

From: Deputy Leader, Brian Collins
Corporate Director Finance, Brendan Arnold

To: Cabinet, 25 June 2026

Subject: Revenue and Capital Budget Monitoring Report – Outturn 2025-26

Classification: Unrestricted

Summary:

The attached report sets out the revenue and capital budget monitoring outturn position in 2025-26, savings delivery in 2025-26 and the reserves and prudential indicators position as at 31 March 2026.

Recommendation(s):

Cabinet is asked to:

- a) NOTE the capital and revenue outturn position for 2025-26
- b) AGREE that £0.8 million is rolled forward to fund existing criteria (see [Roll forward requests](#))
- c) AGREE that £0.3 million is rolled forward to fund member grants (see [Roll forward requests](#))
- d) AGREE the drawing down from General Fund Reserves to fund the 2025-26 overspend
- e) AGREE the capital slippage/re-phasing from 2025-26 will be added to the 2026-27 and later years capital budgets (as per [Section 4](#))
- f) NOTE the review of the capital programme (as per [Section 4](#))
- g) AGREE the proposed capital cash limit changes (as per [Section 4](#))
- h) AGREE the changes made as a result of the Reserves Review (see [Reserves](#))

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About this report

Finance report updates on the monitoring of the in-year revenue and capital budget position to Cabinet on a quarterly basis. This report presents the outturn position for the financial year 2025-26.

From a revenue perspective, there are detailed sections covering the revenue outturn position and variance against the net budget for each Directorate and a summary of the delivery of savings and additional income against targets set in the Medium Term Financial Plan (MTFP). Delivery of savings is a crucial component of the Council's outturn position. The Strategic Reset Programme (SRP) has monitored key savings, working alongside the Directorates, Finance Business Partners and performance and analytics. Also included within the revenue section is the outturn position for Schools' Delegated Budgets.

Similar information is provided for the capital outturn position. Variances are shown either as a real or rephasing variance. A real variance affects the total cost of a capital project and a rephasing is because of a change in timescale for the delivery of a project, often due to slippage in the capital programme where spending is delayed until future years and reprofiled accordingly.

The report also contains more detailed information on the reserves position at 31 March 2026 and monitoring of prudential indicators.

There are a series of recommendations for the Cabinet committee to consider and approve covering reserves, rolling forward committed spend into the 2026-27 budget, and agreeing the rephasing of the capital programme.

The revenue position

The 2025-26 budget included significant growth. Council Tax and other general funding in the approved budget went into adult social care, children's social care and home to school transport. Adults received their share of targeted grants and Council Tax plus a share of general Council

Tax grants. Home to school transport and all other services are funded from general Council Tax and grants with no targeted funding.

The total budget for 2025-26 was £1,531.9m. The outturn variance against this budget is an overspend of £21.6m before roll forwards, which represents 1.4% of the overall net revenue budget.

When the council overspends, it must fund that overspend from reserves.

Any overspend is a concern for the authority and presents a serious risk to the Council's future financial sustainability, as drawdowns from reserves weaken the Council's financial resilience and increase the requirement to replenish reserves in future years.

Each of the quarterly reports in 2025-26 indicated that the council would overspend. Throughout the organisation, spending controls have been in place to reduce the need to drawdown from reserves as much as possible. For example, levels of approval have been required for any recruitment activity, requisitions have been reviewed for appropriateness and compliance with spending control requirements and managers wanting to hire agency staff for more than three months, or to extend a current worker's assignment beyond three months have needed to submit a business case for review.

The work throughout the organisation on spending controls during the year has contributed to mitigating the level of the overspend, and the outturn position shows an improvement of just under £14m compared to the Quarter 3 report.

The most significant overspend is in Adult Social Care & Health (ASCH), totalling £42.9m. The financial challenges facing social care are similar to many upper-tier local authorities.

Approaching 50% of the ASCH overspend relates to non-delivery of savings, however much of this has been identified as achievable in future years. The remainder is largely driven by increases in costs (both complexity and inflationary) to deliver social care placements from

providers. This continues to be the case despite the increase in the number of clients remaining relatively modest.

There is a small overspend in Children, Young People & Education (CYPE), where higher costs of packages for looked after children, specifically residential has caused an overspend of £10.7m, compensated by an underspend of £9m on Home to School Transport.

The rest of the Council's directorates (Growth Environment & Transport (GET), the Chief Executive's Department (CED), the Deputy Chief Executive's Department (DCED) and Non Attributable Costs (NAC) have delivered underspends, helping to reduce the overall Council's position.

A table by directorate is shown at the beginning of [Section 1](#).

Each directorate is broken down into Divisions and Key Services. Each directorate has its own set of section within the report presenting the outturn position by Division and providing explanation of the significant variances. A Key Service statement is available in [Appendix 1](#). Information on what each Key Service is responsible for can be found in the Budget Book.

Savings and additional income

The 2025-26 budget included the requirement to deliver savings and additional income of £99.0m, this is comprised of £96.0m in the MTFP reduced by increases in grant of £35.0m and removal of one-off savings of £38m. A further £22.5m of undelivered savings from the previous year are included in the 2025-26 Savings Target, increasing the total requirement to £121.5m.

In total, £98.6m of savings and additional income was achieved in 2025-26, including £3.3m of alternative savings identified and delivered compared to the original planned saving. £13.3m of the undelivered savings are expected to be achieved in future years and have been rolled into the 2026-27 budget.

Roll forward requests

Roll forward requests carry unspent budget allocations from one financial year to the next, typically because funds are still needed for committed or planned activities. The requests received from Directorates at the end of 2025-26 meet our predefined criteria and are in line with previous years. These roll forwards will ensure that funding for ongoing projects or contractual obligations continues.

The total of all of the roll forward requests is £1.1m and are recommended to be approved by Cabinet. Details of the roll forwards in [Section 1g](#) of the report.

Within the £1.1m is the roll forward of unspent Member Grants of £0.3m.

The £1.1m is included in the total overspend figure of £22.7m, which represents 1.5% of the overall net revenue budget.

Reserves and funding the revenue overspend

The '[Revenue by directorate](#)' summary table sets out the position at the end of 2025-26 and how the overspend is funded from General Fund reserves, which needs to be approved by Cabinet.

During 2025-26, a reserves review transferred £1.2m surplus balance from Smoothing reserves to the General Fund. As at 31 March 2026, after funding the overspend, the General Fund reserve balance is £66.0m and the earmarked reserves balance is £210.2m.

[Section 3](#) provides a table of reserves including narrative outlining movements during the year.

Schools' Delegated Budgets

Schools' Delegated Budgets' position is an overspend of £33.0m. This reflects the impact of high demand for additional special educational needs (SEN) support and greater demand for specialist provision. In 2022-23, the

Council entered into the Department for Education's (DfE) Safety Valve Programme for those Councils with the highest deficits to support the development of a sustainable plan for recovery. This includes annual funding from the DfE totalling £140m by 2027-28 to pay off part of the deficit, but only if the Council can demonstrate and deliver a credible plan. Over the same period, the Council is also expected to contribute towards the residual deficit estimated to total over £80m.

In 2025–26, the Council received £14.2m from the DfE (the fourth tranche of Safety Valve funding) and contributed £14.6m, helping to mitigate the accumulated DSG deficit.

Due to an accounting statutory override (until March 2028), DSG deficits are held in a separate unusable reserve. Councils are not expected to cover deficits in 2028–29 if they implement credible recovery plans to the DfE.

The DfE has introduced a High Needs Stability Grant, committing to write off 90% of the deficit (approx. £162.5m), subject to an approved SEN reform plan, with funding expected in Autumn 2026.

The previous Safety Valve Programme has therefore ended as at March 2026. Total DfE support (£99.4m) and council contributions (£61.1m) will together address the historic deficit, with the Council funding the remaining 10% (£29.1m) and holding any surplus in reserve for future DSG risks.

Despite progress, the DSG deficit remains a major financial risk due to uncertainty over future funding arrangements and reliance on successful delivery of the SEN reform plan. Councils must continue local cost-control actions and reporting to the DfE.

The capital position

The total approved General Fund capital programme including roll forwards for 2025-26 was £378.8m.

The capital programme spend for the year is £260.8m, which represents 69% of the approved budget. In addition to this, schools spend totalled

£12.4m and spend on Private Finance Initiatives (PFI) which are on the council's balance sheet totalled £2.9m.

The £105.8m underspend against the budget is split between a +£29.7m real variance and -£135.5m rephasing variance.

The 'Capital by directorate' table sets out the position at the end of 2025-26. The major in-year variances (real variances of over £0.1m and rephasing variances of over £1.0m) are also described by directorate within this section.

Summary

The 2025-26 outturn highlights another challenging financial year, with a revenue overspend of £22.7m (excluding schools) and a £33.0m overspend in Schools' Delegated Budgets. While Growth, Environment & Transport, the Chief Executive's Department, the Deputy Chief Executive's Department and Non Attributable Costs delivered underspends, Adult Social Care & Health has again faced substantial pressures due to rising demand, complexity and unachieved savings, and Children, Young People & Education has a small overspend.

The capital programme saw a large underspend of £105.8m, mainly due to project rephasing.

General Reserves will be below 5% of the 2025-6 net revenue budget as at 31 March 2026 after funding the in-year revenue overspend. However, once budgeted contributions are made as per the Medium Term Financial Plan (MTFP), and assuming no drawdowns are required to fund overspending in future years, the percentage is forecasted to be above 6% in 2026-27, increasing further in 2027-28 and 2028-29. This aligns with our aim that the Council holds General Reserves of at least 5% of our net revenue budget.

Therefore, despite the ongoing pressures the Council faces, the level of reserves is being maintained at a level where there is sufficient financial resilience.

The continuing growth of the Dedicated Schools deficit, now at £130.5m, remains the Council's most significant financial risk.

Section 1 | Revenue by directorate

The table below shows the outturn position before and after the impact of roll forwards, split by directorate. The final row shows the use of the General Fund reserve to fund the £22.7m overspend.

Each of the directorates has a colour theme which is used consistently in Finance reporting in the monitoring report and budget book.

All figures in £m

Directorate	Budget	Outturn	Variance	Variance % before roll forwards	Roll forwards	Revised variance after roll forwards
Adult Social Care & Health	701.6	744.5	+42.9	+6.1%	0.0	+42.9
Children, Young People & Education	374.3	375.2	+0.9	+0.2%	0.2	+1.1
Growth, Environment & Transport	204.9	202.3	-2.6	-1.3%	0.6	-2.0
Chief Executive's Department	59.2	56.1	-3.1	-5.3%	0.0	-3.1
Deputy Chief Executive's Department	56.5	54.5	-2.0	-3.6%	0.3	-1.7
Non Attributable Costs	133.7	120.9	-12.8	-9.6%	0.0	-12.8
Corporately Held Budgets	1.6	0.0	-1.6	-100%	0.0	-1.6
Total revenue position	1531.9	1553.4	+21.6	+1.4%	1.1	+22.7
Drawdown from the General Fund Reserve						-22.7
Schools' Delegated Budgets	0.0	33.0	+33.0			

1a | Adult Social Care & Health including Public Health

The table below shows the Adult Social Care & Health position by each of the five divisions.

All figures in £m

Division	Budget	Outturn	Variance
Adult Social Care (short-term support)	46.2	47.3	+1.1
Adult Social Care (long-term support)	620.2	666.9	+46.7
Strategic Management and Directorate Budgets (ASCH)	9.2	4.6	-4.6
Strategic Commissioning Integrated and Adults	25.9	25.6	-0.3
Public Health	0.0	0.0	0.0
Total before roll forwards	701.6	744.5	+42.9
Roll forwards			0.0
Total including roll forwards			+42.9

The 25-26 outturn variance for the Adult Social Care & Health directorate is a net overspend of +£42.9m after roll forwards.

+£20.7m relates to net savings not achieved during the year, leaving £22.2m of other service related pressures. -£40.3m of savings and income changes have been delivered during the year and also includes -£2m flexible use of capital receipts.

The most significant variances are in the following Key Services:

- **Older People – Residential Care Services: +25.4m**
+£6.9m pressure on this service line relates to in-year savings targets not being fully achieved, and +£19.8m due to higher than

budgeted demand, partly offset by lower than anticipated cost pressures. This includes +£1.3m from provider closures increasing placement costs, offset by -£1.0m from lower than budgeted bad debt provisions and -£0.4m from prior-year costs coming in below accruals.

