



# Revenue and Capital Budget Monitoring & Forecast Outturn 2020-21

May 2020-21

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By Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, Peter Oakford  
Corporate Director of Finance, Zena Cooke  
Corporate Directors

To Cabinet – 20 July 2020

Unrestricted

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# 1 Introduction

**This report provides the budget monitoring position up to 31 May 2020-21 for both Revenue and Capital budgets, and what we're doing to respond to the Covid-19 pandemic. Also included are revenue and capital budget adjustments which require Cabinet approval.**

<p>1.1 We've improved the clarity of the report. Key information is on the left, detail is on the right, in grey</p> <p>All figures are in millions, to one decimal place, unless otherwise stated</p>	<p>This report uses the following key abbreviations and colours:</p> <ul style="list-style-type: none"><li>ASCH Adult Social Care &amp; Health</li><li>CYPE Children, Young People &amp; Education</li><li>GET Growth, Environment &amp; Transport</li><li>S&amp;CS Strategic &amp; Corporate Services</li><li>FI&amp;U Financing Items &amp; Unallocated</li><li>SDB Schools' Delegated Budgets</li></ul>
<p>1.2 The Covid-19 pandemic has impacted on the way we are monitoring the budget this year</p>	<p>The Covid-19 pandemic has had a huge impact on the way the Council works. It's important for us to understand and report on the financial effect of Covid-19 and for us to monitor against the emergency funding the government has provided. Alongside a dedicated section on Covid-19 in this report, we are showing two variance figures in all Directorate and Key Service summaries, excluding and including the impact of Covid-19.</p>
<p>1.3 The Revenue forecast is an overspend of £14.6m excluding Covid-19.</p> <p>The Revenue forecast is an overspend of £67.0m if future risks are included.</p>	<p>The largest variance is +£7.7m in CYPE, with overspends also forecast in ASCH (+£3.8m), GET (+£0.9m) and S&amp;CS (+£2.5m). FI&amp;U is forecasting a small underspend of -£0.3m.</p> <p>The Covid-19 related variance including future risks is £52.4m.</p>
<p>1.4 The Capital forecast is an underspend of £48.0m excluding Covid-19</p>	<p>The underspend is made up of -£0.9m real and -£47.1m rephasing variance. This represents 9.7% of the capital budget.</p> <p>The largest real variance is -£1.6m in CYPE, with overspends forecast in ASCH (+£0.2m) and GET (+£0.5m).</p> <p>The major rephasing variances are -£26.2m in GET and -£19.9m in CYPE.</p>
<p>1.5 Schools' Delegated Budgets are reporting a £30.5m overspend</p>	<p>The overspend position of +£30.5m reflects the impact of high demand and high cost per child of High Needs Placements.</p>

## 2 Recommendations

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### Cabinet is asked to:

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2.1	Note the forecast Revenue and Capital monitoring position	The current forecast overspend on the Revenue budget needs to be eliminated to ensure we achieve a balanced budget by the year end.
2.2	Note the way we are monitoring the financial impact of Covid-19	Please refer to Section 4 for details.
2.3	Note and agree Revenue budget adjustments	Please refer to Section 11 and Appendix 2 for details.
2.4	Note and agree Capital budget adjustments	Please refer to Section 12 for details.
2.5	Note and agree the addition of two new fully funded schemes to the capital programme	Both schemes are in the GET directorate - Green Corridors and Manston Green. They have been reviewed by the Capital Officer Group and are recommended for inclusion in the capital programme. Please refer to Section 12 for details.
2.6	Note the Prudential Indicators report	Please refer to Appendix 3.

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The revenue monitoring position is showing a variance of +£14.6m excluding Covid-19 and it is not unusual at this early stage in the financial year to be forecasting an overspend. However due to Covid-19 there are further financial challenges that we need to overcome this year. The capital monitoring position is -£48.0m of which £47.1m relates to rephasing of projects.

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| 3.1   | There is a variance of +£14.6m on the 2020-21 revenue budget excluding Covid-19              | +£7.7m of this variance is within CYPE of which +£5.2m is in Looked After Children – Care & Support. +£3.8m in ASCH predominantly due to demand and higher weekly cost for supported living across all client groups. +£2.5m in S&CS of which +£2.1m relates to Corporate Landlord.                                                                                                                                                                        |
| <hr/> |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3.2   | The use of the Covid-19 Financial Support Grant has been shown in the Revenue Variance table | The Covid-19 Financial Support Grant (£65.2m for 2020-21) will be allocated to Directorates as part of the Budget Amendment referred to in Section 3.4.<br><br>For the purposes of this report, the Reserve has been fully allocated to the Revenue Budget, and therefore shows a variance of +£11.2m. The +£4.5m in the Capital Variance table on the following page makes the total +£15.7m referred to the Covid-19 Funding Summary table in Section 4. |
| <hr/> |                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3.3   | There is a variance of -£48.0m on the 2020-21 capital budget excluding Covid-19              | This is made up of -£0.9m real variance and -£47.1m rephasing variance. Headline variances are detailed in the relevant directorate sections. As at the end of May 2020 there are no actual costs on capital projects in relation to Covid-19.                                                                                                                                                                                                             |
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#### Revenue Variance

Directorate	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health	398.8	+3.8	29.4	+33.2
Children, Young People & Education	273.7	+7.7	14.1	+21.8
Growth, Environment & Transport	179.1	+0.9	9.1	+10.0
Strategic & Corporate Services	83.4	+2.5	14.0	+16.5
Financing Items & Unallocated	156.6	-0.3	9.8	+9.6
	1,091.6	+14.6	76.4	+91.0
Removal of underspends not included in MHCLG return			21.5	+21.5
Additional Covid-19 risks identified in MHCLG return			19.7	+19.7
Covid-19 Financial Support Grant				-65.2
			117.6	+67.0
Schools' Delegated Budgets	0.0	+30.5	0.0	+30.5
	1,091.6	+45.1	117.6	+97.5

The biggest Key Service variances in the directorate are as follows, in numerical order:

Key Service (Division)	Variance	Summary	Detail
Older People – Community Based Services (Adult Social Care & Health Operations)	+£2.4m	Demand for homecare for older people has increased	Client numbers for older people receiving homecare began to increase in January 2020 (which since March could be a correlation with the decrease in demand for residential and nursing care). When the costs of care for these new service users are projected forward for the full twelve months of 2020-21, there is a significant increase to the forecast creating a pressure over and above our original predictions when budget setting. It appears that older people are remaining in their own homes due to Covid-19 and have received increased levels of support at home rather than perhaps moving to a residential setting. Our forecast position also includes an assumption of demographic pressures increasing client numbers throughout the year.

### 3 Revenue & Capital Positions

Revenue Variance +£14.6m overspend  
Capital Variance -£48.0m underspend

<p>Adult Learning Disability - Community Based Services &amp; Support for Carers</p>	<p>+£2.0m</p>	<p>Younger service users prefer to remain at home with increased support</p>	<p>Younger working age adults are now more likely to maintain their independence at home with support, rather than entering registered care settings. The impact of this is that the demand for supported living (including supporting independence services (SIS)) is increasing rapidly, along with complex care needs. The closure of day centres during the pandemic is also contributing to higher levels of support being provided at home.</p>
<p>Adult Mental Health - Community Based Services</p>	<p>+£1.3m</p>		<p>The combined overspend for SIS across all client groups is +£4.9m and demand is greater than anticipated.</p>
<p>Adult Physical Disability - Community Based Services  (Adult Social Care &amp; Health Operations)</p>	<p>+£1.2m</p>		<p>SIS is seeing growth in new clients and increasing provision of care for existing service users, resulting in higher than anticipated individual care costs. The directorate is investigating whether enhancing existing care packages with SIS is the most efficient way of meeting the care needs of clients who remain in their own homes.</p>
<p>Older People – Residential Care Services (Adult Social Care &amp; Health Operations)</p>	<p>-£4.8m</p>	<p>Fewer older people are being admitted into residential and nursing care</p>	<p>In the first few weeks of the financial year there have been fewer admissions. We believe that this is driven by advice that vulnerable older people should be safer isolating in their own homes at this time.</p> <p>In addition, the number of deaths are higher than anticipated for this time of the year.</p> <p>Our forecast includes an expectation that admissions into care will rise again later in the year as the situation with the pandemic improves.</p>
<p>Looked After Children – Care &amp; Support (Integrated Children’s Services)</p>	<p>+£5.2m</p>	<p>High cost of externally purchased placements for Looked After Children (LAC) due to shortage of KCC foster carers</p>	<p>In 2019-20, there was a significant rise in the number of externally purchased placements for LAC, particularly with independent fostering agencies. Over the last few years, the service has seen an increasing shortage of suitable KCC foster carers resulting in greater reliance on the external market. This includes the rising use of residential care and semi-independent placements.</p> <p>This overspend was identified as a risk in the 2020-21 Budget. Work is progressing to reverse the trend and is reflected in the recent stabilisation of the number of KCC foster carers, however the historic legacy has resulted in the overspend of +£5.2m.</p> <p>We’re also investigating the full impact of the knock-on effect this is having on the Care Leavers service where children transition to the service in higher cost placements.</p>

