund dedicated work to clear the Deprivation of Liberty backlog proposed in paragraph 3.3.2.1.

8. CONTACT DETAILS

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Breakdown of Directorate Monitoring Position

Adult Social Care & Health							
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets - Adults							
Additional Adult Social Care Allocation	3.4	0.0	3.4	-1.4	1.4	0.0	0.0
Budgets and Savings Plans to be allocated	2.6	-0.5	2.1	-1.5	0.0	-1.5	-0.2
Safeguarding Adults	3.9	-0.2	3.7	0.0	0.0	0.0	1.1
Community Based Preventative Services - Other Adults	0.6	-0.6	0.0	-0.1	0.0	-0.1	0.0
Housing Related Support - Other Adults	0.2	-0.2	0.0	0.0	0.0	0.0	0.0
Strategic Management & Directorate Support	31.9	-4.6	27.2	-2.0	0.0	-2.0	-0.9
Total - Strategic Management & Directorate Budgets (ASCH)	42.5	-6.1	36.4	-5.0	1.4	-3.6	-0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Disabled Children, Adult Learning Disability & Mental Health							
Adult Learning & Physical Disability Pathway - Residential Care Services	77.5	-6.3	71.2	-0.3	0.0	-0.3	0.2
Adult Learning & Physical Disability Pathway - Community Based Services	98.6	-7.6	91.0	4.8	-1.4	3.4	0.1
Adult Learning Disability - Assessment Service	5.5	-0.2	5.3	-0.2	0.0	-0.2	0.0
Adult Mental Health - Residential Care Services	12.7	-0.8	11.8	0.8	0.0	0.8	0.0
Adult Mental Health - Community Based Services	6.4	-0.7	5.7	0.1	0.0	0.1	0.1
Adult Mental Health - Assessment Services	9.9	-0.4	9.5	-0.7	0.0	-0.7	-0.4
Community Based Preventative Services - Learning Disability & Mental Health	6.0	-3.5	2.5	-0.3	0.0	-0.3	0.0
Carers Support (Learning Disability & Mental Health)	2.8	-0.2	2.7	-0.3	0.0	-0.3	0.0
Housing Related Support (Learning Disability & Mental Health)	2.3	0.0	2.3	-0.3	0.0	-0.3	0.0
Looked After Children (with Disability) - Care & Support	12.1	-2.5	9.6	1.4	0.0	1.4	0.0
Children in Need (Disability) - Care & Support	6.9	-0.1	6.9	-0.6	0.0	-0.6	-0.2
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	6.2	0.0	6.2	0.2	0.0	0.2	0.0
Divisional & Directorate Support	7.2	-0.3	6.9	-0.1	0.0	-0.1	0.0
Budgets and Savings Plans to be allocated	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - Disabled Children, Adult Learning Disability & Mental Health	254.2	-22.5	231.7	4.5	-1.4	3.1	-0.2
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Older People & Physical Disability							
Adult Physical Disability - Residential Care Services	15.5	-2.3	13.2	0.2	0.0	0.2	0.3
Adult Physical Disability - Community Based Services	24.8	-3.5	21.3	-0.5	0.0	-0.5	-0.6
Older People - Residential Care Services	109.4	-56.7	52.7	2.5	0.0	2.5	0.7
Older People - Community Based Services	68.5	-36.2	32.3	1.4	0.0	1.4	0.2
Community Based Preventative Services - Older People & Physical Disability	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adaptive & Assistive Technology	10.8	-6.7	4.1	-1.1	0.0	-1.1	-0.2
Carers Support (Older People & Physical Disability)	2.1	-1.3	0.8	-0.6	0.0	-0.6	0.1
Housing Related Support (Older People & Physical Disability)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Older People & Physical Disability Assessment Services	28.4	-2.4	26.0	-1.7	0.0	-1.7	-0.5
Children in Need (Disability) - Assessment Services	0.4	0.0	0.4	-0.1	0.0	-0.1	0.0
Divisional Management & Support Costs (including savings yet to be allocated)	0.7	-0.1	0.6	-0.1	0.0	-0.1	-0.1
Budgets and Savings Plans to be allocated	-0.4	0.0	-0.4	0.1	0.0	0.1	0.4
Total - Older People & Physical Disability	260.0	-109.1	150.9	0.1	0.0	0.1	0.2
Total - Adult Social Care & Health	556.8	-137.8	419.0	-0.4	0.0	-0.4	-0.1

Appendix 1

Children, Young People & Education							
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets - CYPE							
Strategic Management & Directorate Budgets	8.2	-3.6	4.5	-0.3	0.0	-0.3	0.0
Budget & Saving Plans to be allocated (CYPE)	-2.3	0.0	-2.3	2.3	0.0	2.3	0.0
Total - Strategic Management & Directorate Budgets (CYPE)	5.9	-3.6	2.3	2.0	0.0	2.0	0.0
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Education Services Planning & Resources							
Special Educational Needs & Psychology Services	67.1	-64.1	2.9	2.2	0.0	2.2	0.0
Early Years Education	69.3	-69.3	0.0	0.0	0.0	0.0	0.0
Home to School & College Transport	39.6	-3.7	35.9	0.9	0.0	0.9	0.0
Fair Access & Planning Services	2.9	-2.9	0.0	0.0	0.0	0.0	0.0
Education Services to be provided by the Education Services Company	6.3	-3.5	2.9	-1.0	0.0	-1.0	0.0
Community Learning & Skills (CLS)	12.6	-13.8	-1.2	0.0	0.0	0.0	0.0
Education Services & Planning Resources Management & Divisional Support	2.0	-1.0	1.0	-0.3	0.0	-0.3	0.0
Other School Services	38.4	-40.3	-1.9	1.9	0.0	1.9	0.2
Total - Education Services Planning & Resources	238.2	-198.6	39.6	3.7	0.0	3.7	0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Quality & Standards							
Education Services to be provided by the Education Services Company	7.6	-6.3	1.2	-0.1	0.0	-0.1	-0.1
Total - Quality & Standards	7.6	-6.3	1.2	-0.1	0.0	-0.1	-0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Early Help & Preventative Services							
Early Help & Preventative Services	20.9	-12.0	8.9	-1.0	-0.2	-1.2	-0.3
Children's Centres	7.6	-3.7	3.9	0.1	0.0	0.1	0.1
Youth Services	6.6	-2.5	4.0	0.1	0.0	0.1	0.0
Pupil Referral Units & Inclusion	4.7	-4.7	0.0	0.0	0.0	0.0	0.0
Early Help & Preventative Services Management & Directorate Support	3.7	-2.4	1.3	-0.1	0.0	-0.1	0.0
Total - Early Help & Preventative Services	43.5	-25.5	18.1	-1.0	-0.2	-1.2	-0.2
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Specialist Children's Services							
Looked After Children - Care & Support	59.4	-5.0	54.3	1.2	0.0	1.2	0.8
Children in Need - Care & Support	2.5	-0.2	2.3	0.0	0.0	0.0	-0.1
Specialist Children's Service - Assessment & Safeguarding Service	50.9	-3.5	47.4	-0.4	-0.2	-0.6	-0.5
Adoption Service & Permanency Arrangements	14.8	-0.1	14.7	-1.2	0.0	-1.2	-0.3
Care Leavers Service	6.7	-3.6	3.1	0.5	0.0	0.5	-0.1
Asylum	17.9	-17.9	0.0	2.1	0.0	2.1	0.0
Specialist Children's Service - Management & Support Costs	3.5	-0.3	3.2	-0.1	0.0	-0.1	-0.1
Budgets and Savings Plans to be allocated (SCS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - Specialist Children's Services	155.5	-30.5	125.0	2.1	-0.2	1.9	-0.3
Total - Children, Young People & Education	450.7	-264.5	186.3	6.7	-0.4	6.3	-0.5

Appendix 1

Growth, Environment & Transport							
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategic Management & Directorate Budgets							
Strategic Management & Directorate Budgets	1.4	-0.1	1.4	-0.1	0.0	-0.1	0.0
Budget & Savings Plans to be allocated (GET)	-0.7	0.0	-0.7	0.7	0.0	0.7	0.0
Total - Strategic Management & Directorate Budgets (GET)	0.7	-0.1	0.7	0.6	0.0	0.6	0.0
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Economic Development							
Economic Development	6.4	-3.6	2.8	0.0	0.2	0.2	0.2
Arts	1.8	0.0	1.8	0.0	0.0	0.0	0.0
Total - Economic Development	8.2	-3.6	4.6	-0.1	0.2	0.1	0.2
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Highways, Transportation & Waste							
Highway Transportation (including School Crossing Patrols)	7.6	-2.3	5.3	-0.2	0.0	-0.2	-0.2
Highway Asset Management (Roads and Footways)	12.3	0.0	12.3	0.5	0.0	0.5	0.2
Highway Asset Management (Other)	21.9	-4.1	17.8	-1.1	0.0	-1.1	-0.4
Subsidised Buses & Community Transport	8.1	-2.1	6.0	-0.1	0.0	-0.1	0.0
Concessionary Fares	17.2	0.0	17.2	0.1	0.0	0.1	0.0
Young Person's Travel Pass	15.1	-6.3	8.7	-0.1	0.0	-0.1	0.0
Residual Waste	39.4	-0.1	39.3	-0.8	0.0	-0.8	0.0
Waste Facilities & Recycling Centres	31.6	-1.9	29.7	1.1	0.0	1.1	0.2
Highways, Transport & Waste Management Costs and Commercial Operations	7.8	-3.2	4.6	-0.3	0.0	-0.3	-0.2
Total - Highways, Transportation & Waste	160.9	-20.1	140.8	-0.9	0.0	-0.9	-0.4
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Environment, Planning & Enforcement							
Public Protection (Enforcement)	13.2	-3.5	9.7	0.9	0.0	0.9	0.1
Environment & Planning	18.3	-14.1	4.2	-0.3	0.0	-0.3	0.0
Environment, Planning & Enforcement Management Costs	0.7	0.0	0.6	0.0	0.0	0.0	0.0
Total - Environment, Planning & Enforcement	32.2	-17.6	14.6	0.6	0.0	0.6	0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Libraries, Registration & Archives							
Libraries, Registration & Archives	15.9	-6.5	9.4	-0.3	0.0	-0.3	0.0
Total - Growth, Environment & Transport	218.0	-47.9	170.1	0.0	0.2	0.2	-0.1

Strategic & Corporate Services							
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategic & Corporate Services							
Strategic Management & Directorate Budgets (S&CS)	3.4	-4.9	-1.5	0.0	0.0	0.0	0.0
Budgets and Savings Plans to be allocated (S&CS)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - Strategic & Corporate Services (excluding Public Health & BSC)	3.4	-4.9	-1.5	0.0	0.0	0.0	0.0
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Engagement, Organisation Design & Development							
Human Resources Related Services	8.7	-1.1	7.6	-0.1	0.0	-0.1	-0.1
Customer Contact, Communications & Consultations	6.3	-0.8	5.5	0.4	0.0	0.4	-0.1
Total - Engagement, Organisation Design & Development	15.0	-1.8	13.1	0.4	0.0	0.4	-0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Finance	15.8	-6.3	9.5	-0.2	0.0	-0.2	-0.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
General Counsel							
General Counsel	5.2	-0.2	5.0	-0.1	0.0	-0.1	-0.1
Local Member Grants	2.6	0.0	2.6	-1.0	0.0	-1.0	-1.0
Total - General Counsel	7.8	-0.2	7.6	-1.1	0.0	-1.1	-1.1
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Infrastructure							
Property Related Services	35.5	-12.9	22.6	1.1	0.0	1.1	0.3
ICT Related Services	19.0	-2.6	16.4	0.1	0.0	0.1	0.1
Total - Infrastructure	54.5	-15.5	39.0	1.1	0.0	1.1	0.4
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategic Commissioning including Public Health							
Strategic Commissioning	9.1	-2.0	7.1	0.0	0.0	0.0	0.0
Public Health - Children's Programme	31.5	-31.5	0.0	0.0	0.0	0.0	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	16.7	-16.7	0.0	0.0	0.0	0.0	0.0
Public Health - Sexual Health	12.6	-12.6	0.0	0.0	0.0	0.0	0.0
Public Health - Healthy Lifestyles	8.8	-8.8	0.0	0.0	0.0	0.0	0.0
Public Health - Advice & Other Staffing	4.5	-4.5	0.0	0.0	0.0	0.0	0.0
Total - Strategic Commissioning including Public Health	83.2	-76.1	7.1	0.0	0.0	0.0	0.0
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Strategy, Policy, Relationships & Corporate Assurance	2.3	-0.4	1.9	0.1	0.0	0.1	0.0
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Business Services Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - Strategic & Corporate Services	182.1	-105.4	76.7	0.3	0.0	0.3	-0.9

Appendix 1

Financing Items							
	Cash Limit			Variance	CD Adj	Revised Variance	Movement
	Gross	Income	Net	Net	Net	Net	Net
	£m	£m	£m	£m	£m	£m	£m
Financing Items & Unallocated	129.7	-17.8	111.8	-4.4	0.0	-4.4	-0.3
TOTAL BUDGET (excluding Schools' Delegated Budgets)	1,537.2	-573.3	963.9	2.1	-0.2	1.9	-2.0
Schools' Delegated Budgets	630.3	-630.3	0.0	15.3	0.0	15.3	5.3
TOTAL BUDGET	2,167.6	-1,203.6	963.9	17.4	0.1	17.2	3.4

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above may not add through exactly due to issues caused by rounding the figures for this report.