- **Older People – Community Based Services: +17.5m**
Net pressure of +£1.4m reflects unmet in-year savings, alongside +£15.5m demand-led pressures in Community Based services, mainly from higher than budgeted Older Persons Homecare activity and costs. A further +£0.5m arises from prior-year costs exceeding accruals and +£0.1m higher bad debt provisions.
- **Adult Learning and Physical Disability Pathway - Community Based Services: -6.7m**
Underspends in younger adult Community Services (transferred into ASCH in 2025-26) continue trends seen in 2024-25, the 2025-26 variance is driven by activity and cost forecasts reducing late in 2024-25 after 2025-26 budgets were set.
- **Adult Learning Disability – Community Based Services & Support for Carers: +6.2m**
+£7.7m pressure on this service line relates to non-delivery of in-year savings targets and +£0.1m from contributions to the provision for bad and doubtful debts being higher than budgeted for. Above pressures are partly offset by -£0.6m from outstanding costs from the previous financial year being lower than accrued for, alongside -£1.0m in underspends across Learning Disability Community based services.
- **Innovation and Partnership: -2.9m**
Underspend mainly due to -£2.0m in capital funding contributions.
- **Adult Physical Disability – Residential Care Services: +2.7m**
Pressures due to combination of both activity and cost pressures above budgeted levels.
- **Adult Mental Health - Community Based Services: -2.2m**

Underspends across community services, predominantly on Direct Payments.

- **Adult Mental Health – Residential Care Services: +2.1m**
Pressures due to activity pressures above budgeted levels.

A breakdown by Key Service is available in [Appendix 1](#).

1b | Children, Young People & Education

The table below shows the Children, Young People & Education position by each of the four divisions.

All figures in £m

Division	Budget	Outturn	Variance
Education and Special Needs	104.7	95.6	-9.1
Strategic Management and Directorate Budgets (CYPE)	5.0	4.3	-0.7
Children's Countywide Services	106.3	111.8	+5.5
Operational Integrated Children's Services	158.3	163.5	+5.2
Total before roll forwards	374.3	375.2	+0.9
Roll forwards			0.2
Total including roll forwards			+1.1

The 25-26 outturn variance for the Children, Young People & Education directorate is a net overspend of +£1.1m after roll forwards.

This is formed from several significant variances. Children's Countywide Services and Operational Integrated Children's Services has a net overspend of +£10.7m, mainly related the higher costs of packages for looked after children resulting from the high cost of placements, specifically residential. Education & Special Educational Needs has a net underspend of -£9m mainly on Home to School Transport.

The most significant variances are in the following Key Services:

- **Looked After Children - Care and Support (Placements): +13.7m**

This overspend is driven by faster-than-expected reductions in in-house foster placements and greater reliance on external provision, including IFAs and residential care. Health contributions

have fallen by £1.4m, while residential care costs rose 23% (Mar 2025–Mar 2026). Legal services also overspent by £0.6m due to sustained higher costs.

- **Home to School and College Transport: -10.4m**

The underspend reflects that savings achieved against last year's budget are ongoing and the contingency budget for higher price increases has not been required (£5m). A recent re-procurement of some SEN contracts has also resulted in higher savings that originally budgeted in the MTFP (estimated at £2.5m) with a further £0.3m underspend on PTBs. The cost of mainstream transport has also reduced year on year rather than increased as originally budgeted accounting for a further £2m underspend (with fewer travelling & lower average cost).

- **Looked After Children (with Disability) - Care and Support (Placements): +4.7m**

This is due to the high cost of packages within the service, particularly within residential care (for example £2.4m of this spend relates to one child with specific needs). The contributions from health & education have reduced £0.8m compared to 24-25. The number of disabled LAC has remained steady during the year.

- **Early Help and Preventative Services: -3.9m**

Use of Children & Families Prevention Grant to fund early help services in line with grant conditions.

- **Children's SW Services - Assessment and Safeguarding Service (Operational Teams): -2.8m**

Underspends across various social work teams with vacancies being held where possible until after the end of the financial year. Use of one-off grant income (-£1.4m)

- **Children in Need Dis - Care and Support (payments and commissioned services): +1.7**

This overspend relates to the increased cost and usage of daycare/homecare services, which has been partly offset by an underspend in direct payments

- **Family Hubs: -1.3m**

Most of this underspend is due to use of additional grant income to fund eligible existing services in line with grant conditions along with holding of vacancies where possible until the end of the financial year.

A breakdown by Key Service is available in [Appendix 1](#).

1c | Growth, Environment & Transport

The table below shows the Growth, Environment & Transport position by each of the four divisions.

Division	Budget	Outturn	Variance
Environment & Circular Economy	92.2	91.6	-0.5
Growth & Communities	32.3	28.1	-4.2
Highways & Transportation	78.9	81.1	+2.2
Strategic Management & Directorate Budgets	1.4	1.4	-0.1
Total before roll forwards	204.9	202.3	-2.6
Roll forwards			0.6
Total including roll forwards			-2.0

The 25-26 outturn variance for the Growth, Environment & Transport directorate is a net underspend of -£2.0m, after roll forwards of +£0.6m. This is an improvement of £2.3m since the last full monitoring report, predominantly due to the implementation and continued impact of the enhanced spending controls.

The most significant variances are in the following Key Services:

- Libraries, Registration & Archives: -£1.9m**
 Underspend comprises an agreed draw down from RFID reserve and a one-off contribution holiday for 2025-26 (-£0.7m in total), higher than budgeted levels of Registration and Citizenship income due to above budgeted demand for the service, alongside reduced spend in line with recent spending controls. Increased income targets have been reassessed in the 2026-27 budget, both in terms of an inflationary price uplift as well as budgeted activity levels given current and forecast demand.
- Community Protection: -£1.1m**

Underspend is mainly due to additional income within Trading Standards (-£0.7m) as well as high turnover of Coroners and Community Wardens staff leading to vacancy management savings on staff costs (-£0.6m). A reduction in NHS mortuary costs linked to lower than budgeted number of post-mortems carried out, therefore saving on pathologist costs (-£0.5m).

This underspend is slightly offset by pressures within Coroners for toxicology tests due to the upgrade of testing methods to improve turnaround times (+£0.2m), up-front cost of equipment purchases required to fulfil a newly obtained contract within Kent Scientific Services (+£0.4m) plus Trading Standards legal costs for long standing court case (+£0.2m).

- English National Concessionary Travel Scheme (ENCTS): +£1.1m**

Pressure resulting from higher than expected passenger growth significantly exceeding budgeted levels (+£0.8m). Passenger journeys have increased by approximately 5% following continued growing confidence in the use of public transport following the pandemic.

The ENCTS pressure has been further exacerbated due to increase in fare charges above budgeted rates (+£0.3m).

Both of these pressures have been realigned for 2026-27 as they represent unavoidable changes in the demand and pricing levels based on current budgeted activity levels.

- Highway Asset Management +£0.9m**

Increased demand for reactive works due to the condition of the highways network and necessary safety critical works, including road collapses and sink holes (Galley Hill and Road of Remembrance).

A breakdown by Key Service is available in [Appendix 1](#).

1d | Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the five divisions.

Division	Budget	Outturn	Variance
Finance	11.3	10.6	-0.7
Law	1.3	1.2	-0.1
Infrastructure	42.2	40.6	-1.6
Strategic Management and Directorate Budgets (CED)	-1.3	-1.4	-0.1
Strategic Policy Relationships and Corporate Assurance	5.8	5.1	-0.7
Total before roll forwards	59.2	56.1	-3.1
Roll forwards			0.0
Total including roll forwards			-3.1

The 2025-26 outturn variance for the Chief Executive's Department is a net underspend of -£3.1m with no roll forwards requested.

All divisions have underspent, due to actions taken by the services to reduce expenditure in line with the spending controls.

The most significant variances are in the following Key Services:

- Corporate Landlord: -0.7m**
 The underspend is the result of rate relief payments for several sites, combined with a number of back dated rent and service charges and lower utilities spend. These more than outweigh overspends caused by additional holding costs and loss of income for vacant sites; unplanned works, including the Portland Fire cleanup; additional FM expenditure; and higher legal costs due to a number of site disposals.

- Finance: -0.5m**
 The majority of the underspend is due to the impact of actions by the service to reduce expenditure in line with the spending controls, primarily through holding vacancies, as well as additional income generated by the Internal Audit function.
- Strategy, Policy, Relationships and Corporate Assurance: -0.5m**
 The variance is due to the impact of actions by the service to reduce expenditure in line with spending controls, primarily through holding vacancies.
- School Property Budgets: -0.4m**
 Additional expenditure on legal and abortive costs at multiple sites, as well as higher than expected expenditure at a number of individual school sites, is more than offset by reduced activity on building surveys, Basic Needs Feasibility Studies, Facilities Management and mobile classrooms.

A breakdown by Key Service is available in [Appendix 1](#).

1e | Deputy Chief Executive's Department

The table below shows the Chief Executive's Department position by each of the six divisions.

Division	Budget	Outturn	Variance
Commercial and Procurement	3.4	3.3	-0.1
Human Resources and Organisational Development	9.0	8.3	-0.7
Governance & Democracy	6.8	5.9	-0.9
Marketing and Resident Experience	7.1	7.1	0.0
Strategic Management and Directorate Budgets (DCED)	2.3	0.6	-1.6
Technology	27.9	29.3	+1.3
Total before roll forwards	56.5	54.5	-2.0
Roll forwards			+0.3
Total including roll forwards			-1.7

The 2025-26 outturn variance for the Deputy Chief Executive's Department is a net underspend of -£1.7m after roll forwards of £0.3m.

The most significant variances are in the following Key Services:

- **Technology: +1.3m**

The Technology overspend primarily relates to a new cap and collar arrangement with Cantium to support project resourcing, and shortfall in recovering Cantium resources +1.3m. This arrangement is being renegotiated for 2026-27 to ensure all costs are fully recoverable, and the appropriate level of resource is allocated. Overspends on ICT 3rd Party contacts, Managed Print, Mobile Handheld devices are partly offset by an underspend on ICT core client activity. This is a result of reduced expenditure on specialist fees and commissioned services and receipt of additional income.

The service is reviewing its recharge processes for both Managed Print and Mobile devices to ensure all costs are effectively reallocated to other directorates in future years.

- **Strategic Reset Programme: -1.4m**

Underspend on staffing is due to phasing of activity, and management action to reduce spend by deferring appointments to new posts.

- **Human Resources and Organisational Development: -0.6m**

Increased staffing expenditure is more than offset by an increased take up of salary sacrifice schemes leading to rebates, and additional income in Learning & Development. The implementation of spending controls has also resulted in savings in training budget costs.

- **Governance & Democracy: -0.6m**

In response to the KCC-wide request for management action to reduce spend, the service has deferred appointments to posts, as well as made savings in travel and reduced costs of appeals, which are due to the use of virtual hearings and existing internal resources. There is also an underspend in member allowances due to the extended time required to allocate new roles post-election.

- **Resident Experience - Contact Centre; Gateways; Customer care and Complaints: -0.4m**

Majority of the underspend is due to a reduction in costs as a result of a Gateway closing. Additional expenditure on the Customer Service Delivery team is offset by management action to defer appointment to posts in the Customer Feedback and associated teams.

A breakdown by Key Service is available in [Appendix 1](#).

1f | Non Attributable Costs including Corporately Held Budgets

The table below shows the Non Attributable Costs position, including Corporately Held Budgets:

Division	Budget	Outturn	Variance
Non Attributable Costs	133.7	120.9	-12.8
Corporately Held Budgets	1.6	0.0	-1.6
Total before roll forwards	135.3	120.9	-14.5
Roll forwards			0.0
Total including roll forwards			-14.5

Non Attributable Costs including Corporately Held Budgets' net underspend of £14.5m played a significant role in reducing the overall overspend in 2025-26.

The key variances are summarised below:

- Non Attributable Costs: -12.8m**
 Impact of slower than anticipated reductions in the Bank of England base rate meaning higher returns on our cash balances which is partially offset by higher interest payments to third parties. Cash balances were impacted by the upfront receipt of £52m Highways Maintenance grant from Government rather than the previous quarterly profile but were subsequently reduced by the early redemption of £50m of debt in September. The reduction in investment income as a result of the lower cash balances following the early debt repayment is more than offset by the discount and interest saved from repaying the loan early. The reported underspend also reflects savings in borrowing costs due to early repayment of a loan at the end of 2024-25 and another at the end of 2025-26, and contributions to debt costs from the Home Office grant related to the Unaccompanied Asylum Seeker reception centres and from CYPE directorate related to the development of in-house children's residential units.

It should be noted that the investment income forecast can be quite volatile due to the possibility of unforeseen fluctuations in our cash balances.

The outturn also includes a £0.6m reconciling adjustment for 2024-25 Business Rates Compensation Grant & Renewable Energy based on the provisional District Council NNDR3 returns published by Government in the autumn and £1.5m increase in the retained business rates levy for 2024-25. These figures are provisional until all Kent District Council accounts are signed off by their auditors so could still change.

The final outturn also includes a £5m underspend related to the flexible use of capital receipts.