### 3 Revenue & Capital Positions

Revenue Variance +£14.6m overspend  
Capital Variance -£48.0m underspend

#### Capital Variance

Directorate	Capital Budget £m	Variance excl. Covid-19 £m	Real Variance £m	Rephasing Variance £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health	4.2	-0.7	0.2	-0.9	0.0	-0.7
Children, Young People & Education	206.4	-21.6	-1.6	-20.0	4.4	-17.1
Growth, Environment & Transport	212.5	-25.7	0.5	-26.2	0.0	-25.7
Strategic & Corporate Services	71.5	-0.1	0.0	-0.1	0.1	+0.0
	494.7	-48.0	-0.9	-47.1	4.5	-43.5

## 4 Covid-19

**We're forecasting to spend £82.6m in response to Covid-19, with £80.9m of the spend in 2020-21. We've received £66.9m from the Government. A further £41.2m of additional Covid related risks have also been identified, taking the total to £117.6m. The shortfall between the grant and our estimated revenue spend is £50.7m. More Government funding has been announced but we don't have details of how much we might get.**

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| 4.1 | £15.7m of Covid-19 related spend is currently unfunded. | The Covid-19 related spend is across all directorates, but the largest area of spend is in ASCH. The revenue forecast has been split between several categories in the Covid-19 Revenue Forecasts table below. The narrative for these forecasts is in the directorate sections of this report. These figures are estimates and are likely to change as we progress through the year. |
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| 4.2 | £41.2m additional Covid-19 related risks have been estimated, taking the total spend to £117.6m. | The total Covid-19 related spend reported in the June return to Government was £117.6m. This includes potential future risks of £19.7m. In addition, the £117.6m does not include the underspends currently included in this monitoring report as it is still very early in the year to be confident that these underspends will continue to the year end. This is particularly the case as no allowance has been made for any further outbreaks or for a longer recession. It also excludes the anticipated capital costs of £4.5m. |
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| 4.3 | We're estimating additional capital costs of around £4.5m | The anticipated impact from Covid-19 on capital will be a mixture of rephasing due to contractors not having been on site for the first few weeks of the financial year, and cost overruns. Initial indications show that the majority of the Covid-19 impact relates to overspends in the construction of schools. |
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| 4.4 | Emergency funding of £66.9m has been provided by the Government | In March and April 2020, the government provided £39m and £27.9m respectively of Covid-19 Financial Support Grant. £1.7m was spent in 2019-20, with the remaining £65.2m transferred into a Covid-19 Reserve. This reserve will be exhausted during 2020-21. |
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| 4.5 | We're amending the 2020-21 budget at September County Council | The budget approved in February 2020 is being amended. The amendment will include the allocation of the Covid-19 Financial Support Grant to the Key Service lines affected. |
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| 4.6 | The shortfall between the grant and the total Covid-19 revenue spend is £50.7m | The Financial Support Grant of £66.9m is not sufficient to cover the total Covid-19 related revenue and capital spend and loss of income of £117.6m and leaves a shortfall in revenue funding of £50.7m and a further shortfall in capital funding of £4.5m. |
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| 4.7 | The Government has announced four other specific grants | We are expected to receive four additional grants to support the Covid-19 pandemic. These are specific, ring-fenced grants, Test & Trace Grant (for Public Health), Adult Social Care Infection Control Grant, NHS Hospital Discharge Claim (for ASCH) and a Subsidised Buses Grant (for Transport). These grants do not affect or reduce the £80.9m Covid related spend as they are being spent on other things. |
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## 4 Covid-19

### Covid-19 Funding Summary (19-20 and 20-21)

Financial Support Grant Funding £m	Spend in 2019-20 £m	Spend in 2020-21 so far £m	Remaining Forecast £m	Total Forecast £m	Variance £m
66.9	1.7	21.2	59.7	82.6	+15.7

### Covid-19 Forecasts (20-21)

	ASCH £m	CYPE £m	GET £m	S&CS £m	FI&U £m	Total £m
						
<b>Revenue Forecasts</b>						
Actual spend	6.8	16.4	3.3	12.7		39.2
Underspends		-16.5	-4.7	-0.2		-21.5
Loss of income	0.3	4.1	5.3	1.5	7.8	19.0
Unrealised savings	2.6	1.3	0.3		2.0	6.1
One off payments to the market	19.7	3.1	0.2			23.0
Payments for undelivered variable fee services		5.7	4.8			10.5
<b>Capital Forecasts</b>						
Actual spend		4.4		0.1		4.5
	29.4	18.5	9.1	14.1	9.8	80.9
Removal of underspends not included in MHCLG return		16.5	4.7	0.2		21.5
Removal of capital forecast not included in MHCLG return		-4.4		-0.1		-4.5
Additional Covid-19 risks identified in MHCLG return						19.7
<b>Total Covid-19 related spend</b>						<b>117.6</b>
Less Covid-19 Financial Support Grant						-66.9
Revenue shortfall						50.7
Capital shortfall						4.5

## 4 Covid-19

Details of the forecasts in the table above can be found in the relevant directorate pages, but the key ones are here:

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4.6	£6.8m actual spend in ASCH	The cost of supporting additional demand for services resulting from Covid-19, including: equipment for supporting clients in the community; additional care packages for after hospital discharge (residential and community care); increases in bad debt; essential system improvements; and domestic abuse.
4.7	£19.7m one off payments to the market in ASCH	Providing financial support to social care providers for increased costs and to support their financial stability during the pandemic.
4.8	£12.7m actual spend in S&CS	<p>Additional council-wide costs including: the provision of PPE and sanitiser across all the Council's services; additional staffing to handle increased call volumes in the KCC contact centre; and additional ICT infrastructure to enable staff to work from home, such as laptops and licenses for A2K and Microsoft Teams.</p> <p>£1.1m relates to Public Health made up of support to the voluntary sector, additional capacity for mental health services, and provision of alternative pharmaceutical services, including phone triage and a home delivery service for pregnant smokers and emergency contraception.</p>
4.9	-£16.5m underspend in CYPE	Reduction in the demand for home to school/college transport and early years free entitlement provision during lockdown.
4.10	£7.8m loss of income in FI&U	Reduction in income as a result of Covid-19 through the retained business rate levy, LATCO dividends, and investment income.

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## Revenue

The ASCH directorate is currently forecasting a revenue variance excluding Covid-19 of +£3.8m. Most relates to service users receiving packages of care in their own home. Covid-19 is changing the type of services we provide as older people remain at home instead of entering care homes

Demand for supported living for all client groups is higher than budgeted and at higher weekly cost. This increased demand continues a trend we saw towards the end of last year.

Similarly, residential and nursing costs for learning disability, mental health and physical disability are all seeing increased demand and higher unit costs.

The new 'Care and Support in the Home' and residential contracts for this service group went live in June 2020. It is anticipated that there will be a reduced unit cost as we move towards having more clients with contracted providers.

A summary table at Key Service Level can be found in Appendix 1

## Revenue Variance by Division

Division	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Adult Social Care & Health Operations	367.0	+8.3	4.7	+13.0
Strategic Management & Directorate Budgets	19.1	-2.1	20.5	+18.4
Business Delivery	7.9	-1.6	2.9	+1.3
Strategic Safeguarding, Practice and Quality Assurance	4.8	-0.8	1.3	+0.4
	398.3	+3.8	29.4	+33.2
Covid-19 Financial Support Grant			-25.1	-25.1
			+4.3	+8.1

The biggest Key Service variances in the directorate are as follows, in numerical order:

Key Service (Division)	Variance	Summary	Detail
Older People – Community Based Services (Adult Social Care & Health Operations)	+£2.4m	Demand for homecare for older people has increased	Client numbers for older people receiving homecare began to increase in January 2020 (which since March could be a correlation with the decrease in demand for residential and nursing care). When the costs of care for these new service users are projected forward for the full twelve months of 2020-21, there is a significant

Key Service (Division)	Variance	Summary	Detail
			increase to the forecast creating a pressure over and above our original predictions when budget setting. It appears that older people are remaining in their own homes due to Covid-19 and have received increased levels of support at home rather than perhaps moving to a residential setting. Our forecast position also includes an assumption of demographic pressures increasing client numbers throughout the year.
Adult Learning Disability - Community Based Services & Support for Carers	+£2.0m	Younger service users prefer to remain at home with increased support	Younger working age adults are now more likely to maintain their independence at home with support, rather than entering registered care settings. The impact of this is that the demand for supported living (including supporting independence services (SIS)) is increasing rapidly, along with complex care needs.
Adult Mental Health - Community Based Services	+£1.3m		The closure of day centres during the pandemic is also contributing to higher levels of support being provided at home.
Adult Physical Disability - Community Based Services  (Adult Social Care & Health Operations)	+£1.2m		The combined overspends for SIS across all client groups is +£4.9m and demand is greater than anticipated.  SIS is seeing growth in new clients and increasing provision of care for existing service users, resulting in higher than anticipated individual care costs. The directorate is investigating whether enhancing existing care packages with SIS is the most efficient way of meeting the care needs of clients who remain in their own homes.
Older People – Residential Care Services (Adult Social Care & Health Operations)	-£4.8m	Fewer older people are being admitted into residential and nursing care	In the first few weeks of the financial year there have been fewer admissions. We believe that this is driven by advice that vulnerable older people should be safer isolating in their own homes at this time.  In addition, the number of deaths are higher than anticipated for this time of the year.  Our forecast includes an expectation that admissions into care will rise again later in the year as the situation with the pandemic improves.
Strategic Management & Directorate Budgets	-£2.1m	Additional Better Care Fund (BCF) grant funding and management action to reduce overspend	The £2.1m underspend is a combination of £0.7m additional BCF grant funding, £1.0m management action to reduce the directorate overspend and a number of small underspends totalling £0.4m.  Further work is being undertaken to develop the management action and an update will be provided in the next monitoring report.