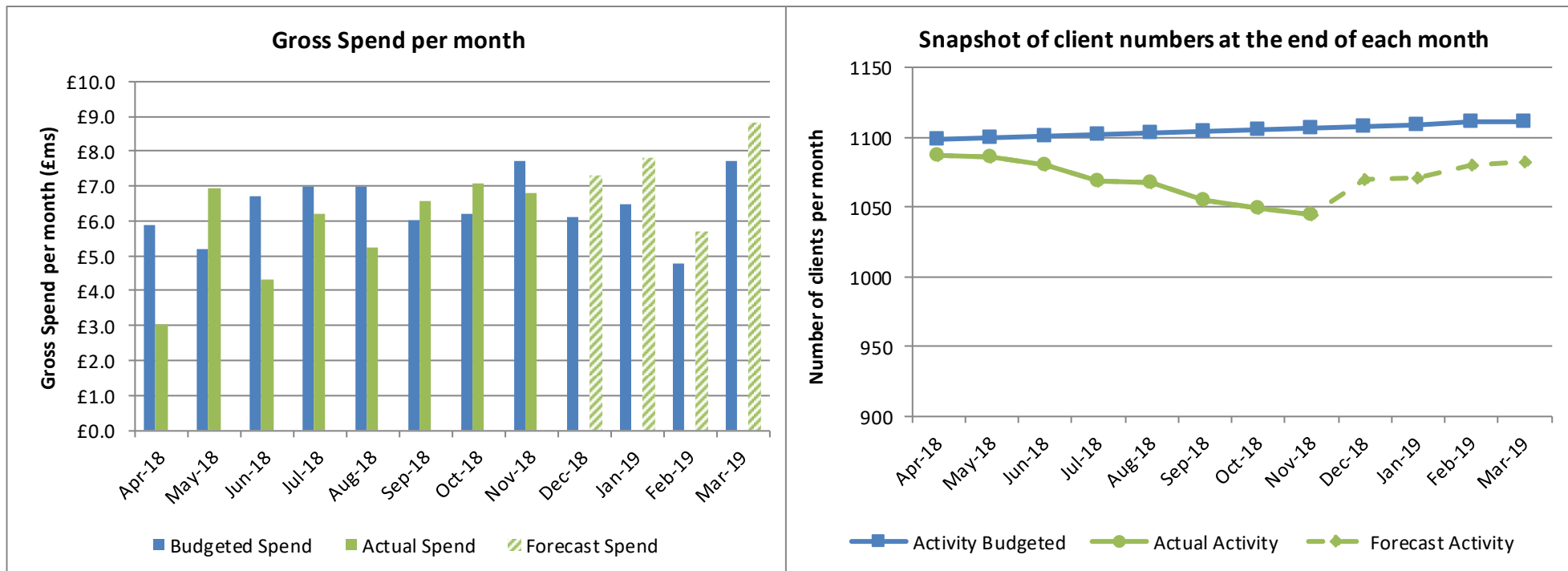
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£76.8	-£6.3	£70.5	1,100
Forecast	£75.8	-£5.7	£70.1	1,082
Variance	-£1.0	£0.6	-£0.4	-18

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£51.7	1,107
Actual: Spend/Activity Year to Date	£46.2	1,045
Variance as at 30th Nov 2018	-£5.5	-62

MAIN REASONS FOR VARIANCE:

The gross forecast underspend of -£1.0m is due to lower than anticipated demand (-£1.0m) higher unit cost (+£0.6m), along with an additional variance of -£0.5m predominately due to predicted net unrealised creditors. This forecast underspend is partly offset by lower than expected income of +£0.6m. This leads to a net forecast pressure of -£0.4m.



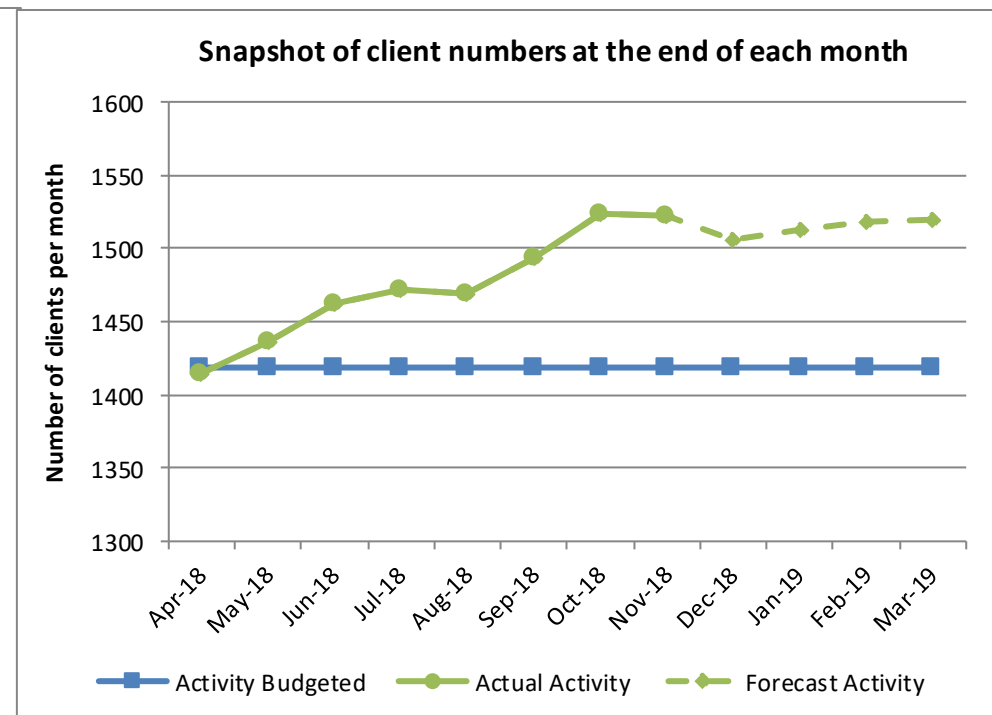
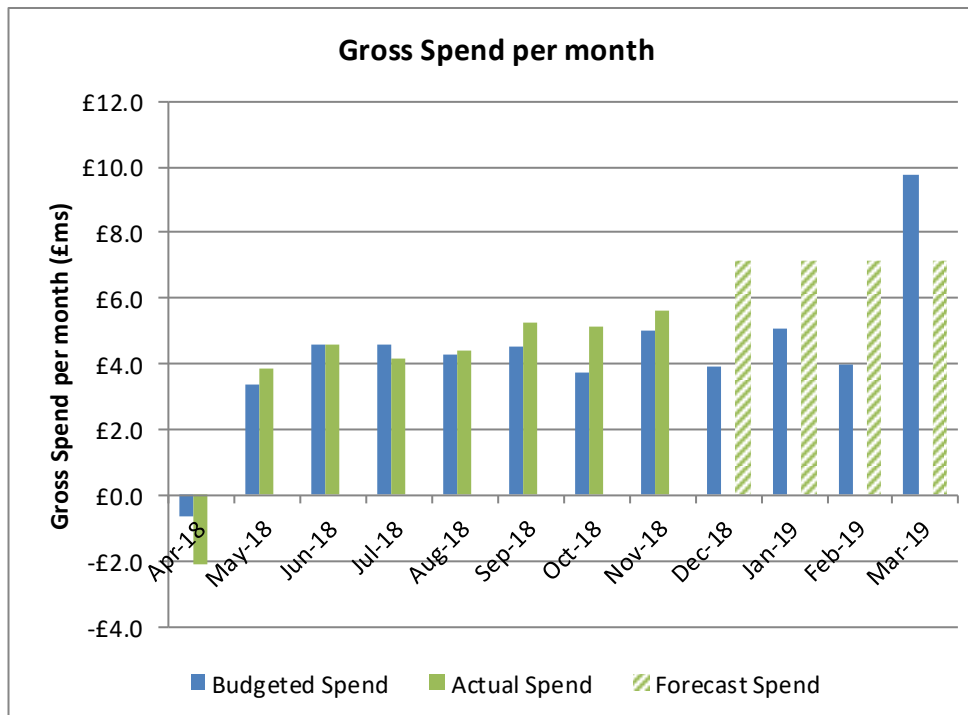
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£52.1	-£0.2	£51.9	1,419
Forecast	£59.4	-£0.2	£59.2	1,520
Variance	£7.3	£0.0	£7.3	101

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£29.4	1,419
Actual: Spend/Activity Year to Date	£30.9	1,522
Variance as at 30th Nov 2018	£1.5	103

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£7.3m is due to higher than anticipated demand in hours (+£6.2m) and higher unit cost (+£1.2m), along with an additional variance of -£0.1m predominately due to the release of unrealised creditors. This leads to a net forecast pressure of +£7.3m.