- Corporately Held Budgets: -1.6m**
 Release of residual unallocated pay and employers' national insurance budget, which is included as a saving in the 2026-27 budget. The outturn reflects that the HR spans and layers saving from reviewing adherence to the Council's organisation design policy was undeliverable in 2025-26. Several reporting errors have been corrected that did not result in the deletion of roles. Service Directorates have committed to undertaking strategic workforce planning in the new year that present an opportunity to ensure compliance with the organisational design principles and an ability to identify the necessary reduction in managerial posts. The issue was discussed at CMT on 25th November 2025 who reiterated their commitment to the saving, and that this £0.5m in 2025-26 is to be rolled forward and added to the £1.5m for delivery in 2026-27. HR Business Partners will be working closely with DMT's to focus on the parts of the structure which are not currently compliant, and the results of this work will be taken back to CMT for agreement. At this stage it is not possible to say whether the total saving of £2m is achievable or what the split by directorate will be so this saving will continue to be held corporately until this work is complete and agreed by CMT.

A breakdown by Key Service is available in [Appendix 1](#).

1g | Roll forwards by directorate

The table on the right hand side summarises the roll forwards requests. There are 8 in total across the Children, Young People & Education, Growth Environment & Transport and the Deputy Chief Executive's Department, totalling £1.1m.

As the amounts are small, the table shows the requests round thousands (£000s) rather than millions.

£0.8m of the roll forwards relate to committed projects, and £0.3m new bids.

Roll forward	Description of roll forward	Amount (£000s)
South East Sector Led Improvement Programme (SESLIP)	SESLIP is a programme which KCC host from 2024-25. The roll forward relates to KCC's contribution into this programme and needs to be moved to next year for continuation of committed spend.	4
Regional Adoption Agency (RAA)	RAA is a joint venture between KCC, Medway Council and the London Borough of Bexley. KCC are the hosts. This is unspent funds contributed by the partners that will be used to pay for interagency fees in the coming year.	211
Total in Children, Young People & Education		215
Kent Resource Partnership	KCC's element of the Kent Resource Partnership underspend	93
Highways Winter Service	Per Key Decision *16/00076, any winter service budget underspend is treated as a committed roll forward, so that any additional funding is available in the following financial year for Highways Soft Landscaping maintenance.	275
United Circles project	Committed match-funding for on-going project delivery	11
Connect to Work - DWP Externally Funded Project	Committed match-funding for on-going project delivery	179
Skills Bootcamp - DWP Externally Funded Project	Committed match-funding for on-going project delivery	38
Total in Growth, Environment & Transport		596
Local Member Grants	Unspent grant in 2025/26	319
Total in the Deputy Chief Executive's Department		319
Total		1,130

1h | Schools' Delegated Budgets

The Schools' Budget reserves as at 31st March 2026 is a surplus of £57.0m on individual maintained school balances, and a deficit on the central schools' reserve of £130.5m. The total Dedicated Schools' Grant for 2025-26 is £1,979.9m and is overspend by £61.8m.

The balances of individual schools cannot be used to offset the overspend on the central schools' reserve and therefore should be viewed separately. The Central Schools' Reserve holds the balance of any over or underspend relating to the Dedicated Schools Grant (DSG). This is a specific ring-fenced grant payable to local authorities to support the schools' budget. It is split into four main funding blocks: schools, early years, high needs and central, each with a different purpose and specific rules attached. The Council is required to hold the net under or overspend relating to the whole dedicated schools grant in a specific reserve and is expected to deal with any surplus or deficits through future years' spending plans. The tables below provide the overall position for the DSG in 2025-26 (table 1) and an overview of the movements on both the central schools' reserve and individual schools' reserves (table 2).

Table 1: Dedicated Schools' Grant (DSG) 2025-26 Forecast Summary:

All Figures in £m			
DSG Block	2025-26 Budget*	2025-26 Outturn	2025-26 Variance
Schools' Block	1,367.6	1,368.8	+0.4
High Needs Block	368.4	433.0	+64.6
Early Years Block	231	227.7	-3.3
Central Services to Schools' Block	12.9	12.9	0.0
Total DSG 2025-26	1,979.9	2,041.7	61.8

*Before recoupment and other DfE adjustments including additional funding from the Safety Valve Programme. Budgets include the impact of moving

£16.5m from the Schools' block to the High Needs Block as agreed by the Secretary of State.

Table 2: Overall Forecast Position for the Schools' Budget Reserves:

All Figures in £m		
	Individual Maintained School Reserves	Central Schools' (DSG) Reserve
Reserve Balance as at 1 st April 2025*	58.5	-97.5
<i>Contribution to/(from) reserves:</i>		
Academy Conversions	-0.5	
Change in School Reserve Balances	-1.0	
Overspend on DSG 2025-26		-61.8
Safety Valve: Local Authority Contribution		14.6
Safety Valve: Payment from DfE		14.2
Reserve Balance as at 31 st March 2026*	57.0	-130.5

*Positive figure is a surplus balance & negative balance is a deficit balance

In 2025-26, the Council has received a further £14.2m from the Department of Education (DfE), the fourth tranche of the £140m safety valve commitment, with the Council required to contribute a further £14.6m from reserves. This additional funding, along with the extra funding from the DfE and the Council in 2022-23 will have reduced the accumulated deficit from an estimated £291m [KS1.1] to £130.5m as at 31st March 2026.

In accordance with the statutory override implemented by the Department of Levelling Up, Housing and Communities (DLUHC), and in line with the DfE and external auditors advice that local authorities cannot repay deficits on the DSG from the General Fund: any in-year central schools' (DSG) deficit balances are held in a separate unusable reserve from the main council reserves (see section 3). DLUHC have confirmed this statutory

override will be in place until March 2028 and the Local Government Settlement has set out the intention that Councils should not expect to have to fund DSG deficits in 2028-29 from the General Fund subject to implementing reasonable recovery plans. In February 2026, the DfE announced the first phase of these funding reforms with a commitment to write off 90% of the accumulated debt as at March 2026 (known as the High Needs Stability Grant), subject to the Council submitting an agreed SEN reform plan. This grant is expected to be received in Autumn 2026. We are still awaiting confirmation on how future deficits will be covered and local authority responsibilities. In the meantime, councils are still expected to continue to keep the deficit as low as possible as resources to support recovery are not unlimited.

This new SEN reform funding has technically replaced the DfE's original deficit recovery programme known as the Safety Valve Programme which ended on 31st March 2026. Additional funding received from the DfE in respect of the programme (totalling £99.4m to date) will be retained by the Council and used towards the accumulated deficit of £291m, alongside the High Needs Stability Grant (estimated to be £162.5m), whilst Council contributions totalling £61.1m to date will be used to fund the remaining 10% residual deficit of £29.1m, with the balance to be held in a separate council reserve towards possible future DSG liabilities.

Whilst the Government has begun to set out its plan to eradicating the DSG deficits, it is still considered to be one of the Council's biggest financial risk due to the lack of clarity from government as to how future deficits in 2026-27 onwards will be funded and confirmation that our SEN reform plan will be accepted in order to receive the High Needs Stability Grant; therefore, the successful implementation of the Council's SEN reform plan is critical. Recent announcements have reinforced the expectation that whilst Government is planning to set out its proposals to reform the SEND and alternative provision (AP) system and achieve financial sustainability in high needs funding. Kent will still need to continue to implement local actions. These activities are also regularly reported to the DfE and published on kent.gov.uk.

Key Issues	Details
Individual Maintained Schools Reserves	<p>As at 31st March 2026, there were 285 maintained schools with a surplus reserve balance and 3 schools with a deficit reserve balance of approximately £30,000 each. One of these schools had a similar deficit balance in 2024-25 whilst the other two are new for 2025-26. The total number of deficit schools had remained the same as March 2025.</p> <p>Changes in reserves includes a reduction for the 3 schools that converted to academy status during 2025-26 (with a combined balance of £0.5m). When a maintained school converts to an academy status, the council is no longer responsible for holding the schools' reserve and the school's remaining school balance is either transferred to the academy trust, or in the case of a deficit, may have to be retained and funded by the Council depending on the type of academy conversion. For the remaining maintained schools, their overall balances remained steady with only a small decrease of £1.0m.</p>
Schools' Block: general overspend on growth funding	<p>The Schools' Block funds primary and secondary core schools' budgets including funding for additional school places to meet basic need or to support schools with significant falling rolls which has a combined overspend of +£0.4m. There have been more funding commitments to support growing schools than originally anticipated when the budget was set.</p>
Early Years Block: underspend on new entitlements	<p>The Early Years Block is used to fund early years' providers the free entitlement for eligible two, three and four-year olds, including the newly expanded offer for working parents for children from 9 months to 2 years, along with the funding of some council led services for early years.</p> <p>Each year, when setting the funding rate an estimate must be made as to likely hours that will be provided to ensure it is affordable within the grant provided. This can lead to</p>

under or overspends if activity is slightly lower or higher than expected. This has resulted in a combined underspend of £3.3m. 3 & 4 year olds entitlement has underspent by -£1.6m where hours paid has been lower than planned. This is expected to be one-off, as the grant income has been calculated based on hours at a particularly high point in the year which is not expected to be repeated in future years. Payments for deprivation have been lower than budgeted (-£0.4m and will be corrected in 26-27) along with lower take-up of the Disability Access Fund of -£0.6m and the Special Educational Needs Inclusion Fund of -£0.8m. The Schools Funding Forum has requested further suggestions as to how to use these underspends to improve inclusion and support. Overspend on Early Years Pupil Premium of +£0.3m and a net underspend of -£0.2m on the new entitlements for working parents (aged 2 years and under) form the balance of variance.

High Needs Block: Higher demand and higher cost for high needs placements.

The High Needs Block (HNB) is intended to support the educational attainment of children and young people with special educational needs and disabilities (SEND) and pupils attending alternative education provision.

Safety Valve Payment & Local Authority Contribution.

The in-year funding shortfall for High Needs placements and support in 2025-26 is £64.6m due to a combination of continual higher demand for additional SEN support and higher cost per child resulting from continual demand for more specialist provision. Whilst there were some initial indicators the level of growth in spending was starting to slow slightly (in comparison to recent years, see table 3 & 4), resulting from actions to support future financial sustainability, this was not sufficient to meet the original expectations of the safety valve agreement. The number of placements in independent schools remains high and is has grown further, even though the numbers in mainstream, post 16 settings and special schools continue to increase. Higher placements costs, driven by inflation and greater demand by schools for additional

funding, along with delays in DfE led special school builds and larger numbers of other local authorities now refusing to fund the cost of their looked after children (where they had done so in the past), have all contributing to higher spend. The Council no longer expects to reach an in-year breakeven position by 2027-28, with estimated annual shortfalls in 2026-27 and 2027-28 of over £100m per year, acerbated by the high needs grant being frozen at 2025-26 levels with no increase for inflation or demand pressures. We continue to wait for Government to announce its plan for the next stage of the SEN reform funding although this is unlikely to be known until the Autumn once council SEN reforms plans have been reviewed and agreed.

Most councils are now reporting deficits on their high needs block, despite extra monies from the Government in recent years, resulting from significant increases in their numbers of EHCPs and demand for SEN services. However, historically Kent has seen this demand rising at a significantly faster rate than other comparative councils resulting in the council now educating a greater proportion of children in both special and independent schools compared to other councils, and a smaller proportion of children with SEND in mainstream schools. The impact of this is highlighted in national benchmarking data on the placement of children with SEN in Kent and our spend on High Needs Block. The tables below detail the trend in both spend and number of HNB funded places or additional support across the main placement types.

Table 3: Total Spend on High Needs Block by main spend type

Spend in £m	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	106	123	137	151	164	176

Independent Schools	54	66	71	83	91	108
Mainstream Individual Support & SRP* **	46	54	61	65	75	76
Post 16 institutions***	15	17	19	22	25	29
Other SEN Support Services	46	43	46	49	46	44
Total Spend	268	302	334	371	402	433
Rate of increase in spend	-	13%	10%	11%	8%	8%

Table 4: Average number of HNB funded pupils receiving individualised SEN Support/placements. This is not the total number of children with SEN or number of EHCPs

	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	5,118	5,591	6,019	6,382	6,639	6,953
Independent Schools	1,185	1,418	1,543	1,685	1,762	1,957
Mainstream Individual Support & SRP*	4,510	5,258	5,772	6,496	7,057	7,087
Post 16 institutions***	1,222	1,383	1,511	1,600	1,751	1,934
Total Number of Pupils	12,035	13,650	14,845	16,163	17,209	17,931

Table 5: Average cost of pupils funded from the HNB and receiving individualised SEN Support or placement cost.