Key Service (Division)	Variance	Summary	Detail
Business Delivery Unit	-£1.6m	Some funds are held centrally to distribute later in the year.	-£1.3m of the underspend relates to centrally held funds still to be allocated which cover underlying pressures already recognised within the forecast. These centrally held funds will be allocated later in the year when we can more clearly understand the effect of the current climate on the core client services.
Adaptive & Assistive Technology (Strategic Safeguarding, Practice and Quality Assurance)	-£0.7m	The equipment service is continuing to deliver efficiencies	The efficiencies within the procurement and running of this service reported in 2019-20 remain in place and are reflected in the 2020-21 position.
Adult Learning Disability - Case Management & Assessment Service (Adult Social Care & Health Operations)	-£0.5m	There are difficulties in recruiting assessment staff during Covid-19	This underspend is due to posts which received additional funding this year not yet being recruited to. This level of vacancies is partly due to recruitment issues during Covid-19.

## Capital

**The ASCH directorate is currently forecasting a capital variance excluding Covid-19 of -£0.7m, made up of a +£0.2m real and a -£0.9m rephasing variance. As this is the first report of the year there are no previously reported variances.**

Real variances over £0.1m and rephasing variances over £1.0m are as follows:

Project	Real Variance	Rephasing Variance	Detail
Adult Social Care Case Management	+£0.2m		It is proposed that this overspend is covered by the rolling budget reserve.

## Covid-19 Forecast

Grant Category	Forecast	Explanation
Actual spend (Revenue)	£6.8m	The cost of supporting additional demand for services resulting from Covid-19, including: equipment for supporting clients in the community; additional care packages for after hospital discharge (residential and community care); increases in bad debt; essential system improvements; and domestic abuse.
One off payments to the market	£19.7m	Providing financial support to social care providers for increased costs and to support their financial stability during the pandemic.
Unrealised savings	£2.6m	Non delivery of savings including Whole System Change due to reprioritisation of resources to Covid-19 response and recovery.
Loss of income	£0.3m	Relates to the period where day centres have had to remain closed, meaning that clients cannot be charged for those periods
	£29.4m	

### Revenue

The CYPE directorate is forecasting a revenue variance excluding Covid-19 of +£7.7m, predominantly in the Integrated Children's Services division. The forecast reflects several overspends from 2019-20 which are expected to continue in 2020-21.

A summary table at Key Service Level can be found in Appendix 1

### Revenue Variance by Division

Division	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Integrated Children's Services	152.9	+5.3	7.9	+13.2
Special Educational Needs & Disabilities	69.3	+1.2	0.1	+1.3
Education	47.3	+0.9	6.1	+7.1
Strategic Management & Directorate Budgets	4.2	+0.2	0.0	+0.2
	273.7	+7.7	14.1	+21.8
Covid-19 Financial Support Grant			-12.0	-12.0
			2.1	+9.8

The biggest Key Service variances in the directorate are as follows, in numerical order:

Key Service (Division)	Variance	Summary	Detail
Looked After Children – Care & Support (Integrated Children's Services)	+£5.2m	High cost of externally purchased placements for Looked After Children (LAC) due to shortage of KCC foster carers	<p>In 2019-20, there was a significant rise in the number of externally purchased placements for LAC, particularly with independent fostering agencies. Over the last few years, the service has seen an increasing shortage of suitable KCC foster carers resulting in greater reliance on the external market. This includes the rising use of residential care and semi-independent placements.</p> <p>This overspend was identified as a risk in the 2020-21 Budget. Work is progressing to reverse the trend and is reflected in the recent stabilisation of the number of KCC foster carers, however the historic legacy has resulted in the overspend of +£5.2m.</p> <p>We're also investigating the full impact of the knock-on</p>

Key Service (Division)	Variance	Summary	Detail
			effect this is having on the Care Leavers service where children transition to the service in higher cost placements.
Special Educational Needs & Psychology Services (Special Educational Needs & Disabilities)	+£0.7m	Demand for Education, Health & Care Plan (EHCP) assessments and support	The initial forecast is an overspend of +£0.7m where the demand for EHCP assessments and associated ongoing support continues to rise. This budget should be considered in conjunction with the Schools High Needs budget overspend.
Adult Learning & Physical Disability Pathway – Residential Care/Community Based Services (Special Educational Needs & Disabilities)	+£0.5m	Increasing costs of supporting 18-25 year old young people with a disability	There are a number of compensating variances across the 0-25 disability services suggesting a pressure of at least +£0.5m mainly resulting from the increasing cost of supporting 18-25 year olds. This is based on the pressures experienced in 2019-20.
Other School Services (Education)	+£0.4m	Various schools related costs	These costs include the installation, hire and removal of mobile classrooms to support the Basic Need Programme.
Home to School & College Transport (Education)	+£0.2m	Cost of transporting children with Special Educational Needs (SEN)	This is a continuing overspend arising from transporting children with SEN, linked more generally to the high demand for SEN services.
Education Management & Division Support (Education)	+£0.2m	Unachieved income targets	General income targets in relation to education services and planning resources are unlikely to be achieved based on current estimates.
Asylum (Integrated Children's Services)	£0.0m	Breakeven position for 2020-21 following Home Office announcement on funding rate changes. Prior year funding shortfall still an issue	<p>Over the last year, we have seen a significant rise in the number of UASC being supported, due to an increasing number of referrals, and the stopping of the National Transfer Scheme previously used by the Home Office to encourage other local authorities to support UASC. The number of UASC is now similar to that experienced at the height of the 2015 crisis.</p> <p>The increase in the grant rate will help to ensure this rise in the number of UASC does not result in a shortfall in funding in 2020-21, as seen in previous years however as the number of children continue to rise it is becoming increasingly difficult to place in the most cost effective accommodation. We are in ongoing discussions with the Home office and the DfE in relation to both the high number of new arrivals and the impact of Covid-19 including the pressure to relaunch the National Transfer Scheme. Recently, other local authorities have indicated they will offer places but there is more work to be done.</p>



## Capital

**The CYPE directorate is currently forecasting a capital variance excluding Covid-19 of -21.5m. This is made up of a -£1.6m real and a -£19.9m rephasing variance. The underspends predominately relate to Schools projects. As this is the first report of the year there are no previously reported variances.**

Real variances over £0.1m and rephasing variances over £1.0m are as follows:

Project	Real Variance	Rephasing Variance	Detail
Barton Court Free School		-£11.6m	This is a Department for Education (DfE) project being managed by KCC. The delivery date has been pushed back from September 2021 to September 2022 by the DfE.
School Roofs	-£1.6m	-35.1m	The rephasing is reflecting that construction will now start in 21-22.  The real variance is due to the detailed feasibilities and costings having now taken place resulting in an expected underspend.
Priority School Build Programme		-£1.7m	This reflects the later planned construction start date.
Nest 2		-£1.6m	Revenue funding for the project is being sought and the project initiation document is to be submitted to the NHS by 31 March 2021.

### Covid-19 Forecasts

Grant Category	Forecast	Explanation
Underspends	-£16.5m	Reduction in the demand for home to school/college transport and early years free entitlement provision during lockdown.
Actual spend (Revenue)	£16.4m	Additional demand across a range of services including: implementing social distancing measures for home to school transport; increased costs of placing looked after children due to reduced availability of foster care provision and more limited movement of children, initial estimate of increased demand following the return of children from September; and additional demand for accommodation for unaccompanied asylum seeker children.
Loss of income	£4.1m	Loss of income across a range of CYPE services during lockdown.
Unrealised savings	£1.3m	Non delivery of service integration savings due to reprioritisation of resources to Covid-19 response and recovery.
One off payments to the market	£3.1m	Possible additional payments to Early Years providers to support sustainability where there is a reduction in parental contributions.
Payments for undelivered variable fee services	£5.7m	Payments to Home to School Transport providers to support their financial stability during the pandemic.
Actual spend (Capital)	£4.4m	Additional forecast costs relating to construction delays due to Covid-19.
	<b>£18.5m</b>	

## Revenue

The GET directorate is currently forecasting a revenue variance excluding Covid-19 of +£0.9m, with forecast pressures of +£1.5m being partially offset by underspends of -£0.6m.