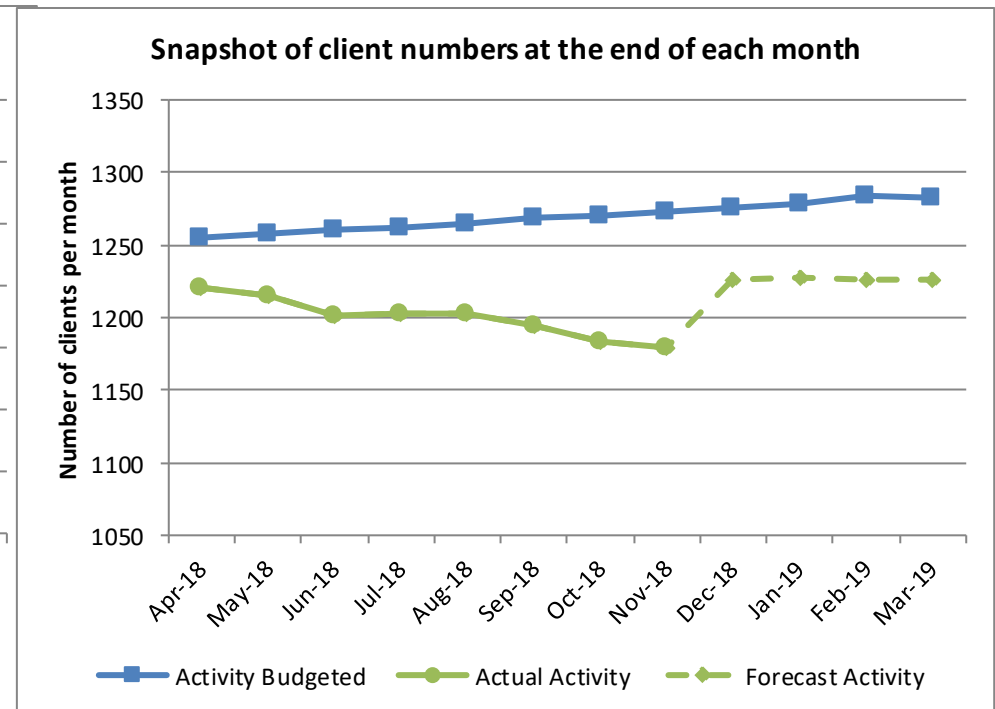
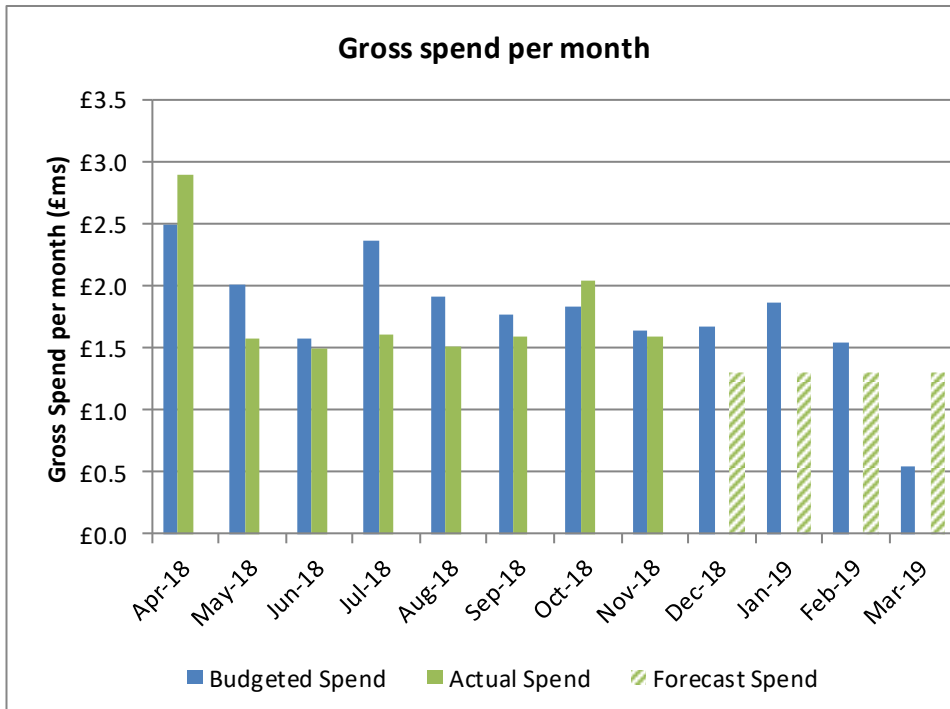
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£21.2	-£0.8	£20.4	1,283
Forecast	£19.5	-£0.8	£18.7	1,226
Variance	-£1.7	£0.0	-£1.7	-57

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£15.6	1,274
Actual: Spend/Activity Year to Date	£14.3	1,180
Variance as at 30th Nov 2018	-£1.3	-94

MAIN REASONS FOR VARIANCE:

The gross underspend of -£1.7m is primarily due to lower than anticipated demand (-£0.5m) and a lower unit cost (-£0.8m). In addition to this there is a non activity variance of (-£0.3m) due to the value of direct payment reclaims being greater than one-off payments.



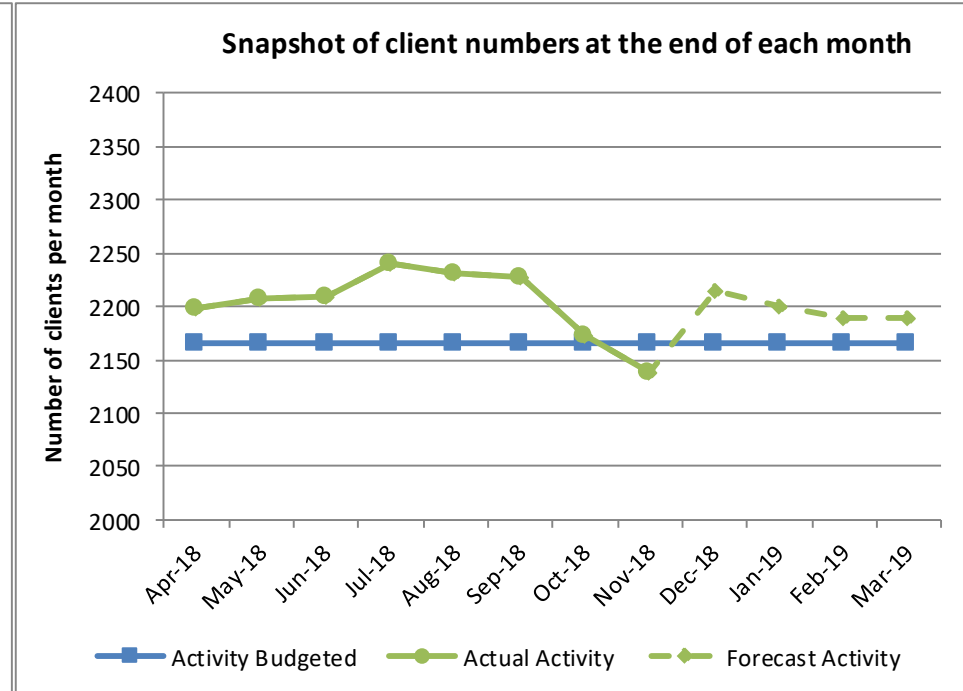
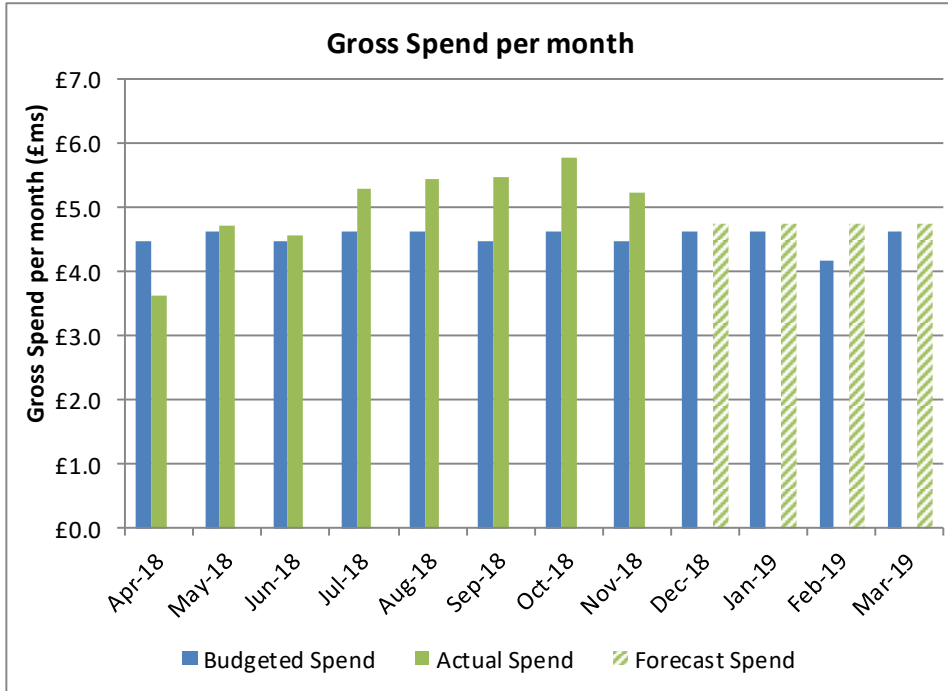
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£54.5	-£33.2	£21.3	2,165
Forecast	£59.1	-£35.2	£23.9	2,189
Variance	£4.6	-£2.0	£2.6	24

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£36.4	2,165
Actual: Spend/Activity Year to Date	£40.1	2,139
Variance as at 30th Nov 2018	£3.6	-26

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£4.6m is due to higher than anticipated demand (+£1.4m) and a higher unit cost (+£1.3m), along with an additional variance of +£1.9m due to an increase in the provision for bad and doubtful debts (£1.5m) and a reduction in the level of drawdown from reserves (£0.5m). This pressure is partly offset by greater than expected income of -£2.0m due to higher than anticipated service user contributions linked to the higher demand (-£0.6m) and a higher average contribution per service user (-£1.4m). This leads to a net forecast overspend of +£2.6m. There is a slight time delay before clients are included in the actual client count as contract details are finalised, accounting for the difference between forecast client count and the previous month's actual client count shown below.



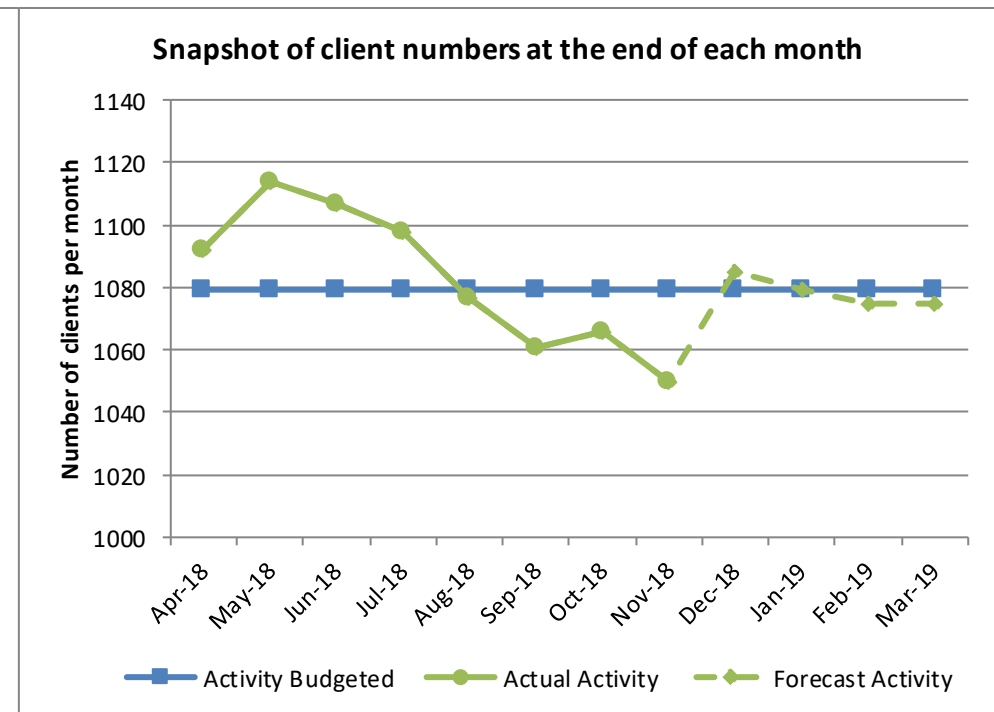
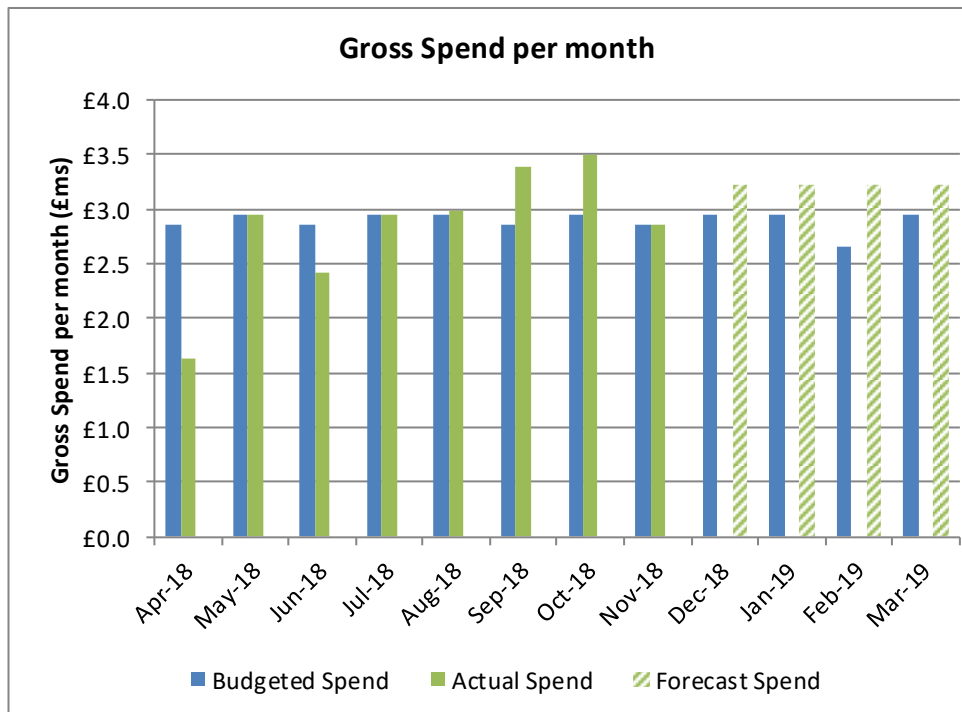
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£34.7	-£17.5	£17.1	1,079
Forecast	£35.6	-£18.5	£17.1	1,075
Variance	£0.9	-£1.0	-£0.1	-4