£ per pupil	20-21	21-22	22-23	23-24	24-25	25-26
Maintained Special School	20,697	22,067	22,694	23,623	24,746	25,291
Independent Schools	45,494	46,283	46,246	49,474	51,723	55,364
Mainstream Individual Support & SRP* **	10,297	10,241	10,591	10,079	10,658	£10,754
Post 16 institutions***	12,624	12,314	12,721	13,617	14,198	14,873

*Specialist Resource Provision. From 2025-26, the number of children funded in mainstream schools changed, with the introduction of the community of schools model and a greater focus on whole school SEN offer and moving away from funding for individual children only. Therefore, the number of children supported is an estimate only. This will affect the both the number of children funded and the average cost.

** Please note this data excludes any costs incurred by primary & secondary schools from their own school budget.

***Individual support for students at FE College and Specialist Provision Institutions (SPIs)

Section 2 | Savings and additional income by directorate

The 2025-26 budget included the requirement to deliver savings and additional income of £99.0m, this is comprised of £96.0m in the MTFP reduced by increases in grant of £35.0m and removal of one-off savings of £38m. A further £22.5m of undelivered savings from the previous year are included in the 2025-26 Savings Target, increasing the total requirement to £121.5m. In total, £98.6m of savings and additional income was achieved in 2025-26, including £3.3m of alternative savings identified and delivered compared to the original planned saving. £13.3m of the undelivered savings are expected to be achieved in future years and have been rolled into the 2025-26. The table below summarises the delivery of savings against the original target. The full breakdown by saving is available in [Appendix 2](#).

Figures in £m

Directorate	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	-62.645	-40.416	-0.811	-0.730	-41.957	20.688	17.689	-10.169
Children, Young People & Education	-22.205	-20.380	0.000	-0.400	-20.780	1.425	0.598	-1.227
Growth, Environment & Transport	-17.180	-17.780	0.000	-0.250	-18.030	-0.850	0.000	0.200
Chief Executive's Department	-6.023	-4.879	0.000	0.000	-4.879	1.145	0.060	-1.085
Deputy Chief Executive's Department	-9.128	-8.985	0.000	-0.143	-9.128	0.000	0.000	0.143
Non Attributable Costs	-2.798	-2.800	0.000	0.000	-2.800	-0.002	0.000	0.000
Corporately Held Budgets	-1.500	0.000	-1.000	0.000	-1.000	0.500	1.000	-0.500
Total	-121.479	-95.239	-1.811	-1.523	-98.573	22.906	19.347	-13.324

Section 3 | Reserves monitoring

The council holds general fund reserves as a consequence of income exceeding expenditure, budgeted contributions to reserves or where money has been earmarked for a specific purpose. Earmarked reserves are categorised across several headings.

Reserves balances are held as negative balances. All reserves are a negative balance except the DSG Adjustment Account, which is an unusable reserve held to manage the deficit on schools. The table below provides a summary of each of the reserve categories and highlights the main movements in 2024-25.

Figures in £m

Reserve	Opening Balance (01/04/25)	Movement in-year	Closing Balance (31/03/26)	Details
General Reserves				
General Fund	-78.5	12.6	-66.0	The movement is made up of four separate items. There was a -£15.8m budgeted contribution to General Reserves towards the 5% target of Net Revenue Budget and re pay draw down for 2022-23 overspend, +£7.2m budgeted drawdowns for savings timings and lower than anticipated taxbase, -1.2m contributions from the reserves review in 2025-26, and £22.7m to fund the 2025-26 in-year overspend.
Earmarked Reserves				
Vehicles, Plant & Equipment (VPE)	-23.1	0.8	-22.3	Reserve is held for the replacement and acquisition of vehicles, plant, and equipment and helps to reduce fluctuations in spend.
Smoothing	-111.8	1.5	-110.3	Balance is held to manage large fluctuations in spend or income across years. Movement also includes +£1.2m drawdowns from the reserves review in 2025-26
Major Projects	-34.5	10.2	-24.4	Balance is held for future spending on projects. Includes drawdown for expenditure for the implementation programme for Oracle Cloud.
Partnerships	-44.5	36.3	-8.2	The movement reflects all safety valve activity now being held against the DSG adjustment account (see below).
Grant & External Funds	-7.7	-12.1	-19.9	Reserve is held to manage fluctuations in spend funded externally or by grant. These reserves are for unspent grants which we are not required to repay, but which have restrictions on what they may be used for.

Figures in £m

Reserve	Opening Balance (01/04/25)	Movement in-year	Closing Balance (31/03/26)	Details
				The majority of the movement relates to the income received from as part of the Extender Producer Responsibility (EPR) grant. This use of this grant is subject to relevant government guidance.
Departmental Over / Underspends	-0.6	-0.5	-1.1	£0.6m drawdown to fund roll forwards from 2025-26 and £1.1m contribution to fund roll forwards in 2026-27.
Insurance	-12.2	3.5	-8.7	£3.5m drawdown from reserves because of the in-year overspend against the Insurance Fund in line with usual policy.
Public Health	-16.7	2.4	-14.3	Movements to manage the Public Health budget.
Special Funds	-0.8	0.1	-0.7	Reserve is held primarily to facilitate the implementation of economic development and tourism initiatives and policy and regeneration expenditure.
Trading	-3.6	3.3	-0.3	Relates to the non-company trading entities of Laser and Commercial Services to cover potential trading losses and investment in business development.
Total Earmarked Reserves	-255.6	45.4	-210.2	
Total General Fund & Earmarked Reserves	-334.2	58.0	-276.2	
Schools Reserves	-58.5	1.5	-57.0	
DSG Adjustment Account	133.7	-3.3	130.5	The movement reflects the net deficit on DSG budgets in 2025-26, made up of a £61.8m overspend, reduced by required contributions to the DSG Safety Valve Agreement in 2025-26 of £14.2m from KCC and £14.6m from the Department for Education (DfE), and a further £36.2 transferred from Partnerships (Earmarked Reserves).

Section 4 | Capital by directorate

Figures in £m

Directorate	Budget	Total Variance	Real Variance	Rephasing Variance
Adult Social Care & Health	0.911	1.595	+1.911	-0.316
Children, Young People & Education	111.684	-45.195	-9.813	-35.382
Growth, Environment & Transport	237.304	-74.837	+18.203	-93.040
Chief Executive's Department	29.775	12.621	+19.409	-6.788
Deputy Chief Executive's Department	0.000	0.000	0.000	0.000
Total capital position	379.674	-105.816	+29.710*	-135.526

*Includes £15.021m capitalised transformation costs.

The total approved General Fund capital programme including roll forwards for 2025-26 is £379.674m.

The capital programme spend for the year is £273.858m, which represents 72% of the approved budget. In addition to this, schools spend totalled £12.327m, and spend on Private Finance Initiatives which are on KCC's balance sheet totalled £2.937m.

The £105.816m underspend against the budget is split between a +£29.710m real variance and -£135.526m rephasing variance.

The major in-year variances (real variances of >£0.1m and rephasing >£1m) are described below:

4a | Adult Social Care & Health

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Capitalisation of Information Technology Enabled Lives Programme Costs	+2.000		The real overspend relates to the capitalisation of Technology Enabled Lives transformation programme costs to be funded legitimately from Capital Receipts
Community Sexual Health Services	+0.159		£0.155k of the variance relates to the purchase of a clinical bus to provide services. This has been funded from a revenue contribution.

4b | Children, Young People & Education

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Modernisation Programme	+0.025	-3.726	The rephasing variance is due to a number of projects, none of which have individually rephased over £1m.
Basic Need Programme KCP 2019	-3.553	-8.296	<p>The real variance is due:</p> <ul style="list-style-type: none"> -£3.223m Chilmington Green Secondary – previously forecast costs have been removed pending potential reclaim of costs [JL1.1]. -£0.473m Rosheville Primary – additional rebuild grant has been added to the cash limits. <p>The rephasing relates to:</p> <ul style="list-style-type: none"> -£4.143m Thanington Primary – the project has been put on hold as there is not currently a pupil need in early years. -£2.110m Highsted Grammar School. This is a school managed project, and the timing of which is dependent on school delivery. -1.306m Maidstone Grammar School for Girls -due to delays with utility connections.
Basic Need Programme 2022-26	-0.275	-0.270	£0.267m of the real variance is due to Cornwallis Academy – the expansion project is no longer proceeding. Places will be provided as part of the wider Maidstone Non-Selective expansion in future years.
Basic Need Programme 2023-27	-1.894	-6.747	<p>- £1.343m of the real variance is due to prior year costs recoded for projects which have now transferred to “Markers – Future Projects.”</p> <p>-£0.160m Tiger Primary – this is a school managed project, and the forecast has been reduced.</p> <p>The rephasing is due to:</p> <ul style="list-style-type: none"> -£5.684m Northfleet Technology College. Design and costs have come in higher than expected, Infrastructure are testing the Framework to check tender prices, and the project start was pushed back to early 2026. -£0.585m Tiger Primary – this is a school managed project, the timing of when the funding is required is dependent on the school delivery programme. -£0.478m New Line Learning - this is a school managed project, the timing of when the funding is required is dependent on the school delivery programme

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Basic Need Programme 2024-28	-0.777	-9.178	<p>The real variance is due to: -£0.610m The Sittingbourne School – this project has been moved to Markers – Future Projects budget line.</p> <p>The rephasing is due to: -£5.563 Sir Geoffrey Leigh Academy. Design and costs have come in higher than expected. Infrastructure tested the framework to check tender prices, and the project start date was pushed to early 2026. -£1.5m Dartford Grammar, this is a school managed project, and the timing of costs is dependent on school delivery. -£0.924m Ebbsfleet Green Primary, change of scope from a 1FE expansion to a bulge year which resulted in a reduced project cost and deferment of expenditure to 2026/27.</p>
High Need Provision	-2.691	-4.254	<p>The real variance is due to: -£1.7m The Beacon, Folkestone. Overall cost reduction - The success of the project can be attributed to value engineering throughout the programme and the excellent collaboration between the Quantity Surveyor, Contractor, and Project Manager. Pre-contract surveys were conducted at the project's outset to identify and address any anomalies that might have arisen during construction, which could have resulted in costly variations for KCC. A contingency was held within the project budget, but this proved unnecessary due to the high level of project management demonstrated by all parties involved. -£1.0m Nore Academy - DfE funded project, the budget held for Highway costs is no longer required. -£0.5m previously unallocated budget now allocated to projects. -£0.2m The Oaks Specialist College – forecast reduced to match funding agreement for school managed project. +£0.2m Broomhill Bank - new school managed project added, modular expansion to provide additional places. +£0.2m Parkwood Hall Co-operative Academy - new school managed project added to provide additional places. +£0.1m Former Birchwood Primary – security costs to protect site value. 18 further projects have a real variance totalling £0.3m, none individually over/under £0.1m.</p> <p>The rephasing variance is due to: -1.9m Nexus School Phase 2 due to delays in stakeholder decisions.</p>

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Childcare Expansion (Early Years)	-0.694	-1.430	<p data-bbox="862 236 2136 300">-£1.6m New Special Free School, Swanley – funding is dependent on DfE project delivery timescales.</p> <p data-bbox="862 304 2024 336">9 further projects have rephasing totalling £0.8m, none of which are individually over £1m.</p> <p data-bbox="862 357 2136 421">The real variance is due to grant transferred to fund revenue expenditure in line with grant conditions.</p> <p data-bbox="862 426 2136 525">The rephasing is due to the timing of allocation of grant funding to providers. This process is managed by The Education People. Expressions of interest from providers continue to be reviewed in line with place numbers and funding allocated for self-managed projects.</p>