The biggest variance is +£0.6m within the Highways, Transportation & Waste division, and most specifically in Waste Facilities & Recycling Centres. There is a combined +£0.4m overspend across three budget lines; Highways, Transport & Waste Management Costs and Commercial Operations pressure; Highway Asset Management (Roads and Footways) and Highway Asset Management (Other) which are an accumulation of minor variances.

A summary table at Key Service Level can be found in Appendix 1

## Revenue Variance by Division

Division	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Highways, Transportation & Waste	147.1	+0.6	2.5	+3.1
Environment, Planning & Enforcement	17.0	+0.3	3.2	+3.5
Libraries, Registration & Archives	9.1	-0.0	2.9	+2.9
Economic Development	4.4	-0.0	0.4	+0.4
Strategic Management & Directorate Budgets	1.6	-0.0	0.0	-0.0
	179.1	+0.9	9.1	+10.0
Covid-19 Financial Support Grant			-7.8	-7.8
			1.3	+2.2

The biggest Key Service variances in the directorate are as follows, in numerical order:

Key Service (Division)	Variance	Summary	Detail
Waste Facilities & Recycling Centres (Highways, Transportation & Waste)	+£0.6m	Overspend on Tonnage and price across many recycling contracts	Recycling contract, mainly in Material Recycling Facility and the paper/card sale of recyclables income contract (+£0.6m), with income falling over the first quarter of the year. The waste market is both volatile and cyclical, and income prices for paper, card and textiles have dropped, in part due to Covid-19 but in part due to six month update to industry prices that was prior to the outbreak but following approval of the budget.  This has been offset in part by an underspend as the new Household Waste Recycling Centre at Allington will

Key Service (Division)	Variance	Summary	Detail
			not be operational until next year (-£0.2m), meaning the additional running costs of this facility that were funded in 2020-21, can be deferred until 2021-22.
Residual Waste (Highways, Transportation & Waste)	-£0.4m	A positive price variance	The actual price charged is lower than the price used when setting the budget in January 2020 and other small underspends help to mitigate the overspend above of +£0.6m..
Gypsy and Traveller Service (Environment, Planning & Enforcement)	+£0.2m	Shortfall in income target and unbudgeted legal costs	The overspend due to the shortfall in the income target cannot be reduced until a new fee strategy has been developed and agreed.

## Capital

**The GET directorate is currently forecasting a capital variance excluding Covid-19 of -£25.7m. This is made up of a +£0.5m real and -£26.2m rephasing variance. The variances are predominantly within Highways, Transport and Waste and Economic Development. As this is the first report of the year there are no previously reported variances.**

Real variances over £0.1m and rephasing variances over £1.0m are as follows:

Project	Real Variance	Rephasing Variance	Detail
Kent & Medway Business fund (Economic Development)		-£9.5m	Rephasing reflects the estimated number of applications to be processed in the current financial year.
National Productivity Investment Fund – Kent Medical Campus (Highways, Transportation & Waste)		-£3.8m	The rephasing is due to delays relating to Covid-19.
Maidstone Integrated Transport (Highways, Transportation & Waste)		-£3.4m	Covid-19 has affected the ability to deliver this full programme as was initially expected and therefore some works will need to be rolled into future financial years.
Fastrack Full Network – Bean Road Tunnels (Highways, Transportation & Waste)		-£2.3m	The funding agreements have taken longer than expected and Covid-19 has also slowed the agreement progress since March, and consequently the engagement of a contractor along with the design phase has been delayed.
Dover Bus Rapid Transit (Highways, Transportation & Waste)		-£2.0m	KCC is the delivery partner of this project and any Covid-19 impact will not be a risk to KCC, however the spend associated with the project has been re-profiled.

Project	Real Variance	Rephasing Variance	Detail
Kent Thameside Strategic Transport Programme (Highways, Transportation & Waste)	+£0.2m	-£2.0m	<p>The rephasing is due to the Thames Way project being put on hold pending the completion of the master planning in the area by Ebbsfleet Development Corporation (-£2.0m).</p> <p>The real variance is due to interest earned on programme funds which is a condition of the funding (+0.2m).</p>
Integrated Transport Schemes (Highways, Transportation & Waste)	+£0.3m		Various new externally funded schemes to be funded by developer contributions and other external funding.
Kent Strategic Congestion Management (Highways, Transportation & Waste)	+£0.1m		This project has had a successful Kent Lane Rental bid for the renovation of traffic lights in the Dover area.

## Covid-19 Forecasts

Grant Category	Forecast	Explanation
Actual spend (Revenue)	£3.3m	Additional service provision for emergency mortuary provision and associated staffing costs, registration services.
Underspends	-£4.7m	Public Transport costs eligible for Government grant, reductions in Waste tonnage during lockdown, delay in new highways term maintenance contract.
Loss of income	£5.3m	Income Loss including Kent Travel Saver, libraries, registration, and country parks.
Unrealised savings	£0.3m	Delay in awarding of a new food waste contract.
Market sustainability – one off payments	£0.2m	Support to maintain financial stability in the Waste sector.
Payments for undelivered variable fee services	£4.8m	Support to maintain financial stability mainly in public transport.
	<b>£9.1m</b>	

## Revenue

The S&CS directorate is currently forecasting a revenue variance excluding Covid-19 of +£2.5m, with directorate net overspend of +£0.3m being increased by an overspend of +£2.1m within the Corporate Landlord estate.

A summary table at Key Service Level can be found in Appendix 1

## Revenue Variance by Division

Division	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Infrastructure	22.2	+0.1	4.3	+4.4
Corporate Landlord	21.8	+2.1	2.9	+5.0
People & Communication	13.1	+0.0	0.8	+0.9
Finance	10.1	+0.1	0.0	+0.1
Strategic Commissioning including Public Health	7.8	-0.0	6.1	+6.1
Governance, Law & Democracy	7.7	+0.0	-0.1	10.1
Strategy, Policy, Relationships & Corporate Assurance	1.8	+0.2	0.0	+0.2
Strategic Management & Directorate Budgets	-1.2	-0.0	0.0	-0.0
	83.4	+2.5	14.0	+16.5
Covid-19 Financial Support Grant			-11.9	-11.9
			2.1	+4.6

The biggest Key Service variances in the directorate are as follows, in numerical order:

Key Service (Division)	Variance	Summary	Detail
Corporate Landlord	+£2.1m	Overspends in Asset Utilisation (AU), New Ways of Working (NWoW), the East Kent FM contract, and holding costs for empty sites.	<p>+£0.7m relates to the partial non-delivery of savings from the AU and NWoW programmes which are now within the Modernising Agenda Programme for the council and need to be aligned with the deliverability and timescales for this.</p> <p>+£0.9m is due to the final cost of the recommissioned FM contract in East Kent which has come in higher than budgeted due to the change in provider.</p> <p>+£0.5m relates to the holding costs, mainly security, for</p>

Key Service (Division)	Variance	Summary	Detail
			former schools sites which have now been released for disposal and cannot therefore be charged to the DfE capital grant.
Property Related Services (Infrastructure)	+£0.2m	Unachieved historic surplus targets from Schools' income on the Client Services contracts.	This budget relates to the Client Services contracts with Schools and has a large surplus income target requirement which is unrealistic and has not been achieved for several years, thus creating an annual overspend. The service is highly valued by small primary schools in Kent and does deliver a small surplus
Strategy, Policy, Relationships & Corporate Assurance	+£0.2m	We're receiving less partnership income	The +£0.2m overspend is due in part to a change in Government arrangements which has created a shortfall in funding for the Kent Children's Safeguarding Board. The budget will need to be increased to reflect the changes

## Capital

**The S&CS directorate is currently forecasting a capital variance excluding Covid-19 of -£0.1m. As this is the first report of the year there are no previously reported variances.**

Real variances over £0.1m and rephasing variances over £1.0m are as follows:

Project	Real Variance	Rephasing Variance	Detail
Modernisation of Assets		+£1.8m	Due to programme demands money has been rolled forward.
Asset Utilisation – Oakwood House		-£1.0m	There are delays due to emergency use of the Oakwood House as asylum accommodation.