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£23.2	1,079
Actual: Spend/Activity Year to Date	£22.7	1,050
Variance as at 30th Nov 2018	-£0.5	-29

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.9m is due to higher than anticipated demand (+£0.1m) and higher unit cost (+£0.8m). This pressure is partly offset by greater than expected income of -£1.0m primarily due to a higher average contribution per service user. This leads to a net forecast of -£0.1m.



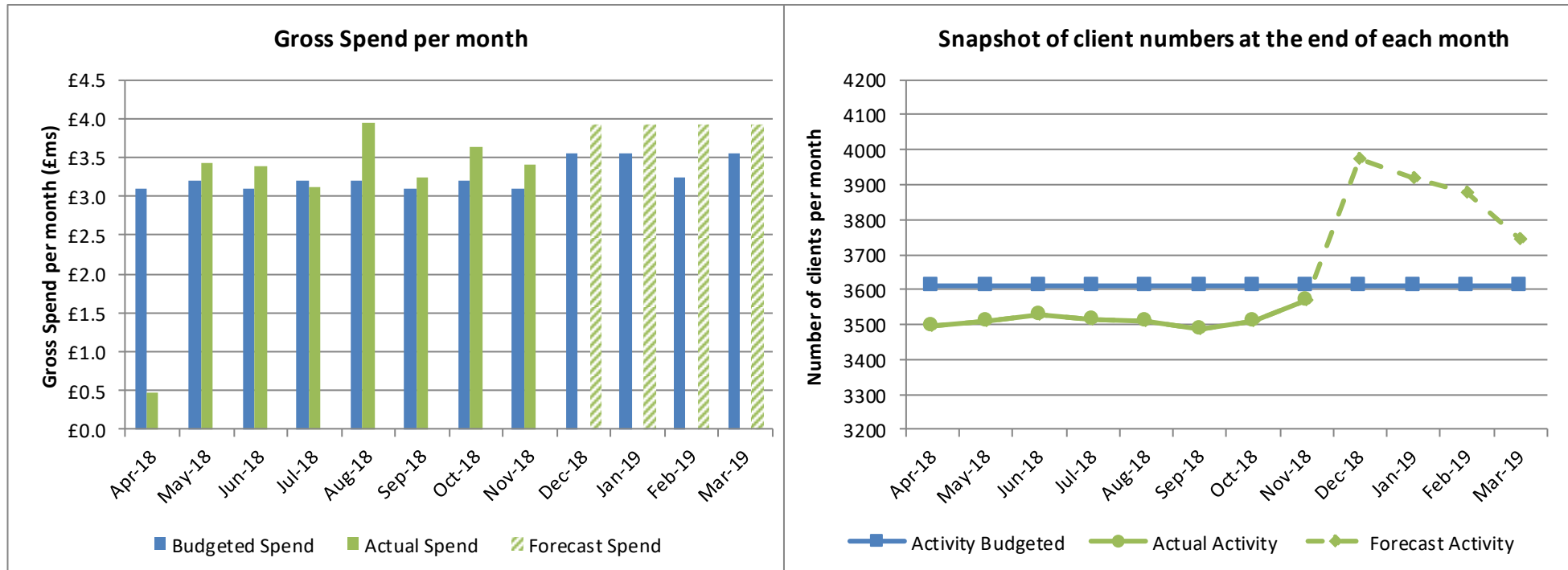
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£39.1	-£5.8	£33.2	3,611
Forecast	£40.3	-£5.8	£34.5	3,746
Variance	£1.3	£0.0	£1.3	135

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£25.2	3,611
Actual: Spend/Activity Year to Date	£24.6	3,569
Variance as at 30th Nov 2018	-£0.6	-42

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.3m is due to lower than anticipated demand (-£1.3m) and higher unit cost (+£2.2m), along with an additional non activity variance of +£0.3m due to a reduction in the level of drawdown from reserves (£0.5m) and predicted net old year expenditure (-£0.2m). This leads to a net forecast variance of +£1.3m.



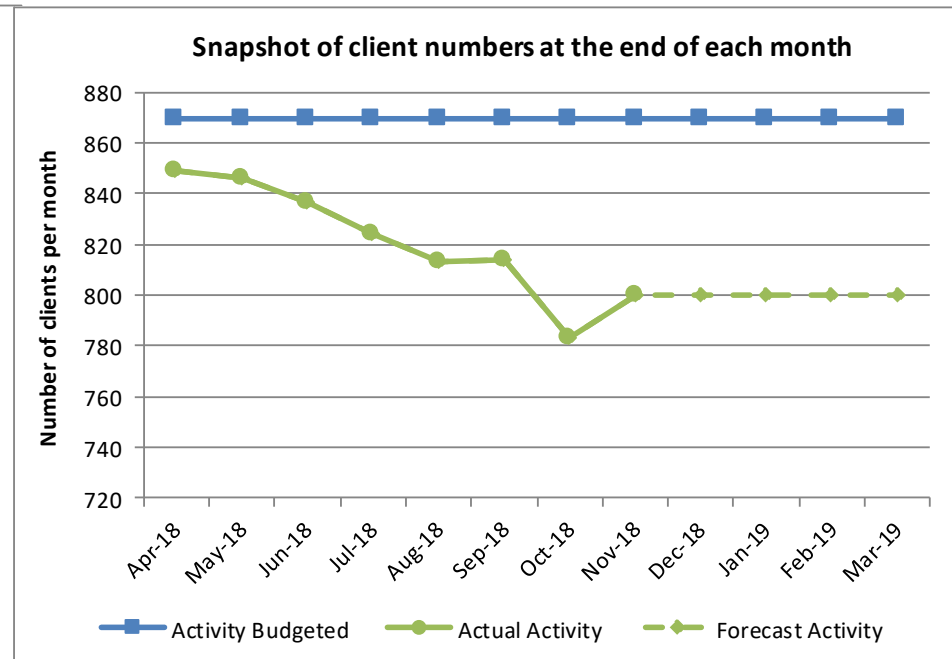
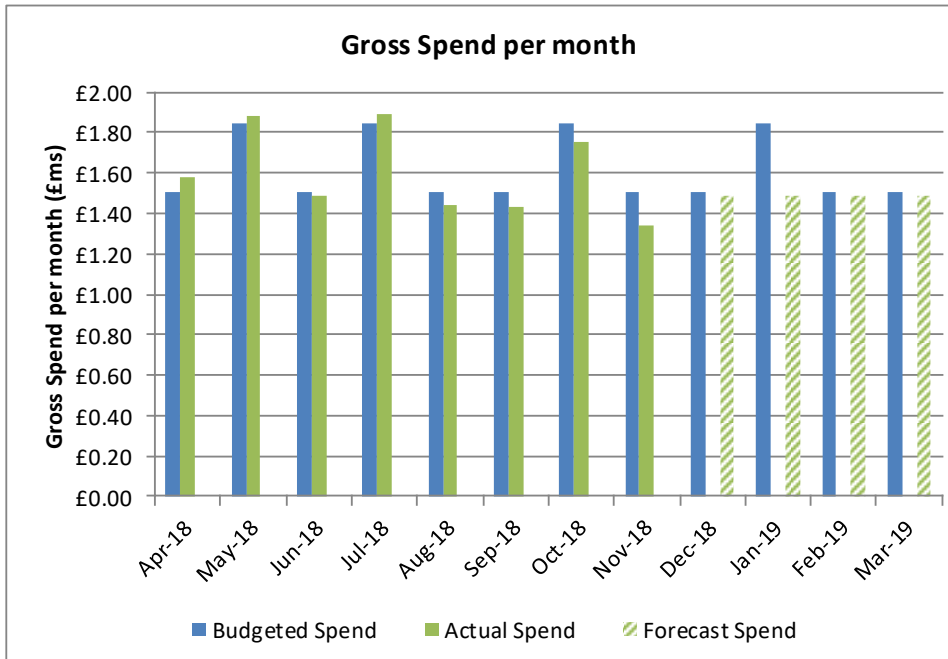
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£19.4	£0.0	£19.4	870
Forecast	£18.8	£0.0	£18.8	800
Variance	-£0.7	£0.0	-£0.7	-70

Position as at 30 Nov 18	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£13.1	870
Actual: Spend/Activity Year to Date	£12.8	800
Variance as at 30th Nov 2018	-£0.3	-70

MAIN REASONS FOR VARIANCE:

The gross forecast underspend of -£0.7m is due to lower demand (-£1.3m) partially offset by a higher unit cost (+£0.6m).