4c | Growth, Environment & Transport

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
<u>Highways & Transportation</u>			
Highway Asset Management, Annual Maintenance and Urgent Safety Critical Works	+0.523	-7.108	The real variance includes an overspend of £5.1m on inspectors, which is covered by in-year underspends on resurfacing (£3.8m) and by bringing funding forward from 2026-27 (£1.3m). The rephasing is made up of: -£1.3m Highways operations, -£2.5m Streetlighting, -£2.6m structures and -£0.9m tunnels
Integrated Transport Schemes	+1.392	-0.536	The real variance is due to: £1.029m on various smaller schemes that are funded from external funding, £0.307m Kent Street Junction funded from a revenue contribution, £0.160m overspend on Local Transport Plan schemes was partially due to staff capitalisation costs being higher than anticipated. Permit charges for the entire year were also charged in one large sum at the end of the year, which made budgeting for them difficult. This is funded by an underspend on Crash Remedial Measures which has occurred due to design issues and delays, meaning that many schemes will need to be delivered next year under the Highways Term Maintenance Contract.
Bearsted Road Improvements	-0.930	-0.224	The overall expected project costs currently exceed the confirmed budget, and discussions are ongoing to redirect funding. The in-year real variance reflects external funding contributions which have not yet been received so they have been removed from the cash limit, until agreed.
Maidstone Integrated Transport		-2.289	Abortive costs for Cripple Street and Sutton Road have been transferred to revenue in 2025-26. Remaining expected developer contributions have to be rephased to fund ongoing schemes.
A2 Off Slip Wincheap, Canterbury		-1.5	Ongoing discussions between the developer and the National Highways regarding the design of the A2 Off Slip are ongoing. Several issues are still to be resolved that has delayed the commencement of the works until 26/27.
North Thanet Link		-1.301	The rephasing is due to delays in submission of the planning application due to scheme design changes being required to respond to external factors outside of the control of the project team. Planning application is now due to be submitted in June 2026.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
A228 and B2160 Junction Improvements with B2017 Badsell Road		-4.015	The rephasing variance is due to a number of factors. These include the approvals process via Environment Agency; this has pushed the programme out. The HTMC contract ends within scheme window so a single procurement option is the chosen method, this will start in November with site start date estimated as June 2026. There have also been design package issues which are being worked through and as we enter the worse weather it would not be viable to undertake the scheme as it is a flood risk zone.
Fastrack Full Network – Bean Road Tunnels	+2.747	-13.527	Works commenced late January / early February 2026 with completion programmed for early July 2027.
Faversham Swing Bridge	-0.700	-1.115	The real variance reflects external funding that has not yet materialised being removed from the cash limits. The rephasing is due to ongoing complex legal discussions with Peel Ports.
Housing Infrastructure Fund, Swale	+9.535	-3.218	The overspend has been reported to Sponsoring Group and will be funded by the Recovery Fund (S106 developer contributions). Key Street – construction works are complete. Work is ongoing with the contractor to resolve defects and obtain quality records before certifying completion. Grovehurst Road – works ongoing with the contractor to address outstanding defects and programme remaining works. Completion is currently looking likely to be end of June.
Sturry Link Road	+4.812	-1.484	Homes England have endorsed the scheme under the Brown Infrastructure Land (BIL) Fund, and additional funding has been achieved.
National Bus Strategy – Bus Service Improvement Plan Phase2		-2.165	The rephasing of this funding is associated with three initiatives within Kent's BSIP Delivery Plan - bus priority, ANPR camera enforcement and Real Time Information. All three initiatives have seen good progress but were unable to be completed in full by March 2026. With this in mind, approval was sort from the Department of Transport (DfT) to roll funding forward into 2026/27. These requests were approved by the DfT in line with their overall terms and conditions.
National Bus Strategy – Bus Service Improvement Plan Phase3	+0.250	-8.390	The rephasing of this funding is associated with seven initiatives within Kent's Bus Grant Delivery Plan – bus priority, signal priority, integration improvements, Real Time Information, two zero emission bus schemes and an operator / district grant scheme. All initiatives have seen progress within 25/26 but were unable to be completed in full by March 2026. With this in mind, the DfT's Change Control process has been utilised to roll forward funding to 2026/27. A roll forward statement has been provided to the DfT to support his movement, signed by KCC's S151 officer.
Folkestone – A Brighter Future	+1.287	-6.794	The real variance is funded from an agreed movement from the Consolidated Active Travel Fund (£0.717m), from flood (which budget line is this?) (£0.470m) and from structures (£0.1m).
EDC Landscaping		-1.676	Construction of sites 8,9 and 10 have been pushed back to next financial year hence the rephasing.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Dover Bus Rapid Transit	+4.660		A temporary funding solution has been put in place to cover the 2025-26 position, whilst total project costs are being finalised. Further financial contributions are being explored to help mitigate the overspend.
Green Corridors		-3.283	The rephasing is due to: Delays with consultants and the procurement process for sites 6,8 and 11. Site 4 has been delayed due to land agreements taking longer than anticipated. There have also been ecological constraints that means construction must happen between April – September hence the delay to April 2026 as the 2025-26 window was missed.
Kent Active Travel Fund (KATF) Phase 4		-1.371	The rephasing is due to: -£1.059m rephased to 26-27 for works on Aylesford Tow Path due to land purchase and licences to construct taking much longer than expected. -£0.048m - Faversham Cross Town Walking Route - Change control with Active Travel England for underspend to go to another project in 26/27. -£0.053m - Canterbury Riverside Route - Canterbury City Council still designing and part of route needs planning permission. -£0.087m Braggs Lane to New Road Route - Canterbury City Council still designing.
Consolidated Active Travel Fund	-0.772	+0.809	The real variance is due to approval from Active Travel England to allocate £0.716m to Folkestone: A Brighter Future project and £0.055m to be used for Sevenoaks Townwide/Dartford Crossing within Integrated Transport.
Thames Way (STIPS)		-3.381	The Thames Way Project has been paused given the current closure of Galley Hill and the implications that is having on the local road network and expected trips. This has resulted in forecast spend being reprofiled into later years pending a decision on Galley Hill.
<u>Environment & Circular Economy</u>			
Folkestone & Hythe Waste Transfer Station		-5.133	The project has been pushed back due to waiting for planning permission which took 13 months.
Local Nutrient Mitigation		-5.350	The capital spend has been re-profiled due to a lack of grant applications being submitted to KCC for Local Nutrient Mitigation Funding. KCC will be advertising the grant funding more widely from early 2026 to enable allocation of the funding to Nutrient Neutrality mitigation schemes.
Waste Compactor Purchases	+0.318		Capitalisation of a Gas Extraction system at a waste site which is funded by a revenue contribution to capital.

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Energy & Water Efficiency Investment Fund - External	-0.232		Funds transferred to KCC fund as new projects will be funded from that fund.
Energy Reduction & Water Efficiency Investment - KCC	+0.232		Funds transferred from the external Energy & Water Efficiency Fund – External, as new projects will be funded from the KCC fund.
Surface Water Flood Risk Management	+0.199		The real variance reflects additional funding received from the Environment Agency.
<u>Growth & Communities</u>			
Broadband Contract 2		-1.349	Whilst BDUK is now in the final stages of the closing work for these contracts, this is going to continue into the next financial year.
Growing Places Fund (GPF)		-6.145	GPF was capital loan funding given to the South East Local Enterprise Partnership (SELEP) by the Government. On SELEP's closure, the GBF funding was transferred to Kent and Medway Economic Partnership (KMEP) for prioritisation, with Kent County Council and Medway Council as the accountable bodies. The prioritisation criteria for GPF are being considered as part of the new Local Growth Plans (LGPs), that are being written now – with the final LGP plans due to formal adoption by KMEP and KCC in autumn 2026.
Kent Scientific Services Equipment & Vehicles		+0.418	Equipment that has been capitalised in year and funded from a revenue contribution to capital.
Public Rights of Way		-1.250	Much of the rephasing relates to the receipt of developer contributions and the time frame for their delivery. Contributions are received when the trigger points within the development process are reached. The works are programmed on the basis of the timeframe available for delivery in accordance with the S106 agreements and the officer capacity to deliver them. Rephasing of the expenditure is necessary in order to balance workload and delivery.
Innovation Investment Initiative (i3)		-1.173	The scheme will relaunch in 2026-27 with a bespoke offer, hence the rephasing.

4d | Chief Executive's Department

Figures in £m

Project	Real Variance	Rephasing Variance	Detail
Strategic Estate Programme	-1.972		The real variance is due to a new agreed way forward which will result in the real underspend in the current financial year. In total £12m has been removed from the budget across 2025-26, 2026-27 and 2027-28.
Modernisation of Assets	-0.040	-4.370	The rephasing is due to Highways works which were delayed due to the tendering process winter works which Highways undertake along with works to the salt barns which have been pushed back to summer 2026. Other works have been delayed due to scope changes.
Asset Utilisation	+0.006	-1.341	Two of the existing projects have not progressed as well as expected due to delays in feasibility and utilisation survey information, so these have been pushed back into 2026-27.
Dover Discovery Centre	-0.529	-0.100	Underspend compared to previous expectations.
LAN Refresh	+0.456		Purchase of computer equipment which has been capitalised and funded from a revenue contribution.
Land Adjacent to Cranbrook	+1.075		The real variance is costs relating to the disposal of this site, which have been legitimately capitalised due to enhancement of the value of the site. This has been funded by the increased receipt that was achieved as a result.
Unaccompanied Asylum-Seeking Children (UASC) Additional Accommodation Requirements	+7.345		The real variance is due to this project continually evolving and the full extent was not known and budgeted at the start of the year. The project is fully funded from Central Government.

4e | Deputy Chief Executive's Department

There are no major variances to report

Section 5 | Treasury Management Monitoring

Treasury management relates to the management of the Council's debt portfolio (accumulated borrowing to fund previous and current capital infrastructure investments) and investment of cash balances. The Council has a comparatively high level of very long-term debt, a significant proportion of which was undertaken through the previous supported borrowing regime.

<p>5.1 Total external debt outstanding in March was £610.3m down by £122.2m since 31st March 2025</p>	<p>KCC debt includes £396.8m of borrowing from the Public Works Loans Board (PWLB). The vast majority is maturity debt (debt is only repaid upon maturity) at a fixed rate of interest. The average length to maturity of PWLB debt is 14.6 years at an average interest rate of 4.2%.</p> <p>Outstanding loans from banks amount to £156.1m. This is also at fixed term rates with average length to maturity of 36.1 years at an average interest rate of 4.5%.</p> <p>The council has £50m of Lender Option Borrower Option (LOBO) loans. These loans can only be renegotiated should the lender propose an increase in interest rates. The average length to maturity of LOBO loans is 37 years at an average interest rate of 4%.</p> <p>The balance of debt relates to loans for the LED streetlighting programme. The outstanding balance is £7.4m with an average of 14.5 years to maturity at an average rate of 2.9%.</p> <p>KCC's principal objective for borrowing is to achieve an appropriately low risk balance between securing low interest rates and certainty of financing costs. This is achieved by seeking to fund capital spending from internal resources and short-term borrowing, only considering external long-term borrowing at advantageous interest rates.</p>
<p>5.2 Majority is long term debt with only 2.8% due to mature within 5 years</p>	<p>Maturity 0 to 5 years £17m (2.8%) Maturity 5 to 10 years £105.5m (17.3%) Maturity 10 to 20 years £187m (30.6%) Maturity over 20 years £300.9m (49.3%)</p>
<p>5.3 Total cash balance at end of March was £315.9m, down by £159.9m from the end of March 2025</p>	<p>Cash balances accrue from the council's reserves and timing differences between the receipt of grants and other income and expenditure.</p>

5.4 Cash balances are invested in a range of short-term, medium term and long-term deposits	<p>Investments are made in accordance with the Treasury Management Strategy agreed by full Council alongside the revenue and capital budgets. The treasury management strategy represents a prudent approach to achieve an appropriate balance between risk, liquidity and return, minimising the risk of incurring losses on the sum invested. Longer term investments aim to achieve a rate of return equal or exceeding prevailing inflation rates.</p> <p>Short term deposits (same day availability) are held in bank accounts and money market funds. Current balances in short-term deposits in March were £34.1m (10.8% of cash balances). Short-term deposits enable the Council to manage liquidity. Bank accounts and money market funds are currently earning an average rate of return of 3.8%.</p> <p>Deposits are made through the Debt Management Office (an executive agency responsible for debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds). As at the end of March, the Council had £0.0m in UK treasury bills and other deposits with the UK government. These deposits represent 0.0% of cash investments with an average rate of return of 0.0%.</p> <p>Medium term deposits include covered bonds, a form of secured bond issued by a financial institution that is backed by mortgages or public sector loans. In the UK the covered bond programmes are supervised by the Financial Conduct Authority (FCA). King and Shaxson acts as the Council's broker and custodian for its covered bond portfolio. As at the end of March, the Council had £73.9m invested in covered bonds earning an average rate of return of 4.4%.</p> <p>The Council has outstanding loans of £19.3m through the No Use Empty Loans programme which achieves an average return of 3.8% that is available to fund general services. This total includes £10.4m of loans made (£13.1m received) since March 2025.</p> <p>Long term investments are made through Strategic Pooled Funds. These include a variety of UK and Global Equity Funds, Multi Asset Funds and Property Funds. In total the Council has £186.6m invested in pooled funds (59.1% of cash balances) as at 31 March 2026.</p>
5.5 Treasury Management Advice	<p>The Council secures external specialist treasury management advice from MUFG Corporate Markets. They advise on the overall strategy as well as borrowing options and investment opportunities. MUFG Corporate Markets provide regular performance monitoring reports.</p>
5.6 Quarterly and statutory reports	<p>The Governance and Audit Committee receives detailed statutory reports on a regular bi-annual basis (the Treasury Strategy Mid-Year Update, and the Annual Treasury Outturn report), which are subsequently reported to County Council. Quarterly reports are reviewed by the Treasury Management Group (TMG). The TMG also reviews the three annual statutory reports</p>

Treasury Management Indicators

5.7 The Council measures and manages its exposures to treasury management risks using the following indicators:

5.8 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its internally managed investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Actual 31/03/2026	Minimum
Portfolio average credit rating	AA+	AA-

5.9 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Actual 31/03/2026	Minimum
Total cash available within 3 months	£71.3m	£75m

5.10 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates was:

Interest rate risk indicator	Actual 31/03/2026	Upper Limit
One-year revenue impact of a 1% <u>rise</u> in interest rates	£0.7m	£10m
One-year revenue impact of a 1% <u>fall</u> in interest rates	-£0.7m	-£10m

5.11 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing were:

	Actual 31/03/2026	Upper limit	Lower limit
Under 12 months	2.8%	100%	0%
12 months and within 5 years	0.0%	50%	0%
5 years and within 10 years	17.3%	50%	0%
10 years and within 20 years	30.6%	50%	0%
20 years and within 40 years	40.2%	50%	0%
40 years and longer	9.1%	50%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

5.12 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Price risk indicator	2026/27	2027/28	2028/29	No Fixed Date
Limit on principal invested beyond year end	£100m	£80m	£50m	£220m
Actual as at 31 March 2026	£17.2m	£10.2m	£0.0m	£208.0m

5.13 Prudential Indicator: Liability Benchmark

The liability benchmark chart shows the Council should be able to accommodate the movement in Loans CFR through additional internal borrowing given the resources on the balance sheet if it wants to maintain treasury investments at the £200m liquidity allowance. However, this is based on the current assumption with regards to movement in reserves and that the working capital position remains at the 31/03/2025 level of £300m. It also assumes that the liquidity allowance of £200m remains appropriate given the £186.6m of external investments currently invested with fund managers over a long-term investment time horizon.