Covid-19 Forecasts

Grant Category	Forecast	Explanation
Actual spend (Revenue)	£12.7	Additional council-wide costs including: the provision of PPE and sanitiser across all services; additional staffing to handle increased call volumes in the KCC contact centre; and additional ICT infrastructure to enable staff to work from home, such as laptops and licenses for A2K and Microsoft Teams.  £1.1m relates to Public Health made up of support to the voluntary sector, additional capacity for mental health services, and provision of alternative pharmaceutical services, including phone triage and a home delivery service for pregnant smokers and emergency contraception.
Underspends	-£0.2	Mainly in Member Services for reduced travel and allowances.
Loss of income	£1.5	Potential loss of rental income for KCC properties
Actual spend (Capital)	£0.1	Delays to two capital programmes resulting in additional costs.
	<b>£14.1</b>	



## Revenue

**FI&U is currently forecasting a revenue variance excluding Covid-19 of -£0.3m.**

A summary table at Key Service Level can be found in Appendix 1

## Revenue Variance by Division

Division	Revenue Budget £m	Variance excl. Covid-19 £m	Covid-19 Forecast £m	Variance incl. Covid-19 £m
Financing Items & Unallocated	156.6	-0.3	9.8	+9.6
Covid-19 Financial Support Grant			-8.4	-8.4
			1.4	+1.2

The variances is explained below:

Key Service (Division)	Variance	Summary	Detail
Financing Items & Unallocated	-£0.3m	There are several minor variances	<p>There is a +£0.3m overspend on the Apprenticeship Levy reflecting the continuation of the position in previous years.</p> <p>This is offset by a £0.4m increase in the Extended Rights to Free Travel grant compared with budget, together with £0.2m additional S31 Business Rate Compensation Grant following the reconciliation of unaudited figures for 19-20 and a small underspend on the Environment Agency Levy.</p>

## Covid-19 Forecasts

Grant Category	Forecast	Explanation
Loss of income	£7.8m	Reduction in income through the retained business rate levy, LATCO dividends, and investment income.
Unrealised savings	£2.0m	Non delivery of additional investment income target in 2020-21 as a result of changes to the projected investment market conditions at the time the budget was set.

£9.8m

The forecast for the Schools' Delegated Budget reserves is a deficit of £16.9m, compared to a surplus of £13.8m at the start of the financial year.

This is made up of a forecast surplus of £35.1m on individual maintained school balances, and a deficit on the central schools' reserve of £52.0m. The table below provides the detailed movements on each reserve.

Dedicated Schools Grant (DSG) budgets held centrally are forecast to overspend by £2.1m, predominately linked to the additional cost of supporting Special Educational Needs services.

	Individual School Reserves £m	Central Schools Reserve £m	Total School Reserves £m	<i>Note: a negative figure indicates a drawdown from reserves/deficit</i>
Balance brought forward	35.3	-21.5	13.8	
Forecast movement in reserves:				
Academy conversions and closing school deficits	-0.3		-0.3	
School Growth		0.3	0.3	
Falling Rolls		0.6	0.6	
High Needs		-30.0	-30.0	
Other Schools Block Expenditure		0.7	0.7	
Overspend on Central DSG Budgets		-2.1	-2.1	
Forecast reserve balance	35.1	-52.0	-16.9	

The Department of Education (DFE) have confirmed councils are not expected to repay deficits on the DSG from the General Fund, but it remains unclear how such deficits will be treated. The DFE expects local authorities to work with them and provide necessary information on the reasons for the deficit and recovery plans when requested.

Key Issues	Details
Reduction in government funding for Central Services	In 2020-21, the Government reduced the amount used to support some of the central services currently funded from the DSG. In the short-term this has been addressed in the 2020-23 Medium Term Financial Plan without any direct impact to schools however during the next year we will be reviewing our relationship with schools in line with Government policy and funding.
Higher demand and higher cost for high needs placements	The in-year funding shortfall for High Needs placements is expected to continue in 2020-21 (+£30m) due to a combination of both higher demand and higher cost per child. This is a national issue and the outcome of a Government review is awaited.

The Written Statement of Action (WSOA), following last year's Ofsted/CQC Local Area SEND Inspection, links to our strategy to reduce the pressure on the High Needs budget. The strategy includes:

- Reviewing Commissioning strategy for SEN provision by
- Supporting the development of new special schools and SRPs to
- Reduce the reliance on independent schools and;
- Reviewing commissioning arrangements with independent providers.
- Improving parental confidence through supporting inclusive practice and capacity building in mainstream schools
- Further collaborative working with Health and Social Care partners

Work is progressing however this has been slowed/paused in recent months with the Covid-19 outbreak.

There are also wider concerns on the longer-term impact of children being out of school during the Summer Term.

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## 11 Revenue Budget Changes

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between Key Services in light of the 2019-20 final spend and activity levels and the latest service transformation plans. Explanations for these changes is provided below, and a breakdown of the changes by Key Service is available in Appendix 2.

Cabinet is asked to approve these changes. The variances reflected in this report assume these cash limit changes have been approved.

### Adult Social Care & Health

Gross increase £0.3m  
Income increase £1.0m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Revision to Looked After Children (with Disability) – In House Provision budgets to reflect delivery of a CYPE service via internal income transfer	+£0.800m gross -£0.800m income
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The alignment of gross and income within the OT equipment budget to recognise Disabled Facility Grant funding	+£0.236m gross -£0.236m income
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Transfer of budget from ASCH to S&CS in order to fund the IT refresh in future years	-£0.012m gross
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Formal virements, requiring approval:

Alignment of Improved Better Care Fund Monies (iBCF) with 2020-21 planned expenditure within Key Service lines; including transfer of funding to CYPE for Adult Learning & Physical Disability Pathway Services for Young People aged 18-25	-£0.701m gross
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Alignment of iBCF (including Care Act Implementation monies) with 2020-21 planned expenditure within Key Service lines	No impact
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Realignment of Social Care in Prisons Grant between Key Service lines to fund provision of community care in prisons	+/-0.100m
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Transfer between sensory community based services and sensory assessment services to fund specialised sensory assessment staff	+/-£0.040m
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Realignment of budgets between Learning Disability and Mental Health to reflect operational plans in 2020-21	+/-£0.168m
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## 11 Revenue Budget Changes

### Children, Young People & Education

Gross decrease £2.3m  
Income decrease £3.0m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Changes to accounting treatment relating to Revenue Expenditure Funded Under Statute (REFCUS)	Gross -£2.800m Income -£2.800m
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Formal virements, requiring approval:

Alignment of Improved Better Care Fund Monies (iBCF) with 2020-21 planned expenditure within Key Service lines; including transfer of funding from ASCH for Adult Learning & Physical Disability Pathway Services for Young People aged 18-25	+£0.701m gross
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### Growth, Environment & Transport

Gross increase £0.2m  
Income change less than £0.1m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Increase in funding for Kent Downs Area of Outstanding Natural Beauty	+£0.488m gross -£0.488m income
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Formal virements, requiring approval:

Transfer from Highways, Transport & Waste Management Costs and commercial Operations in GET to Corporate Landlord in S&CS to reflect the transfer in responsibility of the remaining Highways Depots	-£0.398m gross +£0.600m income
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Small budget transfers in several Key Services in GET to S&CS in relation to ServiceNow orders	-£0.007m gross
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### Strategic & Corporate Services

Gross increase £3.8m  
Income increase £2.7m

Technical adjustments, more accurately reflecting current levels of services and income to be received:

Public Health realignment following confirmation of grant allocation and to reflect a revised level of external income	+£2.379m gross -£2.379m income
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Realignment of Property Related Budgets to take account of changes in expected levels of income	-£0.179m income
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## 11 Revenue Budget Changes

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Formal virements, requiring approval:

Transfer from Highways, Transport & Waste Management Costs and commercial Operations in GET to Corporate Landlord in S&CS to reflect the transfer in responsibility of the remaining Highways Depots	+£0.398m gross -£0.600m income
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A budget transfer to the Infrastructure division in S&CS from FI&U to reflect where responsibility for budgets has transferred but there has been no change in policy	+£0.743m gross +£0.563m income
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### Financing Items & Unallocated

Gross increase £26.6m

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Technical adjustments, more accurately reflecting current levels of services and income to be received:

Additional Covid-19 Financial Support Grant received in April 2020, transferred to the Covid-19 Reserve	+£27.934m gross
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Formal virements, requiring approval:

A budget transfer from FI&U to the Infrastructure division in S&CS to reflect where responsibility for budgets has transferred but there has been no change in policy	-£1.306m gross
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## 12 Capital Budget Changes

**Cabinet is asked to note the following changes to the Capital Budget:**

### Growth, Environment & Transport

Project	Year	Amount £m	Reason
National Productivity Investment Fund	20-21	-0.090	Reduce developer contribution as this is now being delivered directly by the developer.
Kent Thameside Strategic Transport Programme	20-21	+0.225	Increase cash limit by the interest earned.
Housing Infrastructure Fund – Swale	20-21	+0.031	Increase cash limits to reflect funding available.