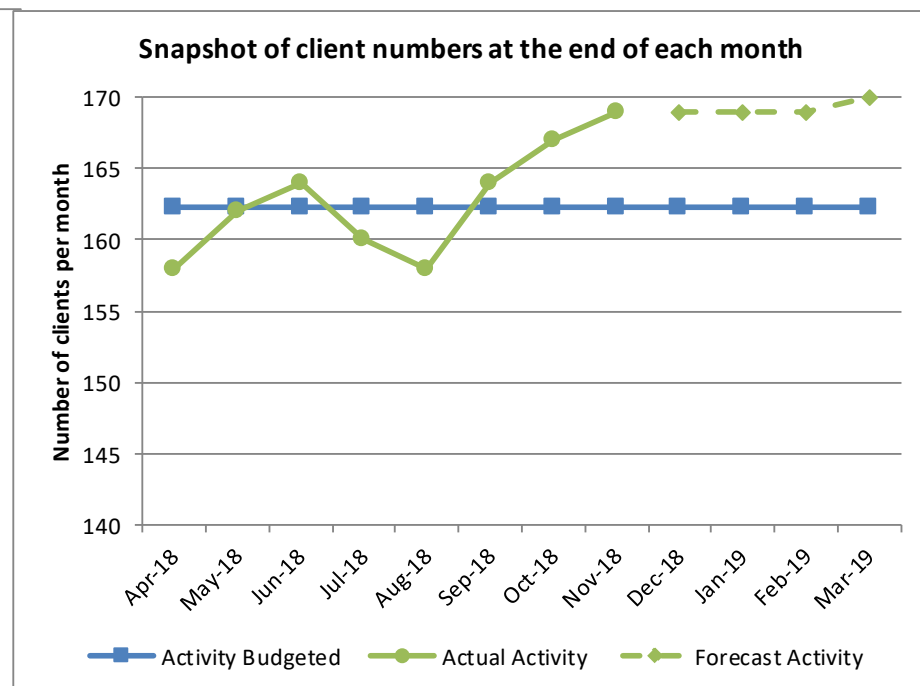
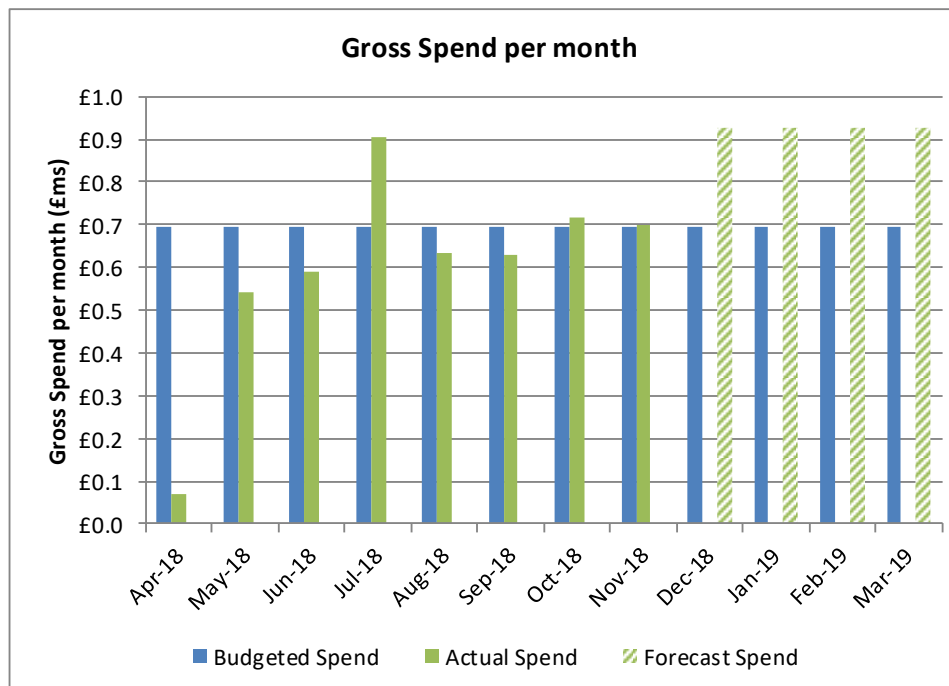
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

2018-19 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£8.3	£0.0	£8.3	162
Forecast	£8.5	£0.0	£8.5	170
Variance	£0.2	£0.0	£0.2	8

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£5.6	162
Actual: Spend/Activity Year to Date	£4.8	169
Variance as at 30th Nov 2018	-£0.8	7

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£0.2m is due to higher than anticipated demand (+£0.2m) and lower unit cost (-£0.1m).



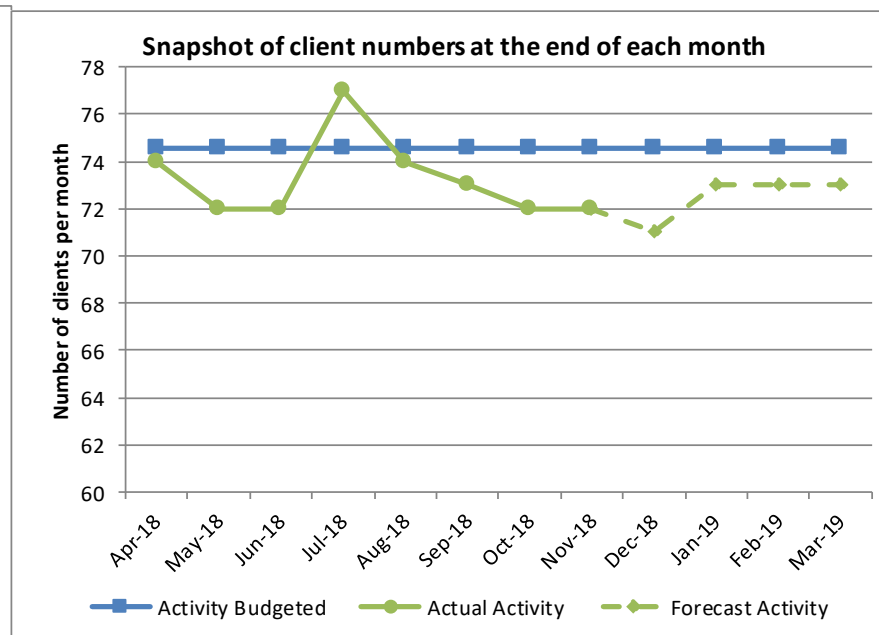
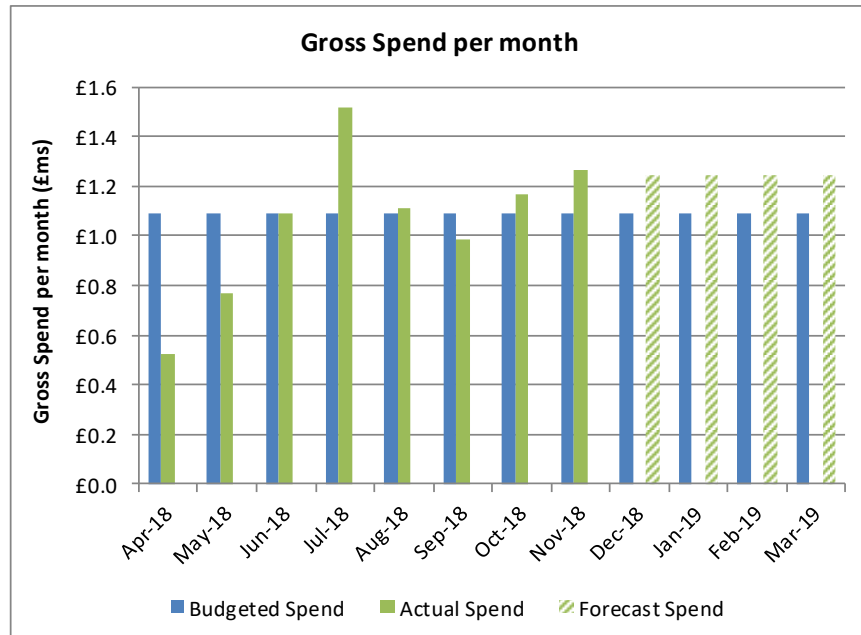
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2019
Budget	£13.1	-£0.8	£12.3	75
Forecast	£13.4	-£0.8	£12.7	73
Variance	£0.3	-£0.0	£0.3	-2

Position as at 30th Nov 2018	Gross £m	Client Number as at 30/11/2018
Budget: Spend/Activity Year to Date	£8.7	75
Actual: Spend/Activity Year to Date	£8.4	72
Variance as at 30th Nov 2018	-£0.3	-3

MAIN REASONS FOR VARIANCE:

The gross forecast overspend of +£0.3m is due to a higher than anticipated unit cost (+£0.5m), even though there is a lower than budgeted demand (-£0.2m). It is important to note, due to the high cost of these placements (£2,000 - £6,000 per week), a very relatively small change in numbers of placements can have a significant impact on the forecast.



Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

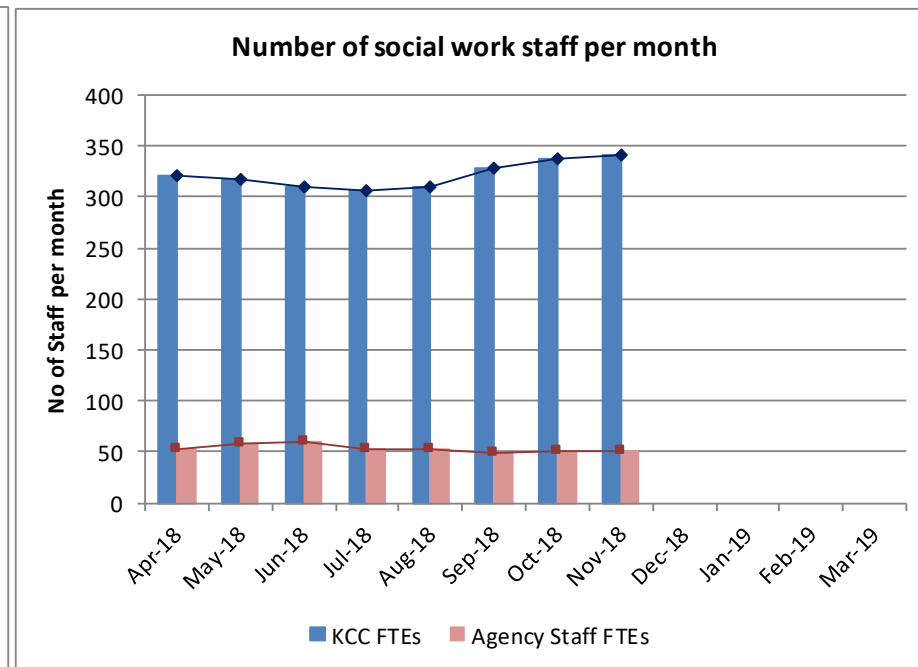
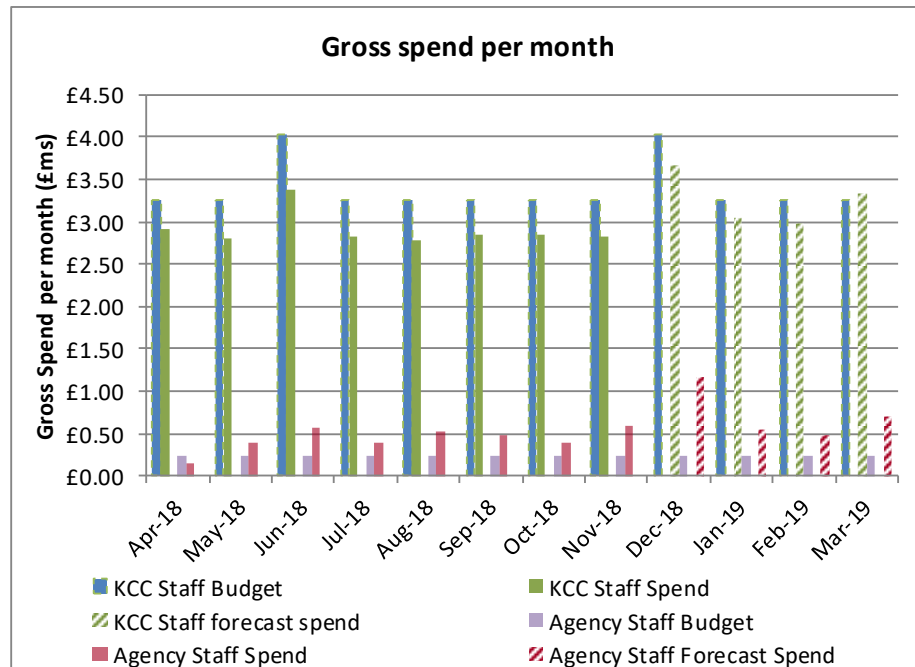
2018-19 Forecast	KCC £m	Agency £m	Gross £m
Budget	£40.6	£2.8	£43.3
Forecast	£36.2	£6.4	£42.6
Variance	-£4.4	£3.6	-£0.7

Position as at 30/11/18	KCC £m	Agency £m	Gross £m
YTD Budget	£26.8	£1.8	£28.6
YTD Spend	£23.2	£3.5	£26.7
YTD Variance	-£3.6	£1.6	-£1.9

Staff numbers	KCC FTEs	Agency Nos
as at 31/03/18	322.4	57.0
as at 30/11/18	341.6	49.8
YTD Movement	19.2	-7.2

MAIN REASONS FOR VARIANCE:

This measure focuses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers and a small proportion of agency, so any additional agency workers (who are more expensive than salaried staff) would result in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers. At present a reduced number of salaried workers in excess of agency use is contributing to a -£0.7m underspend against Children's Social Work Services - Assessment & Safeguarding Service Budget. However minor overspends on other services leads to the overall forecast variance for this budget being break even.