Appendix 1 | Key Service Statement

Adult Social Care & Health

Figures in £m

	Budget	Outturn	Variance
Adult Social Care and Health	701.6	744.5	+42.9
Adult Social Care (long-term support)	620.2	666.9	+46.7
Adult Case Management and Assessment Services (long-term support)	35.1	33.6	-1.4
Adult In House Carer Services	2.7	2.8	+0.1
Adult In House Community Services	6.2	5.7	-0.4
Adult Learning and Physical Dis pathway - Residential Care Services and Support for Carers	7.4	7.2	-0.2
Adult Learning and Physical Disability Pathway - Community Based Services	47.5	40.8	-6.7
Adult Learning Disability - Community Based Services and Support for Carers	134.3	140.5	6.2
Adult Learning Disability - Residential Care Services and Support for Carers	82.0	83.3	+1.3
Adult Mental Health - Community Based Services	36.1	33.9	-2.2
Adult Mental Health - Residential Care Services	24.0	26.2	+2.1
Adult Physical Disability - Community Based Services	37.9	39.8	+1.9
Adult Physical Disability - Residential Care Services	29.3	32.0	+2.7
Adult Social Care - Divisional Management and Support	0.2	0.4	+0.2
Older People - Community Based Services	30.3	47.8	+17.5
Older People - Residential Care Services	144.9	170.3	+25.4
Older People and Physical Disability Carer Support – Commissioned	2.3	2.5	+0.2
Adult Social Care (short-term support)	46.2	47.3	1.1

Figures in £m	Budget	Outturn	Variance
Adaptive and Assistive Technology	1.3	1.7	0.4
Adult Case Management and Assessment Services (short-term support)	14.3	14.8	0.4
Adult In House Enablement Services	2.5	2.3	-0.3
Adult Social Care - Divisional Business Support	10.0	9.4	-0.6
Adult Social Care - Divisional Management and Support	0.2	0.4	0.2
Contest and Serious Organised Crime (SOC)	0.3	0.2	0.0
Independent Living Support	0.9	0.9	0.0
Older People - In House Provision	12.4	12.6	0.2
Sensory Services	1.7	2.1	0.4
Statutory and Policy Support	1.9	2.4	0.5
Strategic Safeguarding	0.6	0.6	-0.1
Public Health	0.0	0.0	+0.0
Public Health - Advice and Other Staffing	0.0	0.0	+0.0
Public Health - Children's Programme	0.0	0.0	+0.0
Public Health - Healthy Lifestyles	0.0	0.0	+0.0
Public Health - Mental Health, Substance Misuse & Community Safety	0.0	0.0	+0.0
Public Health - Sexual Health	0.0	0.0	+0.0
Strategic Commissioning Integrated and Adults	25.9	25.6	-0.3
Community Based Preventative Services	9.1	8.3	-0.8
Housing Related Support	4.3	4.5	+0.2
Partnership Support Services	0.0	0.0	+0.0
Social Support for Carers	2.4	2.6	+0.2

Figures in £m	Budget	Outturn	Variance
Strategic Commissioning Integrated and Adults	3.8	3.8	+0.0
Transformation Delivery and support	6.4	6.5	+0.1
Strategic Management & Directorate Budgets (ASCH)	9.2	4.6	-4.6
Innovation and Partnership	4.0	1.1	-2.9
Operational and transformation costs pending allocation	0.0	0.0	0.0
Strategic Management and Directorate Budgets (ASCH)	5.2	3.5	-1.7

Children, Young People & Education

Figures in £m	Budget	Outturn	Variance
Children, Young People & Education	374.3	375.2	+0.9
Children's Countywide Services	106.3	111.8	+5.5
Adoption and Special Guardianship Arrangements and Service	18.2	17.9	-0.4
Asylum - Kent Permanent Care Leavers and New Arrival Service for UASC	0.1	0.1	+0.0
Care Leavers Service	5.9	5.0	-0.9
Children in Need Dis - Care and Support (payments and commissioned services)	12.0	13.7	+1.7
Children's Countywide Services Management and Directorate Support	0.1	0.5	+0.4
Children's social care - in house provision	4.1	5.0	+0.9
Children's SW Services - Assessment and Safeguarding Service (County Teams)	11.6	11.1	-0.6
Countywide Children's and Education support services	12.0	11.6	-0.4
Disabled Children and Young People Service (0-17) - Assessment Service	6.7	6.6	+0.0
Looked After Children - Care and Support (Staffing)	8.7	8.8	+0.1
Looked After Children (with Disability) - Care and Support (Placements)	26.9	31.5	+4.7

Figures in £m

	Budget	Outturn	Variance
Education and Special Needs	104.7	95.6	-9.1
Community Learning and Skills (CLS)	0.2	1.1	+1.0
Early Years Education	0.0	0.0	+0.0
Education Management and Division Support	1.5	1.5	+0.0
Education Services provided by The Education People	2.5	2.6	+0.0
Fair Access and Planning Services	0.6	0.6	+0.0
Home to School and College Transport	97.7	87.4	-10.4
Other School Services	-15.7	-15.8	-0.1
Pupil Referral Units and Inclusion	0.0	0.0	+0.0
Special Educational Needs and Psychology Services	17.9	18.3	+0.4
Operational Integrated Children's Services	158.3	163.5	+5.2
Asylum - Kent Permanent Looked After Children (under 18)	0.0	0.0	+0.0
Children in Need - Care and Support (payments and commissioned services)	2.2	1.7	-0.5
Children's SW Services - Assessment and Safeguarding Service (Operational Teams)	42.0	39.2	-2.8
Early Help and Preventative Services	8.8	5.0	-3.9
Family Hubs	4.7	3.4	-1.3
Looked After Children - Care and Support (Placements)	99.9	113.6	13.7
Operational Integrated Children's Services Management and Directorate Support	0.6	0.6	+0.0
Strategic Management & Directorate Budgets (CYPE)	5.0	4.3	-0.7
Strategic Management & Directorate Budgets (CYPE)	4.3	4.3	-0.1

Growth, Environment & Transport

Figures in £m

	Budget	Outturn	Variance
Growth, Environment & Transport	204.9	202.3	-2.6
Environment & Circular Economy	92.2	91.6	-0.5
Environment	3.3	3.0	-0.3
Environment and Circular Economy Divisional management costs	2.3	2.2	-0.2
Residual Waste	48.5	47.9	-0.5
Waste Facilities and Recycling Centres	38.1	38.5	+0.5
Growth & Communities	32.3	28.1	-4.2
Community Assets and Services	2.4	2.2	-0.2
Community Protection	12.5	11.4	-1.1
Growth - Economy	1.6	1.1	-0.5
Growth and Communities Divisional management costs	0.5	0.5	+0.0
Libraries, Registration and Archives	11.5	9.6	-1.9
Growth and Place	3.8	3.3	-0.5
Highways & Transportation	78.9	81.1	+2.2
English National Concessionary Travel Scheme (ENCTS)	16.6	17.7	1.1
Highway Assets Management	40.4	41.3	0.9
Highways and Transportation divisional management costs	4.3	4.4	0.0
Kent Karrier	0.0	0.0	0.0
Kent Travel Saver (KTS)	4.7	5.1	0.4
Supported Bus Services	6.2	6.1	-0.1
Transportation	6.7	6.6	-0.1

Figures in £m

	Budget	Outturn	Variance
Strategic Management & Directorate Budgets (GET)	1.4	1.4	-0.1
Strategic Management & Directorate Budgets (GET)	1.4	1.4	-0.1

Chief Executives' Department

Figures in £m

	Budget	Outturn	Variance
Chief Executive's Department	59.2	56.1	-3.1
Finance	11.3	10.6	-0.7
Finance	10.7	10.2	-0.5
Subsidies to Kent District Councils to maximise Council Tax collection	0.6	0.4	-0.2
Law	1.3	1.2	-0.1
Law	1.3	1.2	-0.1
Infrastructure	42.2	40.6	-1.6
Corporate Landlord	26.7	26.0	-0.7
Emergency Planning	0.0	0.0	+0.0
Health and Safety	0.5	0.5	+0.0
Kent Resilience	0.8	0.7	-0.1
Property related services	9.0	8.5	-0.4
School Property Budgets	5.3	4.9	-0.4
Strategic Management & Departmental Budgets (CED)	-1.3	-1.4	-0.1
Strategic Management & Departmental Budgets	-1.3	-1.4	-0.1
Strategy, Policy, Relationships & Corporate Assurance	5.8	5.1	-0.7
Childrens and Adults Safeguarding Services	0.4	0.5	+0.1

Figures in £m	Budget	Outturn	Variance
Resettlement Schemes, Domestic Abuse and Civil Society Strategy	0.2	0.0	-0.2
Strategy, Policy, Relationships and Corporate Assurance	5.2	4.7	-0.5

Deputy Chief Executive's Department

Figures in £m	Budget	Outturn	Variance
Deputy Chief Executive's Department	56.5	54.5	-2.0
Commercial and Procurement	3.4	3.3	-0.1
Commercial and Procurement	3.4	3.3	-0.1
Human Resources and Organisational Development	9.0	8.3	-0.7
Business and Client Relationships	2.7	2.6	-0.1
Human Resources and Organisational Development	6.2	5.6	-0.6
Governance & Democracy	6.8	5.9	-0.9
Local Member Grants	0.5	0.2	-0.3
Governance & Democracy	6.3	5.8	-0.6
Marketing and Resident Experience	7.1	7.1	+0.0
Marketing and Digital Services	2.2	2.6	+0.3
Resident Experience - Contact Centre; Gateways; Customer Care and Complaints	4.9	4.5	-0.4
Strategic Management and Directorate Budgets (DCED)	2.3	0.6	-1.6
Strategic Management and Departmental Support	0.5	0.3	-0.3
Strategic Reset Programme	1.7	0.4	-1.4
Technology	27.9	29.3	+1.3
Technology	27.9	29.3	+1.3

Non Attributable Costs including Corporately Held Budgets

Figures in £m

	Budget	Outturn	Variance
Non Attributable Costs including Corporately Held Budgets	135.3	120.9	-14.5
Non Attributable Costs	133.7	120.9	-12.8
Corporately Held Budgets	1.6	0.0	-1.6