**Cabinet is asked to approve the below changes:**

### Growth, Environment & Transport

Project	Year	Amount £m	Reason
Integrated Transport Schemes	20-21	-0.100	Virement to Kent Thameside LSTF
Kent Thameside LSTF	20-21	+0.100	Virement from Integrated Transport Schemes
Green Corridors	20-21	+0.500	Additional grant
	21-22	+3.500	Additional grant
	22-23	+3.400	Additional grant
Manston Green	20-21	+1.213	Additional grant
	21-22	+4.215	Additional grant
	22-23	+0.834	Additional grant
	23-24	+0.028	Additional grant

## Appendix 1 - Key Service Summary

	Working Budget	Variance excl. Covid-19	Covid-19 Forecast	Variance incl. Covid-19
Community Based Preventative Services	13.4	-0.0	6.4	+6.4
Housing Related Support	7.0	+0.1	0.7	+0.7
Transfers to and from Reserves	-7.5	+0.0	0.0	+0.0
Strategic Management & Directorate Support (ASCH)	3.3	-2.2	13.5	+11.3
Social Support for Carers	3.0	-0.0	0.0	-0.0
Partnership Support Services	0.0	-0.0	0.0	-0.0
<b>Strategic Management &amp; Directorate Budgets</b>	<b>19.1</b>	<b>-2.1</b>	<b>20.5</b>	<b>+18.4</b>
Adult In House Carer Services	2.6	-0.1	0.0	-0.1
Adult In House Community Services	7.2	-0.3	0.0	-0.3
Adult In House Enablement Services	3.2	+0.1	0.0	0.1
Adult Learning Disability - Case Management & Assessment Service	5.8	-0.5	0.0	-0.5
Adult Learning Disability - Community Based Services & Support for Carers	79.5	+2.0	0.5	2.5
Adult Learning Disability - Residential Care Services & Support for Carers	61.0	+2.4	0.0	2.4
Adult Mental Health - Case Management & Assessment Services	9.8	-0.2	0.0	-0.1
Adult Mental Health - Community Based Services	6.3	+1.3	0.0	1.3
Adult Mental Health - Residential Care Services	13.0	+0.3	0.0	0.3
Adult Physical Disability - Community Based Services	17.3	+1.2	0.1	1.3
Adult Physical Disability - Residential Care Services	14.0	+2.0	0.0	2.0
ASCH Operations - Divisional Management & Support	0.5	-0.1	0.0	-0.1
Looked After Children (with Disability) - In House Provision	2.8	+0.0	0.0	0.0
Older People - Community Based Services	37.5	+5.7	1.9	7.5
Older People - In House Provision	15.8	-0.1	0.0	-0.1
Older People - Residential Care Services	51.1	-4.8	2.0	-2.8
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	24.7	+0.1	0.1	0.2
Older People & Physical Disability - In House Community Homecare Service	4.0	+0.0	0.0	0.1
Older People & Physical Disability Carer Support - Commissioned	0.6	-0.4	0.0	-0.4
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	6.4	-0.3	0.0	-0.3
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.2	-0.2	0.0	-0.2
Sensory & Autism - Assessment Service	1.9	+0.0	0.0	0.0
Service Provision - Divisional Management & Support	0.7	+0.2	0.0	0.2
<b>Adult Social Care &amp; Health Operations</b>	<b>367.0</b>	<b>+8.3</b>	<b>4.7</b>	<b>+13.0</b>
Adaptive & Assistive Technology	2.7	-0.7	1.3	0.5
Safeguarding Adults	0.4	+0.0	0.0	0.0
Statutory and Policy Support	1.7	-0.1	0.0	-0.1
<b>Strategic Safeguarding, Practice and Quality Assurance</b>	<b>4.8</b>	<b>-0.8</b>	<b>1.3</b>	<b>0.4</b>
Business Delivery	7.9	-1.6	2.9	+1.3
<b>Adult Social Care &amp; Health</b>	<b>398.8</b>	<b>+3.8</b>	<b>29.4</b>	<b>+33.2</b>



## Appendix 1 - Key Service Summary

	Working Budget	Variance excl. Covid-19	Covid-19 Forecast	Variance incl. Covid-19
Strategic Management & Directorate Budgets	4.2	+0.2	0.0	+0.2
Community Learning & Skills (CLS)	-0.7	+0.0	0.8	0.8
Early Years Education	0.0	+0.0	0.0	0.0
Education Management & Division Support	0.9	+0.2	0.0	0.2
Education Services provided by The Education People	3.9	+0.1	2.0	2.1
Fair Access & Planning Services	0.0	+0.0	0.0	0.0
Home to School & College Transport	44.3	+0.2	-0.1	0.1
Other School Services	-1.1	+0.4	3.4	3.8
<b>Education</b>	<b>47.3</b>	<b>+0.9</b>	<b>6.1</b>	<b>+7.1</b>
Adoption & Special Guardianship Arrangements & Service	14.8	+0.1	0.0	0.1
Asylum	-0.1	-0.0	1.0	1.0
Care Leavers Service	7.5	+0.0	0.0	0.0
Children in Need - Care & Support	3.3	-0.1	0.0	-0.1
Children's Centres	3.6	+0.2	0.0	0.2
Children's Social Work Services - Assessment & Safeguarding Service	47.0	-0.0	0.0	0.0
Early Help & Preventative Services	6.8	-0.1	0.0	-0.1
Integrated Services (Children's) Management & Directorate Support	5.0	-0.2	0.1	-0.1
Looked After Children - Care & Support	60.4	+5.1	6.2	11.3
Pupil Referral Units & Inclusion	0.0	+0.0	0.5	0.5
Youth Services	4.5	+0.2	0.1	0.3
<b>Integrated Children's Services (East &amp; West)</b>	<b>152.9</b>	<b>+5.3</b>	<b>7.9</b>	<b>+13.2</b>
Adult Learning & Physical Disability Pathway - Community Based Services	26.7	-0.7	0.0	-0.7
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	8.3	+1.2	0.0	1.2
Children in Need (Disability) - Care & Support	5.3	-0.6	0.0	-0.6
Children's Disability 0-18 Commissioning	1.7	+0.0	0.0	0.0
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7.9	-0.2	0.0	-0.2
Looked After Children (with Disability) - Care & Support	9.9	+0.7	0.1	0.7
Special Educational Needs & Psychology Services	9.5	+0.7	0.0	0.7
<b>Special Educational Needs &amp; Disabilities</b>	<b>69.3</b>	<b>+1.2</b>	<b>0.1</b>	<b>+1.3</b>
<b>Children, Young People &amp; Education</b>	<b>273.7</b>	<b>+7.7</b>	<b>14.1</b>	<b>+21.8</b>

## Appendix 1 - Key Service Summary

	Working Budget	Variance excl. Covid-19	Covid-19 Forecast	Variance incl. Covid-19
Strategic Management & Directorate Budgets	1.6	-0.0	0.0	-0.0
Arts	1.4	+0.0	0.2	0.3
Economic Development	2.9	-0.1	0.2	0.1
Economic Development	4.4	-0.0	0.4	0.4
Highway Transportation (including School Crossing Patrols)	5.6	-0.1	0.0	-0.1
Highway Asset Management (Roads and Footways)	13.3	+0.2	-0.4	-0.2
Highway Asset Management (Other)	17.6	+0.1	-0.7	-0.5
Subsidised Buses and Community Transport	6.5	-0.0	1.1	1.1
Concessionary Fares	17.2	-0.0	0.1	0.0
Kent Travel Saver	8.1	-0.0	2.5	2.5
Residual Waste	40.1	-0.4	-0.3	-0.7
Waste Facilities & Recycling Centres	32.9	+0.6	0.4	0.9
Highways, Transport & Waste Management Costs and Commercial Operations	5.8	+0.2	-0.2	0.0
Highways, Transportation & Waste	147.1	+0.6	2.5	3.1
Environment & Planning	5.4	+0.2	0.6	0.9
Environment, Planning & Enforcement Management Costs	0.7	+0.0	2.0	2.0
Public Protection (Enforcement)	10.9	+0.1	0.6	0.6
Environment, Planning & Enforcement	17.0	+0.3	3.2	3.5
Libraries, Registration & Archives	9.1	-0.0	3.0	3.0
<b>Growth, Environment &amp; Transport</b>	<b>179.1</b>	<b>+0.9</b>	<b>9.1</b>	<b>+10.0</b>

## Appendix 1 - Key Service Summary

	Working Budget	Variance excl. Covid-19	Covid-19 Forecast	Variance incl. Covid-19
Strategic Management & Directorate Budgets	-1.2	-0.0	0.0	-0.0
Customer Contact, Communications & Consultations	5.4	+0.1	0.8	1.0
Human Resources related services	7.7	-0.1	0.0	-0.1
People & Communication	13.1	+0.0	0.8	0.9
Finance	10.1	+0.1	0.0	0.1
Governance & Law	6.1	+0.0	-0.2	-0.2
Local Member Grants	1.6	+0.0	0.1	0.1
Governance, Law & Democracy	7.7	+0.0	-0.1	-0.1
ICT related services	16.6	-0.1	3.3	3.2
Property related services	5.7	+0.2	1.0	1.2
Infrastructure	22.2	+0.1	4.3	4.4
Corporate Landlord	21.8	+2.1	2.9	5.0
Strategic Commissioning	7.8	-0.0	5.0	5.0
Public Health - Advice and Other Staffing	0.0	-0.0	0.1	0.1
Public Health - Children's Programme	0.0	-0.0	0.1	0.0
Public Health - Healthy Lifestyles	0.0	+0.0	0.6	0.6
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	-0.0	0.2	0.2
Public Health - Sexual Health	0.0	+0.0	0.2	0.2
Strategic Commissioning including Public Health	7.8	-0.0	6.1	6.1
Strategy, Policy, Relationships & Corporate Assurance	1.8	+0.2	0.0	0.2
<b>Total - Strategic &amp; Corporate Services</b>	<b>83.4</b>	<b>+2.5</b>	<b>14.0</b>	<b>+16.5</b>