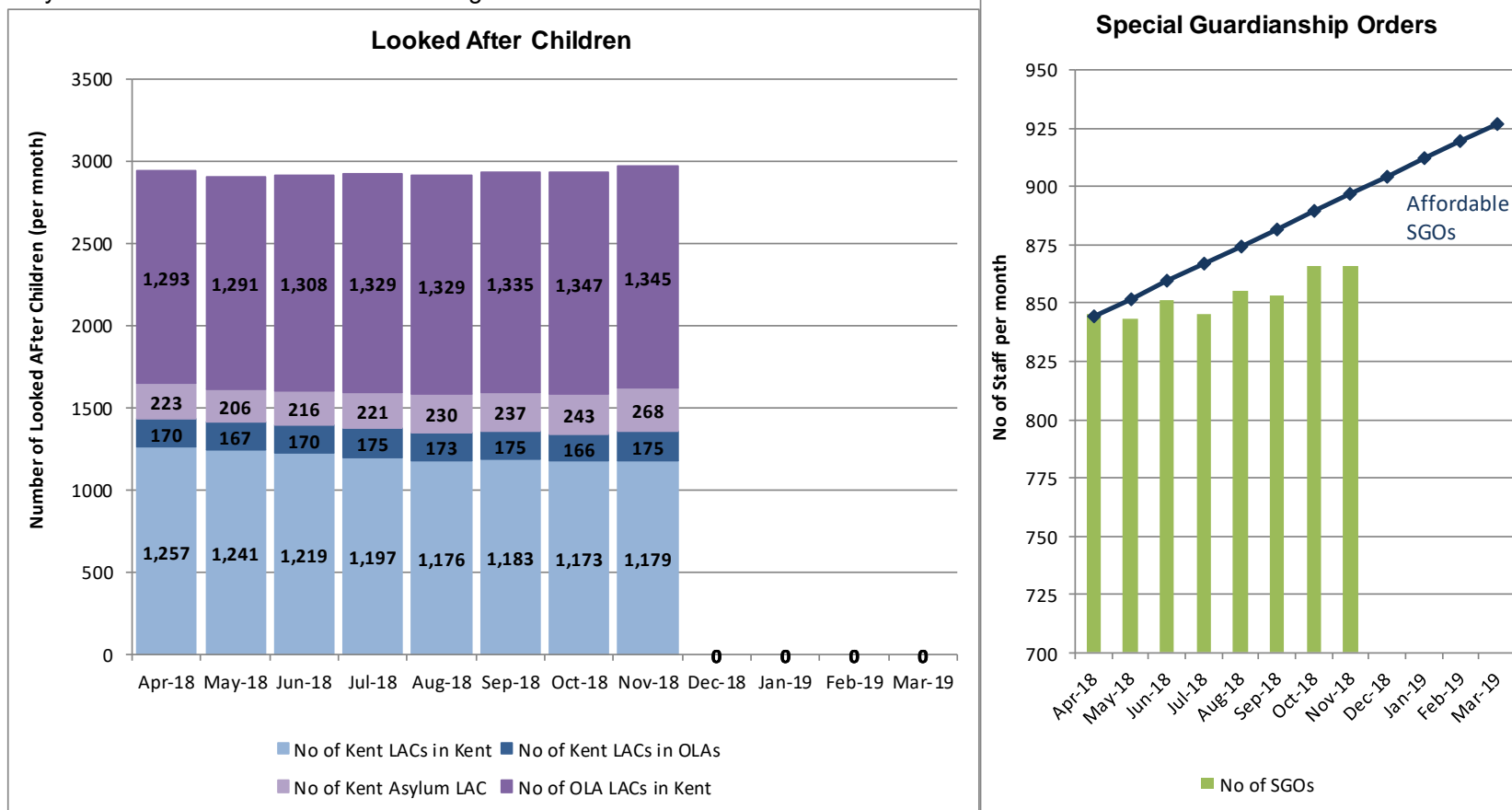


Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. The OLA LAC information is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming.

Overall Children's Social Work Services is forecasting a -£0.2m underspend, whilst Disabled Children's Services budget is forecasting a pressure of £0.8m of which a key part of this relates to the LAC heading in reference to those in residential care. The number of LAC are increasing slightly; and with increasing complexity of children being placed, the overall cost of suitable placements is increasing.

The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.



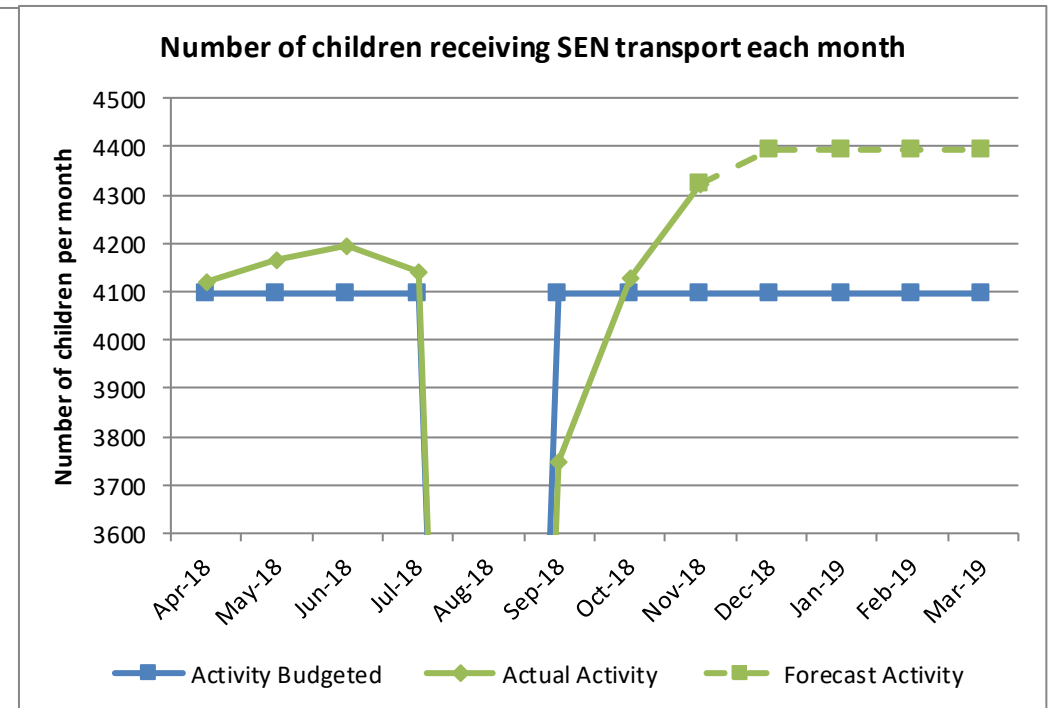
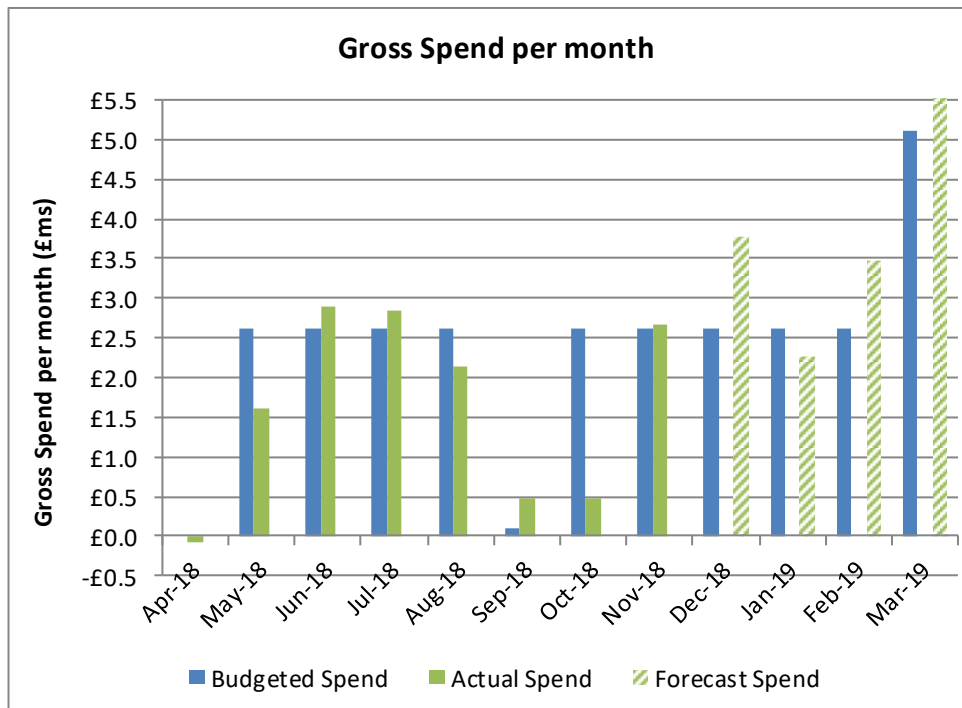
Appendix 2.12: Transport Services - Home to School / College Transport (Special Education Needs)

2018-19 Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2019
Budget	£28.7	-£0.8	£27.9	4,096
Forecast	£30.5	-£1.0	£29.5	4,392
Variance	£1.9	-£0.2	£1.6	296

YTD Position as at 30/11/2018	Gross £m	No of pupils as at 30/11/2018
Budget: Spend/Activity Year to Date	£15.7	4,096
Actual: Spend/Activity Year to Date	£13.0	4,325
Variance as at 30th November 2018	-£2.7	229

MAIN REASONS FOR VARIANCE:

There is a net pressure of £1.6m on the SEN transport services. This is based on the November pupil numbers. The pressure is predominantly due to higher than anticipated demand and cost for SEN School transport services (£1.4m), along with £0.4m pressure on SEN College transport due to increased demand.