Appendix 2 | Savings Statement

Adult Social Care & Health

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Adult Social Care & Health	-62.645	-40.416	-0.811	-0.730	-41.957	20.688	17.689	-10.169
Efficiency Savings in relation to the purchasing of residential and nursing care for older people	-6.790	-4.293	0.000	0.000	-4.293	2.497	0.000	-2.497
Efficiency Savings in relation to the purchasing of care and support in the home	-3.967	-0.139	0.000	0.000	-0.139	3.828	3.819	-0.010
Efficiency savings in relation to the purchasing of equipment contract	-0.590	0.000	0.000	0.000	0.000	0.590	0.590	0.000
Efficiency savings in relation to the purchasing and monitoring of delivery of supported living	-7.546	-0.156	-0.054	0.000	-0.210	7.336	6.046	-1.344
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - short term support	-0.001	-0.001	0.000	0.000	-0.001	0.000	0.000	0.000
Review of 18-25 community-based services: ensuring strict adherence to policy, review of packages with high levels of support and enhanced contributions from health - long term support	-0.649	-0.649	0.000	0.000	-0.649	0.000	0.000	0.000
18-25 Community Based Services saving (transport)	-0.250	-0.250	0.000	0.000	-0.250	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - long term support	-3.898	-3.898	0.000	0.000	-3.898	0.000	0.000	0.000
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams - short term support	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Annual uplift in social care client contributions in line with estimated benefit and other personal income uplifts, together with inflationary increases and a review of fees and charges across all KCC services, in relation to existing service income streams for clients aged up to 25	-0.040	-0.040	0.000	0.000	-0.040	0.000	0.000	0.000
Estimated annual increase in Better Care Fund - short term support	-0.382	-0.382	0.000	0.000	-0.382	0.000	0.000	0.000
Estimated annual increase in Better Care Fund - long term support	-1.925	-1.925	0.000	0.000	-1.925	0.000	0.000	0.000
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - long term support	-0.129	-0.129	0.000	0.000	-0.129	0.000	0.000	0.000
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - long term support	-1.573	-1.573	0.000	0.000	-1.573	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
The full year effect of the Adults Charging Policy changes made in line with Care Act Legislation and statutory guidance in September 2024 - short term support	-0.022	-0.022	0.000	0.000	-0.022	0.000	0.000	0.000
Revision of Adults Charging Policy, in line with Care Act legislation and the statutory guidance for 18-25 - short term support	-0.000	-0.000	0.000	0.000	-0.000	0.000	0.000	0.000
Review of preventive services to prevent, reduce and delay care and support. Working with the NHS and wider partners to commission collaboratively to deliver efficiencies	-2.589	-0.409	-0.758	-0.730	-1.897	0.692	0.000	-2.179
Savings from moving individuals previously supported in community-based services into grant funded safe accommodation	-0.225	-0.225	0.000	0.000	-0.225	0.000	0.000	0.000
Cease our contribution to the Home Improvement agency	-0.294	0.000	0.000	0.000	0.000	0.294	0.294	0.000
Efficiencies in Enablement	-7.581	-10.873	0.000	0.000	-10.873	-3.292	0.000	0.000
Initial Contact	-1.667	-0.231	0.000	0.000	-0.231	1.436	1.436	0.000
Maximisation of in-house short term beds	-2.152	-0.475	0.000	0.000	-0.475	1.677	0.174	-1.504
Reduction in Residential and Nursing Placements	-0.772	-0.753	0.000	0.000	-0.753	0.020	0.020	0.000
Occupational Therapists	-1.840	-2.539	0.000	0.000	-2.539	-0.699	0.000	0.000
Partnership working - continuing health care	-1.046	0.000	0.000	0.000	0.000	1.046	0.000	-1.046
Ongoing Reviews	-2.296	0.000	0.000	0.000	0.000	2.296	2.042	-0.254
First Reviews	-3.111	-1.028	0.000	0.000	-1.028	2.083	0.747	-1.336

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Supported Living	-3.534	-3.623	0.000	0.000	-3.623	-0.089	0.000	0.000
Technology Enabled Lives	-1.749	-3.297	0.000	0.000	-3.297	-1.548	0.000	0.000
Additional plans are being considered and further 2025-26 savings are being modelled on other areas which could support the plans already in place.	-2.522	0.000	0.000	0.000	0.000	2.522	2.522	0.000
Over delivery of £3,373.3k of savings in 2024-25 against some of the streams within the £30,154.8k 2024-25 savings target from the review and reshape of ASCH as set out in the sustainability plan to deliver new models of social care - long term support	-3.373	-3.373	0.000	0.000	-3.373	0.000	0.000	0.000
Review of embedded teams in ASCH Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.055	-0.055	0.000	0.000	-0.055	0.000	0.000	0.000
Children's Health Programme savings on premises due to more efficient use of available premises	-0.025	-0.025	0.000	0.000	-0.025	0.000	0.000	0.000
Reduction in demand for Buprenorphine	-0.040	-0.040	0.000	0.000	-0.040	0.000	0.000	0.000
Review of Public Health Services principally related to Healthy Lifestyles to ensure spending is contained within ringfenced grant	-0.009	-0.009	0.000	0.000	-0.009	0.000	0.000	0.000

Children, Young People & Education

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Children, Young People & Education	-22.205	-20.380	0.000	-0.400	-20.780	1.425	0.598	-1.227
Efficiency: Children's Social Care – Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers	-0.232	-0.232	0.000	0.000	-0.232	0.000	0.000	0.000
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.400	0.000	0.000	-0.400	-0.400	0.000	0.000	-0.400
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - CCS	-0.019	-0.019	0.000	0.000	-0.019	0.000	0.000	0.000
Review of Legal Services Spend through cost efficiencies by Invicta Law and review of the use of legal services by social workers - ICS Operations	-0.831	-0.229	0.000	0.000	-0.229	0.601	0.000	-0.601
Implementation of new statutory guidance for Home to School Transport (published June 23) including making use of a new system for transport planning to explore route optimisation and use of standard pick up points, where appropriate.	-0.300	-0.300	0.000	0.000	-0.300	0.000	0.000	0.000
Reduction in the number of Historic Pension Arrangements - CYPE Directorate	-0.120	-0.120	0.000	0.000	-0.120	0.000	0.000	0.000
Adoption Service	-0.090	-0.064	0.000	0.000	-0.064	0.026	0.000	-0.026

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Kent 16+ Travel Saver price realignment to offset bus operator inflationary fare increases	-0.108	-0.108	0.000	0.000	-0.108	0.000	0.000	0.000
Introduction of charging for post 16 SEN transport and reductions to the Post 19 transport offer	-0.541	-0.541	0.000	0.000	-0.541	0.000	0.000	0.000
Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.250	-0.250	0.000	0.000	-0.250	0.000	0.000	0.000
Policy: Services to Schools – Review our offer to schools in light of the latest DFE funding changes and guidance including exploring alternative funding arrangements and engaging in efficiency measure to reduce costs	-0.707	-0.707	0.000	0.000	-0.707	0.000	0.000	0.000
Review contract with Health for fast tracking mental health assessments for Looked After Children	-1.117	-1.117	0.000	0.000	-1.117	0.000	0.000	0.000
Review of open access services in light of implementing the Family Hub model - ICS Operations	-1.534	-1.534	0.000	0.000	-1.534	0.000	0.000	0.000
Review of open access services in light of implementing the Family Hub model - CCS	-0.066	-0.066	0.000	0.000	-0.066	0.000	0.000	0.000
Review of Kent 16+ Travel Saver - above inflation increase to cover full cost of the pass	-0.385	-0.385	0.000	0.000	-0.385	0.000	0.000	0.000
Review of services for schools including contribution to TEP, facilities management costs, staff care services and any other services for schools	-1.323	-1.323	0.000	0.000	-1.323	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Review of Respite Offer	-0.200	0.000	0.000	0.000	0.000	0.200	0.000	-0.200
Use of external grant to part fund respite offer	-0.550	-0.550	0.000	0.000	-0.550	0.000	0.000	0.000
Estimated reduction to the impact of rising pupil population on SEN Home to School and College Transport	-10.600	-10.600	0.000	0.000	-10.600	0.000	0.000	0.000
Initiatives to increase use of Personal Transport Budgets to reduce demand for Hired Transport	-0.400	-0.400	0.000	0.000	-0.400	0.000	0.000	0.000
Review of children with disability packages ensuring strict adherence to policy, review packages with high levels of support and enhanced contributions from health	-0.756	-0.386	0.000	0.000	-0.386	0.371	0.371	0.000
Implementation of strategies to reduce placement costs for looked after children including the impact of kinship service to reduce the number of children remaining in care, along with increased health contributions.	-1.500	-1.273	0.000	0.000	-1.273	0.227	0.227	0.000
Review of embedded teams in CYPE Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.175	-0.175	0.000	0.000	-0.175	0.000	0.000	0.000

Growth, Environment & Transport

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Growth, Environment & Transport	-17.180	-17.780	0.000	-0.250	-18.030	-0.850	0.000	-0.200
Reduced cost of food waste disposal following Government legislation regarding consistent collections, and work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates.	-0.076	-0.076	0.000	0.000	-0.076	0.000	0.000	0.000
Review service delivery model for Visitor Economy and Inward Investment services to bring about efficiency savings within the operating model	-0.150	-0.150	0.000	0.000	-0.150	0.000	0.000	0.000
Undeliverable prior year saving from increased waste material segregation, that was intended to generate income or reduce cost. This has not been possible due to a change in Government legislation whereby certain items can no longer be recycled.	-0.390	-0.390	0.000	0.000	-0.390	0.000	0.000	0.000
Revenue savings from a spend to save initiative by paying off an interest bearing loan early related to the development of Dunbrik Waste Transfer Station	-0.395	-0.395	0.000	0.000	-0.395	0.000	0.000	0.000
Increased Libraries, Registration and Archives income due to increased uptake of services	-0.400	-0.600	0.000	0.000	-0.600	-0.200	0.000	0.000
Changes to the contribution from Medway Council under SLA relating to increasing/decreasing costs for provision of Coroner service in Medway	-0.109	-0.109	0.000	0.000	-0.109	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Annual inflationary uplift to Library, Registration and Archives income levels and fees and charges in relation to existing service income streams	-0.050	-0.050	0.000	0.000	-0.050	0.000	0.000	0.000
Inflationary increase in income levels and pricing policy for Kent Scientific Services	-0.086	-0.086	0.000	0.000	-0.086	-0.000	0.000	0.000
Continuation of a one-off (2025-26) increase in the annual financial distribution to partners from East Kent Opportunities LLP. The remaining land parcels are currently anticipated to be disposed of by the end of 2025-26, at which point East Kent Opportunities LLP will be dissolved and the budget will need to be realigned in 2026-27.	-0.050	-0.050	0.000	-0.050	-0.100	-0.050	0.000	0.000
Kent Travel Saver price realignment to offset bus operator inflationary fare increases	-0.480	-0.480	0.000	0.000	-0.480	0.000	0.000	0.000
Trading Standards inflationary fee increases	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of all Highways & Transportation fees and charges, that are to be increased annually in line with inflation	-0.065	-0.065	0.000	0.000	-0.065	0.000	0.000	0.000
Highways & Transportation - review of future activity levels with a view to increasing income targets to ensure compliance with fees and charges policy	-1.032	-1.632	0.000	0.000	-1.632	-0.600	0.000	0.000
Increased income within Kent Scientific Services for toxicology analysis for the Coroners Service	-0.013	-0.013	0.000	0.000	-0.013	0.000	0.000	0.000
Surplus from traffic management penalties including contravening traffic restrictions, box	-0.200	0.000	0.000	-0.200	-0.200	0.000	0.000	-0.200

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
junctions and bus lanes under new Moving Traffic Enforcement powers, to offset operational costs and overheads - compliance with fees and charges policy								
Income to offset part of the cost of disposal of packaging waste under Extended Producer Responsibility (EPR) legislation	-13.288	-13.288	0.000	0.000	-13.288	0.000	0.000	0.000
"Review of Community Warden Service to deliver a £1m saving which has resulted in an overall reduction in wardens	-0.067	-0.067	0.000	0.000	-0.067	0.000	0.000	0.000
This is the residual budget once pension liabilities expire"	-0.120	-0.120	0.000	0.000	-0.120	0.000	0.000	0.000
Increase income from Country Parks	-0.013	-0.013	0.000	0.000	-0.013	0.000	0.000	0.000
A reduction in the KCC contribution to the operational costs of the Cyclopark sports and community facility in Gravesend. The park is owned by KCC and operated on KCC's behalf by the Cyclopark charitable trust.	-0.058	-0.058	0.000	0.000	-0.058	0.000	0.000	0.000
Reduction of KCC funding to support the operational costs of Produced in Kent, the county's food & drink sector business membership organisation and promotional agency.	-0.015	-0.015	0.000	0.000	-0.015	0.000	0.000	0.000
Reduction in the budget for the Straits Committee whilst continuing to meet the committee's commitments	-0.080	-0.080	0.000	0.000	-0.080	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Work with Kent District Councils to deliver savings from improving kerbside food waste recycling rates	-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	0.000
Review of embedded teams in GET Directorate, to establish opportunities for consolidation and/or centralisation of practice - Environment & Circular Economy Division	-0.021	-0.021	0.000	0.000	-0.021	0.000	0.000	0.000