Appendix 1 - Key Service Summary

	Working Budget	Variance excl. Covid-19	Covid-19 Forecast	Variance incl. Covid-19
Financing Items & Unallocated	156.6	-0.3	9.8	+9.6
Total excluding Schools' Delegated Budgets	1,091.6	+14.6	76.4	+91.0
Schools' Delegated Budgets	0.0	+30.5	0.0	+30.5
Total including Schools' Delegated Budgets	1,091.6	+45.1	76.4	+121.5

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Community Based Preventative Services	18.8	-5.4	13.4	18.6	-5.3	13.4	-0.1	0.1	0.0
Housing Related Support	8.4	-1.4	7.0	8.4	-1.4	7.0	0.0	0.0	0.0
Transfers to and from Reserves	-7.5	+0.0	-7.5	-7.5	+0.0	-7.5	0.0	0.0	0.0
Strategic Management & Directorate Support (ASCH)	3.5	-0.2	3.3	3.5	-0.2	3.3	0.0	0.0	0.0
Social Support for Carers	4.7	-1.7	3.0	4.7	-1.7	3.0	0.0	0.0	0.0
Partnership Support Services	10.4	-10.4	0.0	10.4	-10.4	0.0	0.0	0.0	0.0
<b>Strategic Management &amp; Directorate Budgets</b>	<b>38.3</b>	<b>-19.2</b>	<b>19.1</b>	<b>38.2</b>	<b>-19.1</b>	<b>19.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>
Adult In House Carer Services	2.6	+0.0	2.6	2.6	+0.0	2.6	-0.0	0.0	-0.0
Adult In House Community Services	7.3	-0.1	7.2	7.3	-0.1	7.2	-0.0	0.0	-0.0
Adult In House Enablement Services	9.0	-5.8	3.2	8.9	-5.8	3.2	-0.0	0.0	-0.0
Adult Learning Disability - Case Management & Assessment Service	6.1	-0.3	5.8	6.1	-0.3	5.8	-0.0	0.0	0.0
Adult Learning Disability - Community Based Services & Support for Carers	87.3	-7.3	80.0	88.6	-9.1	79.5	1.2	-1.8	-0.5
Adult Learning Disability - Residential Care Services & Support for Carers	66.5	-5.5	61.0	66.5	-5.5	61.0	-0.0	0.0	-0.0
Adult Mental Health - Case Management & Assessment Services	10.4	-0.3	10.1	10.1	-0.3	9.8	-0.3	0.0	-0.3
Adult Mental Health - Community Based Services	6.7	-0.5	6.2	6.8	-0.5	6.3	0.1	0.0	0.1
Adult Mental Health - Residential Care Services	14.1	-0.8	13.3	13.8	-0.8	13.0	-0.3	0.0	-0.3
Adult Physical Disability - Community Based Services	20.5	-3.1	17.3	20.5	-3.1	17.3	0.0	0.0	0.0
Adult Physical Disability - Residential Care Services	16.4	-2.4	14.0	16.4	-2.4	14.0	-0.0	0.0	-0.0
ASCH Operations - Divisional Management & Support	0.5	+0.0	0.5	0.5	+0.0	0.5	0.0	0.0	0.0
Looked After Children (with Disability) - In House Provision	3.8	-1.0	2.8	4.6	-1.8	2.8	0.8	-0.8	0.0
Older People - Community Based Services	62.6	-25.1	37.4	61.8	-24.3	37.5	-0.7	0.8	0.1
Older People - In House Provision	25.2	-9.4	15.8	25.2	-9.4	15.8	0.0	0.0	0.0
Older People - Residential Care Services	103.9	-52.8	51.1	102.9	-51.8	51.1	-1.0	1.0	0.0
Older People & Physical Disability - Assessment and Deprivation of Liberty Safeguards Services	27.2	-2.5	24.7	27.5	-2.8	24.7	0.3	-0.3	-0.0
Older People & Physical Disability - In House Community Homecare Service	9.7	-5.8	3.9	9.8	-5.8	4.0	0.1	0.0	0.1
Older People & Physical Disability Carer Support - Commissioned	2.1	-1.5	0.6	2.2	-1.6	0.6	0.0	-0.0	0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Community Based Services	7.3	-0.8	6.5	7.2	-0.8	6.4	-0.0	0.0	-0.0
Physical Disability 26+ Lifespan Pathway & Sensory and Autism 18+ - Residential Care Services	1.3	-0.1	1.2	1.3	-0.1	1.2	0.0	0.0	0.0
Sensory & Autism - Assessment Service	1.9	+0.0	1.9	1.9	+0.0	1.9	0.0	0.0	0.0
Service Provision - Divisional Management & Support	0.7	+0.0	0.7	0.7	+0.0	0.7	0.0	0.0	0.0
<b>Adult Social Care &amp; Health Operations</b>	<b>492.9</b>	<b>-125.1</b>	<b>367.8</b>	<b>493.1</b>	<b>-126.2</b>	<b>367.0</b>	<b>0.2</b>	<b>-1.0</b>	<b>-0.8</b>
Adaptive & Assistive Technology	9.8	-7.0	2.7	9.9	-7.1	2.7	0.1	-0.1	0.0
Safeguarding Adults	0.5	-0.2	0.4	0.5	-0.2	0.4	0.0	0.0	0.0
Statutory and Policy Support	2.1	-0.2	1.9	1.9	-0.2	1.7	-0.2	0.0	-0.2
<b>Strategic Safeguarding, Practice and Quality Assurance</b>	<b>12.4</b>	<b>-7.4</b>	<b>5.0</b>	<b>12.3</b>	<b>-7.5</b>	<b>4.8</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>
Business Delivery	8.0	-0.4	7.6	8.3	-0.4	7.9	0.3	0.0	0.3
<b>Adult Social Care &amp; Health</b>	<b>551.6</b>	<b>-152.1</b>	<b>399.5</b>	<b>551.9</b>	<b>-153.1</b>	<b>398.8</b>	<b>0.3</b>	<b>-1.0</b>	<b>-0.7</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	8.0	-3.9	4.2	8.0	-3.9	4.2	0.0	0.0	0.0
Community Learning & Skills (CLS)	13.2	-14.0	-0.7	13.1	-13.9	-0.7	-0.1	0.1	-0.0
Early Years Education	73.0	-73.0	0.0	73.0	-73.0	0.0	-0.0	0.0	0.0
Education Management & Division Support	2.2	-1.2	0.9	2.2	-1.2	0.9	0.0	0.0	0.0
Education Services provided by The Education People	9.0	-5.1	3.9	9.0	-5.1	3.9	0.0	0.0	0.0
Fair Access & Planning Services	2.9	-2.9	0.0	2.9	-2.9	0.0	-0.0	0.0	-0.0
Home to School & College Transport	47.7	-3.4	44.3	47.7	-3.4	44.3	0.0	0.0	0.0
Other School Services	39.2	-40.3	-1.1	36.4	-37.5	-1.1	-2.8	2.8	0.0
Education	187.1	-139.7	47.3	184.2	-136.8	47.3	-2.9	2.9	-0.0
Adoption & Special Guardianship Arrangements & Service	14.9	-0.1	14.8	14.9	-0.1	14.8	-0.0	0.0	-0.0
Asylum	18.3	-18.3	0.0	18.4	-18.5	-0.1	0.1	-0.1	-0.1
Care Leavers Service	10.7	-3.2	7.5	10.9	-3.4	7.5	0.3	-0.2	0.1
Children in Need - Care & Support	3.3	-0.0	3.3	3.3	-0.0	3.3	0.0	0.0	0.0
Children's Centres	7.6	-4.0	3.6	7.6	-4.0	3.6	-0.0	0.0	-0.0
Children's Social Work Services - Assessment & Safeguarding Service	50.3	-3.3	47.0	50.3	-3.3	47.0	-0.0	0.0	-0.0
Early Help & Preventative Services	16.4	-9.6	6.8	16.4	-9.6	6.8	-0.0	0.0	-0.0
Integrated Services (Children's) Management & Directorate Support	7.5	-2.5	5.0	7.5	-2.5	5.0	-0.0	0.0	-0.0
Looked After Children - Care & Support	64.8	-4.4	60.4	64.8	-4.4	60.4	-0.0	0.0	-0.0
Pupil Referral Units & Inclusion	8.6	-8.6	0.0	8.4	-8.4	0.0	-0.2	0.2	-0.0
Youth Services	7.1	-2.5	4.5	7.1	-2.5	4.5	0.0	0.0	0.0
Integrated Children's Services (East & West)	209.5	-56.7	152.9	209.7	-56.8	152.9	0.1	-0.1	-0.0
Adult Learning & Physical Disability Pathway - Community Based Services	27.5	-1.1	26.3	27.8	-1.1	26.7	0.3	0.0	0.3
Adult Learning & Physical Disability Pathway - Residential Care Services & Support for Carers	8.5	-0.5	7.9	8.8	-0.5	8.3	0.4	0.0	0.4
Children in Need (Disability) - Care & Support	5.3	-0.0	5.3	5.3	-0.0	5.3	0.0	0.0	0.0
Children's Disability 0-18 Commissioning	1.8	-0.1	1.7	1.8	-0.1	1.7	0.0	0.0	0.0
Disabled Children & Young People Service (0-25 LD & Complex PD) - Assessment Service	7.9	+0.0	7.9	7.9	+0.0	7.9	-0.0	0.0	-0.0
Looked After Children (with Disability) - Care & Support	11.7	-1.8	9.9	11.7	-1.8	9.9	0.0	0.0	0.0
Special Educational Needs & Psychology Services	81.0	-71.5	9.5	80.8	-71.3	9.5	-0.2	0.2	-0.0
Special Educational Needs & Disabilities	143.6	-75.0	68.6	144.1	-74.8	69.3	0.5	0.2	0.7
<b>Children, Young People &amp; Education</b>	<b>548.3</b>	<b>-275.2</b>	<b>273.0</b>	<b>546.0</b>	<b>-272.3</b>	<b>273.7</b>	<b>-2.3</b>	<b>3.0</b>	<b>0.7</b>