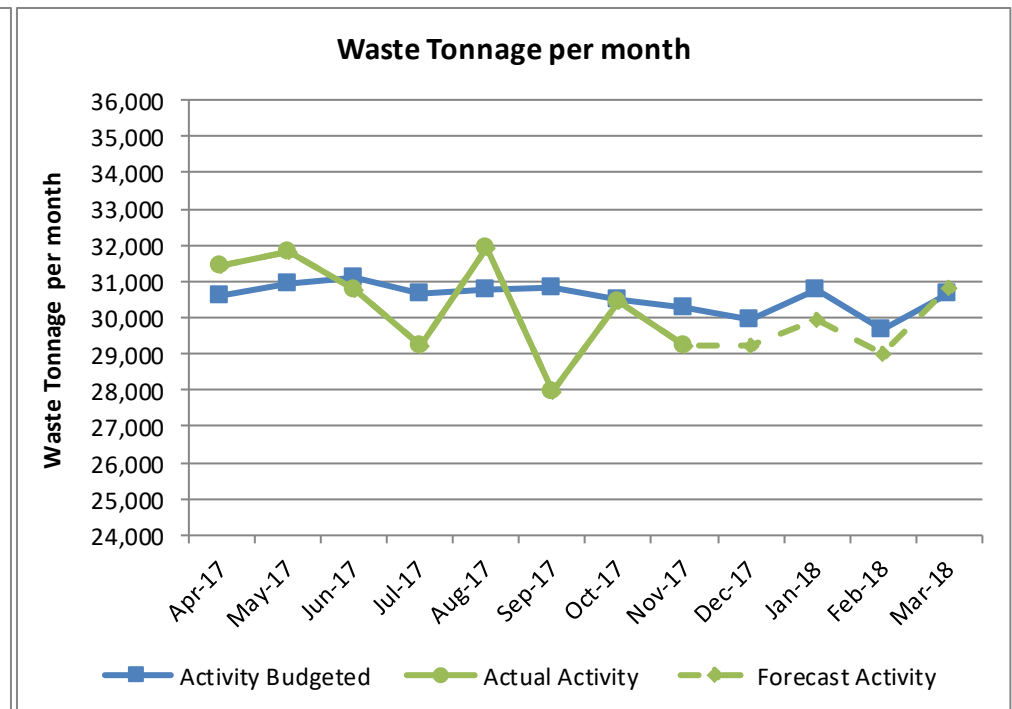
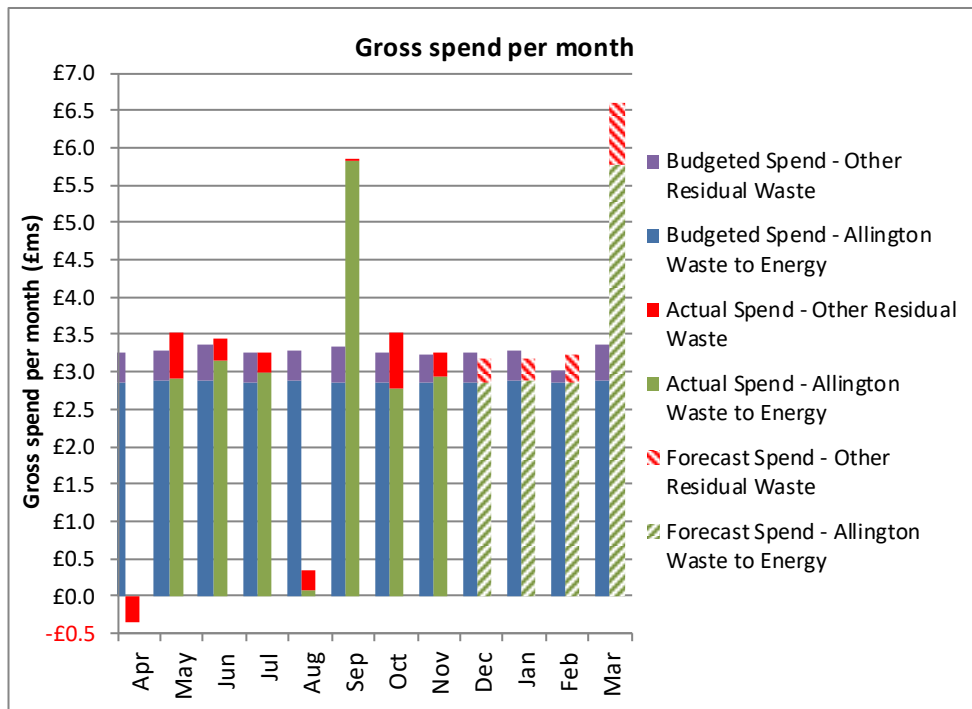
Appendix 2.13: Treatment and disposal of residual waste

2018-19 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2019
Budget	£39.4	-£0.1	£39.3	366,772
Actual	£39.1	-£0.6	£38.5	361,922
Variance	-£0.3	-£0.5	-£0.8	-4,850

Position as at 30th November 2018	Gross £m	Waste Tonnage to 30/11/2018
Budget: Spend/Activity Year to Date	£26.3	245,676
Actual: Spend/Activity Year to Date	£22.9	242,880
Variance as at 30th November 2018	-£3.4	-2,796

MAIN REASONS FOR FORECAST VARIANCE:

The gross underspend of -£0.3m is due to a volume variance of -4,850 tonnes (-£0.6m) offset by other minor pressures of +£0.3m. Income from additional trade waste tonnes has further increased the underspend (-£0.5m) leading to a net saving of -£0.8m. The -£3.4m underspend to date shown in the table above is due to no monthly payment being made in April; this is forecast to catch up in March as shown in the chart below.



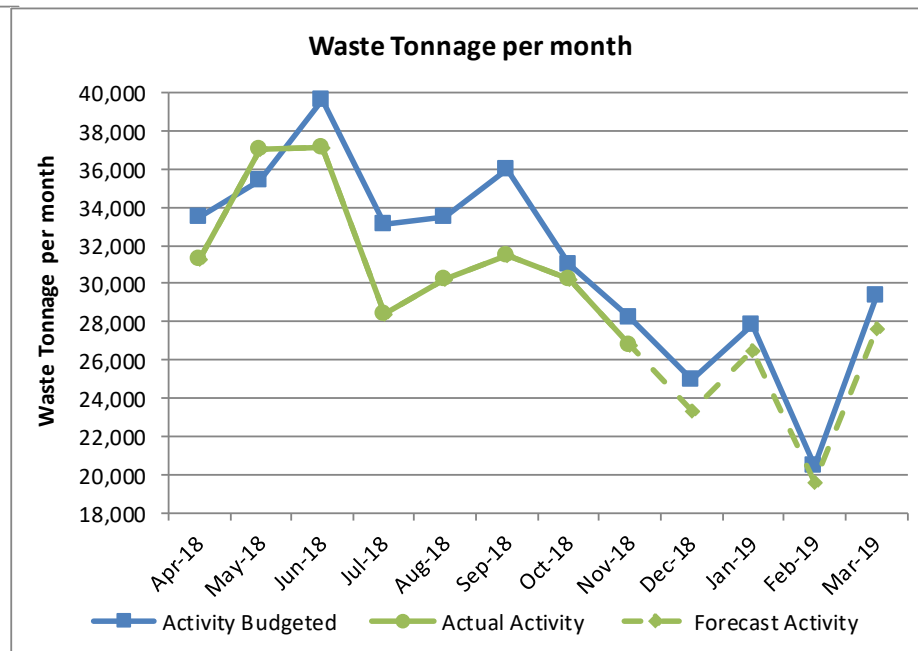
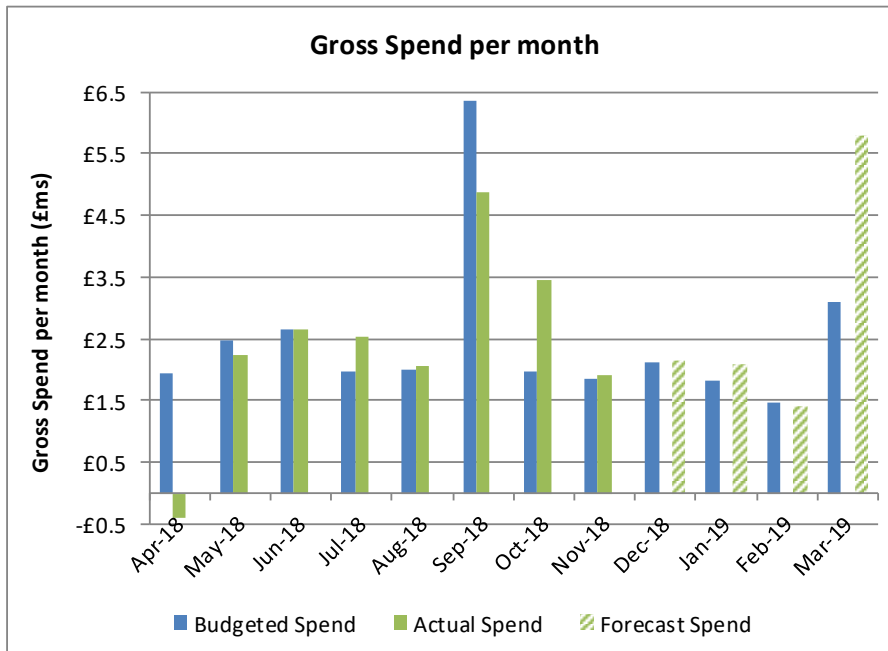
Appendix 2.14: Waste Processing

2018-19 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£31.6	-£1.9	£29.7	373,013
Actual	£32.2	-£1.4	£30.8	349,831
Variance	£0.5	£0.5	£1.1	-23,182

Position as at 30th November 2018	Net £m	Waste Tonnage to 30/11/2018
Budget: Spend/Activity Year to Date	£21.2	270,375
Actual: Spend/Activity Year to Date	£19.3	252,777
Variance as at 30th November 2018	-£1.9	-17,598

MAIN REASONS FOR FORECAST VARIANCE:

Within Gross there is an overspend of +£0.5m. This is mainly due to a price variance of +£0.6m across all MRF contracts plus volume variance (+5,600 tonnes) of composted waste +£0.4m. There is an added pressure of +£0.5m for profit share payment to a district for achieving Waste minimisation. This pressure is offset by reduced recycling credits (-4,669 tonnes/-£0.3m) as well as -£0.8m of savings due to actual waste types differing from the budgeted levels, with each waste type being disposed of in different ways, each with their own unit costs and indexation levels. Other gross variances add up to +£0.1m. There is a shortfall in income resulting from lower levels of paper and card waste (-6,423 tonnes/+£0.3m) and a reduction in tonnage price (+£0.4m) although this is offset as a result of North Farm fire insurance payment of -£0.2m. The -£1.9m underspend to date shown in the table above is due to no monthly management payments being made in April; this is forecast to catch up in March as shown in the chart below. Variations in tonnes may not always impact on the financial position as not all changes in waste types attract an additional cost.



Appendix 2.15: All Staffing Budgets (excluding schools)

2018-19 Outturn	KCC £m	Agency £m	Gross £m
Budget	£280.2	£5.4	£285.6
Outturn	£287.9	£17.6	£305.5
Variance	£7.7	£12.2	£20.0

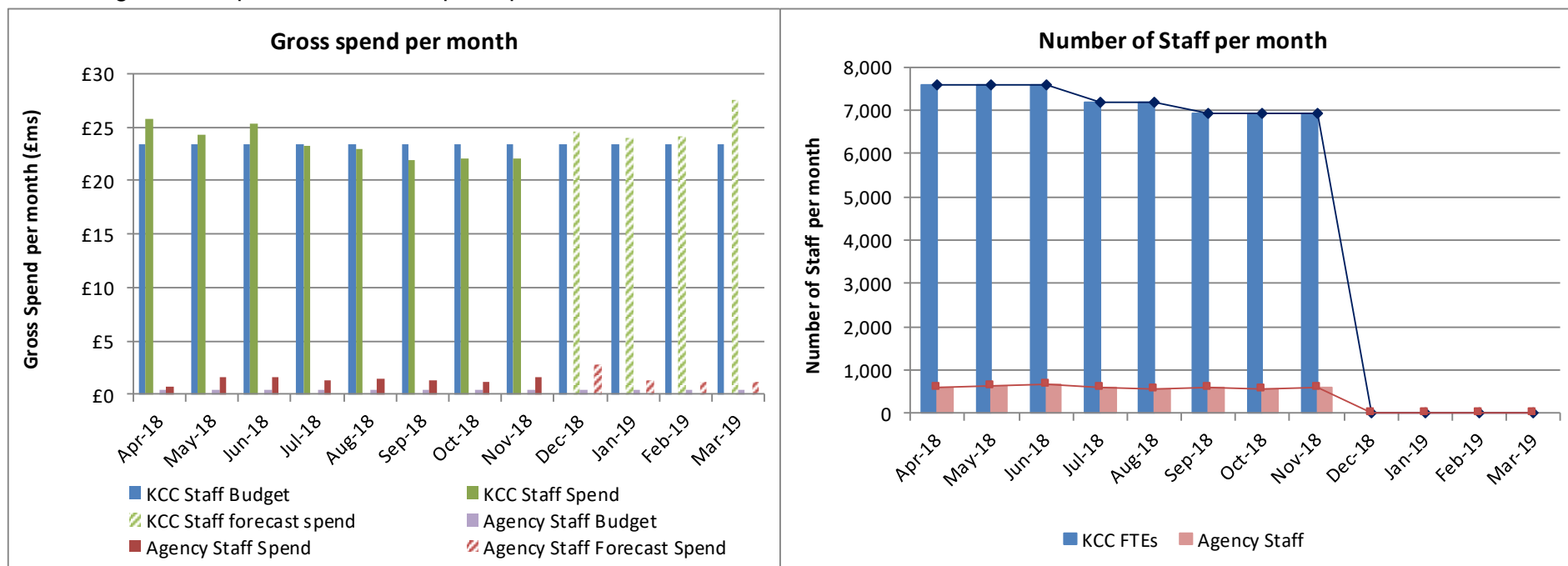
as at 30 November	KCC £m	Agency £m	Gross £m
YTD Budget	£186.8	£3.6	£190.4
YTD Spend	£187.7	£10.9	£198.6
YTD Variance	£0.9	£7.3	£8.2

Staff numbers	KCC FTEs	Agency Nos
as at 31 Mar 2018	7,564.13	687
as at 30 November 2018	6,939.34	581
Annual Movement	-624.79	-106

MAIN REASONS FOR VARIANCE:

There is a small underspend against KCC staff budgets but this is being negated by an overspend on agency staff. The number of KCC staff has reduced by 624.79 FTE compared to the level of FTE as at 31 March 2018. This in the main is due to staff moving to Cantium Business Solutions Ltd and The Education People Ltd. Vacancies are being held pending the outcome of restructuring and the uncertainty around budget cuts, which is contributing to the underspend against the KCC staff budgets.