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	1.6	-0.1	1.6	1.6	-0.1	1.6	0.0	0.0	0.0
Arts	1.5	-0.1	1.4	1.5	-0.1	1.4	0.0	0.0	0.0
Economic Development	5.2	-2.3	2.9	5.2	-2.3	2.9	-0.0	0.0	-0.0
Economic Development	6.8	-2.4	4.4	6.8	-2.4	4.4	-0.0	0.0	-0.0
Highway Transportation (including School Crossing Patrols)	8.4	-2.8	5.6	8.4	-2.8	5.6	-0.0	0.0	-0.0
Highway Asset Management (Roads and Footways)	13.3	+0.0	13.3	13.3	+0.0	13.3	-0.0	0.0	-0.0
Highway Asset Management (Other)	21.6	-4.0	17.6	21.6	-4.0	17.6	-0.0	0.0	-0.0
Subsidised Buses and Community Transport	10.0	-3.5	6.5	10.0	-3.5	6.5	0.0	0.0	0.0
Concessionary Fares	17.3	-0.0	17.2	17.3	-0.0	17.2	0.0	0.0	0.0
Kent Travel Saver	15.5	-7.4	8.1	15.5	-7.4	8.1	0.0	0.0	0.0
Residual Waste	40.5	-0.4	40.1	40.5	-0.4	40.1	0.0	0.0	0.0
Waste Facilities & Recycling Centres	35.1	-2.1	32.9	35.1	-2.1	32.9	0.0	0.0	0.0
Highways, Transport & Waste Management Costs and Commercial Operations	8.2	-2.7	5.6	7.9	-2.1	5.8	-0.4	0.6	0.2
Highways, Transportation & Waste	169.8	-22.9	146.9	169.4	-22.3	147.1	-0.4	0.6	0.2
Environment & Planning	15.7	-10.3	5.4	16.3	-10.9	5.4	0.6	-0.6	-0.0
Environment, Planning & Enforcement Management Costs	0.7	-0.0	0.7	0.7	-0.0	0.7	0.0	0.0	0.0
Public Protection (Enforcement)	13.8	-3.0	10.9	13.8	-3.0	10.9	-0.0	0.0	-0.0
Environment, Planning & Enforcement	30.2	-13.2	17.0	30.8	-13.8	17.0	0.6	-0.6	-0.0
Libraries, Registration & Archives	15.5	-6.4	9.1	15.5	-6.4	9.1	0.0	0.0	0.0
Growth, Environment & Transport	224.0	-45.0	178.9	224.2	-45.0	179.1	0.2	0.0	0.2

## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Strategic Management & Directorate Budgets	3.4	-4.7	-1.2	3.4	-4.7	-1.2	0.0	0.0	0.0
Customer Contact, Communications & Consultations	6.0	-0.6	5.4	6.0	-0.6	5.4	0.0	0.0	0.0
Human Resources related services	8.7	-1.0	7.7	8.7	-1.0	7.7	0.0	0.0	0.0
People & Communication	14.7	-1.5	13.1	14.7	-1.5	13.1	0.0	0.0	0.0
Finance	16.6	-6.5	10.1	16.6	-6.5	10.1	0.0	-0.0	-0.0
Governance & Law	6.5	-0.3	6.1	6.5	-0.3	6.1	-0.0	0.0	-0.0
Local Member Grants	1.6	+0.0	1.6	1.6	+0.0	1.6	0.0	0.0	0.0
Governance, Law & Democracy	8.1	-0.3	7.7	8.1	-0.3	7.7	-0.0	0.0	-0.0
ICT related services	19.5	-3.0	16.5	19.6	-3.0	16.6	0.0	0.0	0.0
Property related services	7.3	-2.2	5.1	7.9	-2.2	5.7	0.6	0.0	0.6
Infrastructure	26.9	-5.3	21.6	27.5	-5.3	22.2	0.6	0.0	0.6
Corporate Landlord	28.7	-7.4	21.3	29.4	-7.6	21.8	0.7	-0.2	0.5
Strategic Commissioning	8.5	-0.7	7.8	8.5	-0.8	7.8	0.1	-0.1	-0.0
Public Health - Advice and Other Staffing	3.9	-3.9	0.0	4.2	-4.2	0.0	0.3	-0.3	0.0
Public Health - Children's Programme	32.7	-32.7	0.0	32.4	-32.4	0.0	-0.3	0.3	0.0
Public Health - Healthy Lifestyles	7.8	-7.8	0.0	8.5	-8.5	0.0	0.7	-0.7	0.0
Public Health - Mental Health, Substance Misuse & Community Safety	11.7	-11.7	0.0	12.6	-12.6	0.0	0.9	-0.9	0.0
Public Health - Sexual Health	13.3	-13.3	0.0	14.0	-14.0	0.0	0.7	-0.7	0.0
Strategic Commissioning including Public Health	77.8	-70.0	7.8	80.2	-72.5	7.8	2.4	-2.4	-0.0
Strategy, Policy, Relationships & Corporate Assurance	3.5	-1.7	1.8	3.5	-1.7	1.8	0.0	0.0	0.0
<b>Total - Strategic &amp; Corporate Services</b>	<b>179.6</b>	<b>-97.3</b>	<b>82.3</b>	<b>183.4</b>	<b>-100.0</b>	<b>83.4</b>	<b>3.8</b>	<b>-2.7</b>	<b>1.1</b>



## Appendix 2 - Revenue Budget Changes

	Base Budget			Working Budget			Movement		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
Financing Items & Unallocated	148.9	-19.0	130.0	175.6	-19.0	156.6	26.6	0.0	26.6
Total excluding Schools' Delegated Budgets	1,652.4	-588.7	1,063.7	1,681.0	-589.4	1,091.6	28.6	-0.7	27.9
Schools' Delegated Budgets	687.9	-687.9	0.0	675.1	-675.1	0.0	-12.7	12.7	0.0
Total including Schools' Delegated Budgets	2,340.2	-1,276.6	1,063.7	2,356.1	-1,264.5	1,091.6	15.9	12.0	27.9

The £27.9m increase in the Net budget is due to the additional Covid-19 Financial Support Grant received in April 2020

**Prudential Indicator 1 : Estimates of Capital Expenditure (£m)**

	19-20 Actuals	20-21 Budget	20-21 Forecast
Total	241.53	471.9	446.65

**Prudential Indicator 2: Estimate of Capital Financing Requirement (CFR) (£m)**

	19-20 Actuals	20-21 Budget	20-21 Forecast
Total CFR	1,284.96	1,433.80	1,423.21

**Prudential Indicator 3: Gross Debt and the Capital Financing Requirement (£m)**

	19-20 Actuals	20-21 Budget	20-21 Forecast
Other Long-term Liabilities	245.20	254.90	245.20
External Borrowing	883.82	944.00	944.00
Total Debt	1,129.02	1,198.90	1,189.20
Capital Financing Requirement	1,284.96	1,433.80	1,423.21
Internal Borrowing	155.94	234.90	234.01

**Prudential Indicator 4 : Authorised Limit and Operation Boundary for External Debt (£m)**

	19-20 Limit	20-21 Limit	20-21 Position
Authorised Limit - borrowing	1,013	1,050	882
Authorised Limit - PFI and leases	263	246	246
Authorised Limit - total external debt	1,276	1,296	1,128
Operational Boundary - borrowing	988	995	882
Operational Boundary - PFI and leases	263	246	246
Operation Boundary - total external debt	1,251	1,241	1,128

**Prudential Indicator 5: Proportion of Finance Costs to Net Revenue Stream (%)**

	19-20 Actual	20-21 Budget	20-21 Forecast
Proportion of net revenue stream	10.81%	10.30%	11.60%