The staffing numbers provided are a snapshot position at the end of the month.



Unaccompanied Asylum Seeking Children (UASC)

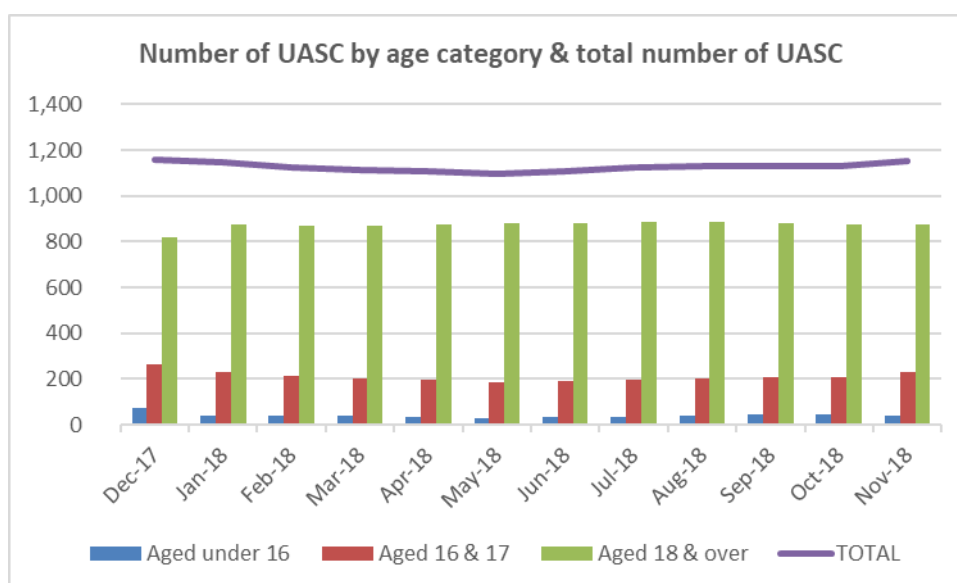
1. November 18-19 position compared to budget by age category

The November 18-19 position is a pressure of £2.1m as detailed below:

Sept-18	Cash Limit			Forecast Variance		
	Gross	Income	Net	Gross	Income	Net
	£m	£m	£m	£m	£m	£m
Aged under 16	1.9	-1.9	0.0	1.5	-1.9	-0.4
Aged 16 & 17	8.1	-8.1	0.0	8.6	-7.4	1.2
Aged 18 & over (care leavers)	7.9	-7.9	0.0	9.4	-8.1	1.3
	17.9	-17.9	0.0	19.5	-17.2	2.1

2. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
Dec-17	74	263	819	1,156
Jan-18	43	228	875	1,146
Feb-18	39	216	869	1,124
Mar-18	39	203	869	1,111
Apr-18	37	196	874	1,107
May-18	30	188	879	1,097
Jun-18	34	194	880	1,108
Jul-18	37	199	887	1,123
Aug-18	40	203	888	1,131
Sep-18	44	207	878	1,129
Oct-18	44	210	874	1,128
Nov-18	43	232	877	1,152



The number of Asylum LAC shown in Appendix 2.11 (LAC numbers) is different to the total number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17-year-old Care Leavers. The number of UASC children is now around the minimum threshold of UASC for the authority as a % of population (231) meaning new arrivals are not being placed on the dispersal scheme. Under 18 arrivals may be expected to increase very slightly over the next few months to maintain the minimum threshold. The number of UASC Care Leavers over 18 years old is continuing to increase slightly due to the Legacy UASC from 2015/16 becoming 18 years old and the over 21's choosing to remain within the service.

3. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

2018/19	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
Outturn 2017/18	900	13	211	41	1,111	54
April	917	20	190	33	1,107	53
May	914	20	183	33	1,097	53
June	916	4	191	50	1,107	54
July	924	2	198	51	1,122	53
August	938	3	193	44	1,131	47
September	938	1	185	41	1,123	42
October	888	10	240	46	1,128	56
November	916	10	236	46	1,152	56
December						
January						
February						
March						

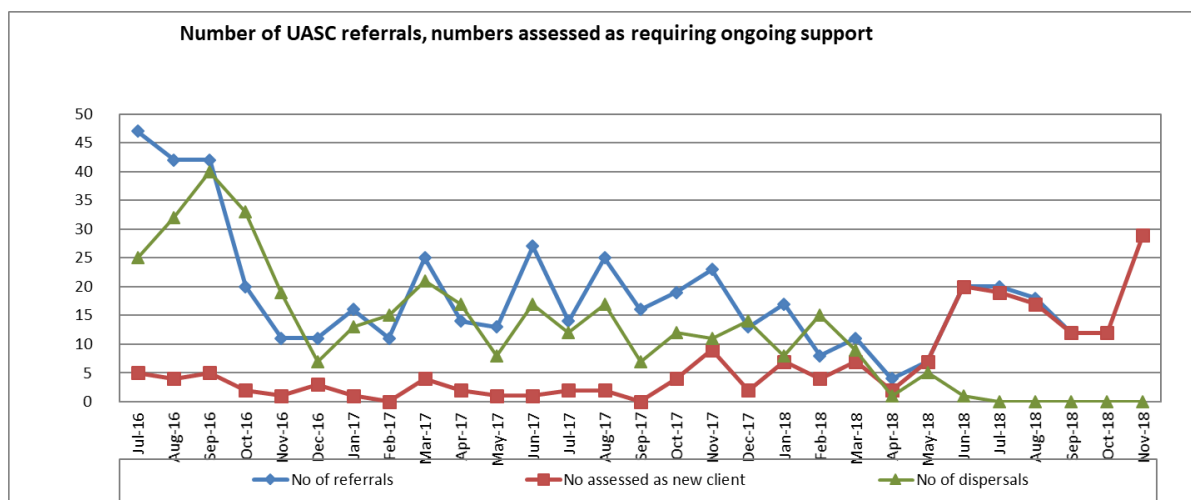
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or "continued in time" appeal applications to be classed as an eligible client.

October shows a decrease in eligible young people due to a confirmation by the Home Office that young people between 21 and 25 years would only be funding through the grant if they are in education. The November increase is due a slightly higher number of new arrivals.

4. Numbers of UASC referrals, assessed as requiring ongoing support

	No of referrals	No assessed as new client	%	No of dispersals
Jul-16	47	5	11%	25
Aug-16	42	4	10%	32
Sep-16	42	5	12%	40
Oct-16	20	2	10%	33
Nov-16	11	1	9%	19
Dec-16	11	3	27%	7
Jan-17	16	1	6%	13
Feb-17	11	0	0%	15
Mar-17	25	4	16%	21
Apr-17	14	2	14%	17
May-17	13	1	8%	8
Jun-17	27	1	4%	17
Jul-17	14	2	14%	12
Aug-17	25	2	8%	17
Sep-17	16	0	0%	7
Oct-17	19	4	21%	12
Nov-17	23	9	39%	11
Dec-17	13	2	15%	14
Jan-18	17	7	41%	8
Feb-18	8	4	50%	15
Mar-18	11	7	64%	9
Apr-18	4	2	50%	1
May-18	7	7	100%	5
Jun-18	20	20	100%	1
Jul-18	20	19	95%	0
Aug-18	18	17	94%	0
Sep-18	12	12	100%	0
Oct-18	12	12	100%	0
Nov-18	29	29	100%	0



5. Total number of dispersals – new referrals & existing UASC

In total there have been 359 new arrivals that have been dispersed since July 2016. These are included within the referrals in table 4. This also includes arrivals since 01 July 16 dispersed to London Boroughs, who are not participating in the transfer scheme. As the threshold of 231 UASC's has now been reached, new arrivals have not been referred to the dispersal scheme since June 2018.

Duration	Arrivals who have been dispersed post new Government Transfer Scheme (w.e.f 01 July 16)*	Former Kent UASC who have been dispersed (entry prior to 01 July 16)	Total
Jul-16	14	11	25
Aug-16	31	1	32
Sep-16	30	10	40
Oct-16	33	0	33
Nov-16	17	2	19
Dec-16	7	0	7
Jan-17	8	5	13
Feb-17	15	0	15
Mar-17	16	5	21
Apr-17	14	3	17
May-17	7	1	8
Jun-17	16	1	17
Jul-17	12	0	12
Aug-17	17	0	17
Sep-17	6	1	7
Oct-17	12	0	12
Nov-17	11	0	11
Dec-17	14	0	14
Jan-18	8	0	8
Feb-18	15	0	15
Mar-18	9	0	9
Apr-18	1	0	1
May-18	5	0	5
Jun-18	1	0	1
Jul-18	0	0	0
Aug-18	0	0	0
Sep-18	0	0	0
Oct-18	0	0	0
Nov-18	0	0	0

2018-19 MONITORING OF PRUDENTIAL INDICATORS AS AT 30 NOVEMBER 2018**1. Estimate of Capital Expenditure (including PFI)**

Actuals 2017-18	£188.249m
Original estimate 2018-19	£295.449m
Revised estimate 2018-19	£205.906m

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

	2017-18	2018-19	2018-19
	Actual	Original Estimate	Forecast
	£m	£m	£m
Capital Financing requirement	1,322.493	1,373.692	1,296.719
Annual increase/reduction in underlying need to	-39.901	45.406	-25.774

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

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

Actuals 2017-18	12.96%
Original estimate 2018-19	12.01%
Forecast 2018-19	11.86%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2018-19.

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

	Prudential Indicator	Position as at 30.11.18
	£m	£m
Borrowing	1,003	875
Other Long Term Liabilities	271	263
	<u>1,274</u>	<u>1,138</u>

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

	Prudential Indicator	Position as at 30.11.18
	£m	£m
Borrowing	1,038	909
Other Long Term Liabilities	<u>271</u>	<u>263</u>
	1,309	1,172

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2018-19 are:

	Authorise d limit for debt relating to KCC assets and activities	Position as at 30.11.18	Authorised limit for total debt managed by KCC	Position as at 30.11.18
	£m	£m	£m	£m
Borrowing	1,043	875	1,078	909
Other long term liabilities	<u>271</u>	<u>263</u>	<u>271</u>	<u>263</u>
	1,314	1,138	1,349	1,172

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

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

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

The Council has determined the following upper limits for 2018-19

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2018-19

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	Position as at 30.11.18
	%	%	%
Under 12 months	10	0	0.47%
12 months and within 24 months	10	0	2.52%
24 months and within 5 years	15	0	8.83%
5 years and within 10 years	15	0	10.96%
10 years and within 20 years	20	5	13.94%
20 years and within 30 years	25	5	19.09%
30 years and within 40 years	25	10	17.67%
40 years and within 50 years	30	10	24.32%
50 years and within 60 years	30	10	2.20%

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

Indicator	£250m
Actual	£218m