Chief Executive's Department

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Chief Executive's Department	-6.023	-4.879	0.000	0.000	-4.879	1.145	0.060	-1.085
Reduction in the number of Historic Pension arrangements within CED Directorate	-0.106	-0.106	0.000	0.000	-0.106	0.000	0.000	0.000
Support Service targeted reductions - review of discretionary spend	-0.100	-0.100	0.000	0.000	-0.100	0.000	0.000	0.000
Support Service targeted reductions - reduced contribution to pension fund in respect of change to requirements	-0.107	-0.107	0.000	0.000	-0.107	0.000	0.000	0.000
Property savings from a Corporate Landlord review of specialist assets	-0.309	-0.073	0.000	0.000	-0.073	0.236	0.000	-0.236
Increase in the recharge to the Pension Fund to better represent the cost of hosting of the Fund within KCC, including overhead elements. Further work to establish full cost recovery will continue over the next few months and may result in a further increase in 2026-27.	-0.231	-0.231	0.000	0.000	-0.231	0.000	0.000	0.000
Review of Committee support arrangements	-0.020	-0.020	0.000	0.000	-0.020	0.000	0.000	0.000
Cease Early Intervention Payments to District Councils	-0.083	-0.083	0.000	0.000	-0.083	0.000	0.000	0.000
Terminate current arrangements to provide annual incentive to collection authorities to reduce/remove empty property council tax discounts and charge premiums on long-term empty properties	-1.450	-1.450	0.000	0.000	-1.450	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Income: Resilience and Emergency Planning - Additional income from reservoir work	-0.060	0.000	0.000	0.000	0.000	0.060	0.060	0.000
Corporate Landlord review of Community Delivery including Assets	-1.095	-0.415	0.000	0.000	-0.415	0.680	0.000	-0.680
Review of Office Assets.	-0.178	-0.010	0.000	0.000	-0.010	0.168	0.000	-0.168
Terminate the current £1.5m annual support provided to collection authorities towards the administration of local CTRS. The current arrangements provide each district with a fixed sum of £70k plus share of £660k based on number of eligible low income pensioner and working age households. The payments are funded by all major precepting authorities' pro rata to share of council tax.	-1.747	-1.747	0.000	0.000	-1.747	0.000	0.000	0.000
Reducing the subsidy to the Civil Society	-0.200	-0.200	0.000	0.000	-0.200	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Infrastructure	-0.201	-0.201	0.000	0.000	-0.201	0.000	0.000	0.000
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Infrastructure	-0.009	-0.009	0.000	0.000	-0.009	0.000	0.000	0.000
Review of embedded teams in CED Directorate, to establish opportunities for consolidation and/or centralisation of practice	-0.128	-0.128	0.000	0.000	-0.128	0.000	0.000	0.000

Deputy Chief Executive's Department

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Deputy Chief Executive's Department	-9.128	-8.985	0.000	-0.143	-9.128	0.000	0.000	-0.143
Explore alternative sources of funding for the administration of the Kent Support & Assistance Service	-0.262	-0.157	0.000	-0.105	-0.262	0.000	0.000	-0.105
Support Service targeted reductions - reduced contribution to pension fund in respect of staff who transferred to Agilisys	-0.170	-0.170	0.000	0.000	-0.170	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Business Management & Client Relationships	-0.019	-0.019	0.000	0.000	-0.019	0.000	0.000	0.000
Support Service targeted reductions - staffing efficiencies within Strategic Reset Programme	-0.082	-0.082	0.000	0.000	-0.082	0.000	0.000	0.000
One-off use of capital receipts under the Governments flexible use of capital receipts policy, which allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. We are applying this flexibility to eligible Oracle Cloud costs in 2025-26. This flexible use of capital receipts is partially compensating for the share of the £19,835.2k policy savings required to replace the one-off solutions in the 2024-25 budget that are planned to be delivered in 2026-27. £11,705.8k of the £19,835.2k policy savings is planned for 2026-27, which will be temporarily met in 2025-26	-8.021	-8.021	0.000	0.000	-8.021	0.000	0.000	0.000

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
from this £8,021k flexible use of capital receipts, £1,926.7k from our allocation of New Homes Bonus and £1,758.1k use of reserves, until the base budget savings are delivered in 2026-27.								
Explore alternative sources of funding for the Kent Support & Assistance Service	-0.567	-0.530	0.000	-0.038	-0.567	0.000	0.000	-0.038
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - SMDB Division	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Technology	-0.002	-0.002	0.000	0.000	-0.002	0.000	0.000	0.000
Review of embedded teams in DCED Directorate, to establish opportunities for consolidation and/or centralisation of practice - Marketing & Resident Experience Division	-0.003	-0.003	0.000	0.000	-0.003	0.000	0.000	0.000

Non Attributable Costs including Corporately Held Budgets

Figures in £m

Saving	2025-26 Savings Target	Delivery against original saving	Delivery against alternative saving (ongoing)	Delivery against alternative saving (one-off)	Total Delivery	Variance	Un-deliverable	To be achieved in future years
Non Attributable Costs	-2.798	-2.800	0.000	0.000	-2.800	-0.002	0.000	0.000
Review amounts set aside for debt repayment (MRP) based on review of asset life	-1.000	-1.000	0.000	0.000	-1.000	0.000	0.000	0.000
Reduce the annual budget for Modernisation of the Council/ Workforce Reduction based on recent years' activity and fund any in-year excess costs from the reserve	-0.500	-0.500	0.000	0.000	-0.500	0.000	0.000	0.000
Increase in the dividend from Commercial Services Group following an increase in the commissioning budgets for ICT & HR services	-1.298	-1.300	0.000	0.000	-1.300	-0.002	0.000	0.000
Corporately Held Budgets	-1.500	0.000	-1.000	0.000	-1.000	0.500	1.000	-0.500
Reduction in the volume and duration of agency staff	-0.750	0.000	-0.750	0.000	-0.750	0.000	0.750	0.000
Reduction in the volume and duration of agency staff	-0.250	0.000	-0.250	0.000	-0.250	0.000	0.250	0.000
Review of structures across the Council to ensure adherence to the Council's organisation design policy	-0.500	0.000	0.000	0.000	0.000	0.500	0.000	-0.500

Appendix 3 | Prudential Indicators

The prudential indicators consider the affordability and impact of capital expenditure plans, in line with the prudential code.

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

	24-25 Actual	25-26 Budget	25-26 Actual
Total	269.64	358.38	273.84

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

The CFR is the total outstanding capital expenditure not yet financed by revenue or capital resources. It is a measure of the Council's underlying borrowing need.

	24-25 Actual	25-26 Budget	25-26 Actual
Total CFR	1,295.90	1,234.10	1276.21

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

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the CFR.

	24-25 Actual	25-26 Budget	25-26 Actual
Other long-term liabilities	230.30	159.10	216.5
External borrowing	732.56	684.70	610.38
Total debt	962.86	843.80	826.88
Capital Financing Requirement	1,295.90	1,234.10	1,276.21
Internal borrowing	333.04	390.30	449.33

Prudential Indicator 4: Authorised Limit and Operational Boundary for External Debt

The Authority is legally obliged to set an affordable borrowing limit (the authorised limit for external debt). A lower "operation boundary" is set should debt approach the limit.

	24-25 Actual	25-26 Budget	25-26 Actual
Authorised limit – borrowing	946	1,201	1,201
Authorised limit – other long-term liabilities	230	240	217
Authorised limit – total external debt	1,176	1,441	1,418
Operational boundary – borrowing	822	1,101	1,101
Operational boundary – other long-term liabilities	230	215	217*
Operational boundary – total external debt	1,052	1,316	1,318

* Includes IFRS16 long term liability

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

Financing costs comprise interest on loans and minimum revenue provision (MRP) and are charged to revenue. This indicator compares the net financing costs of the Authority to the net revenue stream.

	24-25 Actual	25-26 Budget	25-26 Actual
Proportion of net revenue stream	7.38%	6.76%	6.75%

Prudential Indicator 6: Estimates of net income from commercial and service investments to net revenue stream

	25-26 Actuals
Net income from commercial and service investments to net revenue stream (%)	0.49

Appendix 4 | Capital Rephasing

The tables below identify the requested roll forwards by budget line, which reflect the rephasing as described in section 11 of the report. Some of this rephasing has already been affected as part of the 2026-29 budget, therefore only the rephasing since then is to be actioned.

Children, Young People & Education	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Annual Planned Enhancement	120	3,167	-3,287		0
Modernisation Prog	-3,714	2	3,712		0
School Roofs	-507	507			0
Basic Need KCP17	-209	209			0
Basic Need KCP19	-8,297	-803		9,100	0
Basic Need KCP21 (22-26)	-270	270			0
Basic Need KCP22 (23-27)	-6,747	5,147	1,600		0
Basic Need KCP23 (24-28)	-9,178	-14	9,191		0
High Needs Provision	-4,297	16,499	5,095	-17,297	0
Family Hubs and Start for Life	-91	91			0
Childcare Expansion	-1,430	1,430			0
In House Residential Provision (Athena)	-762	762			0
TOTAL CYPE REPHASING	-35,381	27,267	16,311	-8,197	0
Rephasing already actioned through Budget Build	-20,091	-14,598	22,945	11,745	0
Remaining rephasing to action from outturn	-15,290	41,865	-6,634	-19,942	0

Adult Social Care & Health	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Learning Disability Good Day Programme	-316	316	0	0	0
TOTAL ASCH REPHASING	-316	316	0	0	0

Adult Social Care & Health	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Rephasing already actioned through Budget Build	-20	20	0	0	0
Remaining rephasing to action from outturn	-296	296	0	0	0

Growth, Environment & Transport – Highways & Transportation	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Highway Major Enhancement	-7,108	6,900	208		0
Integrated Transport Schemes	-536	536			0
Preliminary Design	-20	0	20		0
Old Schemes Residual Works	-104	104	0		0
DFT Border Works	-412	412	0		0
LED Conversion	-809	465	344		0
Galley Hill	0	0	0		0
Bearsted Road Improvements	-224	224			0
Thanet Parkway Railway Station	-14	14			0
Kent Thameside Strategic Transport (STIPS)	-154	-5,199	5,353		0
Thames Way (STIPS)	-3,381		3,381		0
A28 Chart Road	53	-13,784	-1,894	15,625	0
Maidstone Integrated Transport	-2,289	2,289	0		0
Sturry Link Road	-1,484	-19,423	17,680	3,227	0
A2 Off Slip Wincheap, Canterbury	-1,500	-699	1,498	701	0
Herne Relief Road	-611	421	190		0

Growth, Environment & Transport – Highways & Transportation	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Housing Infrastructure Fund - Swale	-3,218	3,218			0
Fastrack Full Network - Bean Tunnels	-13,527	7,676	5,851		0
Faversham Swing Bridge	-1,115	0	1,115		0
A229 Bluebell Hill M2 and M20 Interchange Upgrades	226	-226	0		0
North Thanet Link	-1,301	1,301	0		0
Kent Active Travel Fund Phase 2	-482	482			0
Kent Active Travel Fund Phase 3	-123	123			0
Kent Active Travel Fund Phase 4	-1,371	1,371			0
Kent Active Travel Fund Phase 5	-762	762			0
Consolidated Active Travel Fund CATF	809	0	-809		0
A252 Ashford Safer Rds	-53	53			0
Green Corridors 3	-3,283	3,283			0
Market Square Dover	-23	23			0
Bath Street, Gravesend	-67	0	67		0
A228 and B2160 Junction Improvements	-4,015	3,995	20		0
Zebra Funding - Electric Buses and Infrastructure	-1,159	1,159	0		0
Local Electric Vehicle Infrastructure (LEVI)	-525	525			0
Folkestone A Brighter Future	-6,794	6,794			0
Ebbsfleet Development Corporation Landscaping Improvements (EDC)	-1,676	1,676	0		0
National Bus Strategy - Bus Service Improvement Plan BSIP Ph1 & Ph2 & Ph3	-11,107	11,107			0
Moving Traffic Enforcement Service	-235	235	0		0

Growth, Environment & Transport – Highways & Transportation	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
M20 Junction 7	-750	-3,290	3,775	266	0
Manston to Haine Link	-373	-2,695	-7,845	10,913	0
TOTAL HIGHWAYS & TRANSPORTATION REPHASING	-69,514	9,829	28,954	30,731	0
Rephasing already actioned through Budget Build	-39,057	16,045	9,192	13,820	0
Remaining rephasing to action from outturn	-30,457	-6,216	19,762	16,911	0

Growth, Environment & Transport – Environment & Circular Economy	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Country Parks	-140	140			0
Local Nutrient Mitigation Fund	-5,350	4,550	800		0
New Transfer Station Folkestone & Hythe	-5,133	5,133			0
Electric Vans	-239	239			0
Energy & Water Investment Fund (KCC Funds)	-516	516			0
Local Authority Treescape Fund	-191	191			0
Surface Water Flood Risk Management	-712	462	250		0
Windmills Weatherproofing	-36		36		0
TOTAL ENVIRONMENT & CIRCULAR ECONOMY	-12,317	11,231	1,086	0	0
Rephasing already actioned through Budget Build	-9,172	8,240	932	0	0
Remaining rephasing to action from outturn	-3,145	2,991	154	0	0

Growth, Environment & Transport – Growth & Communities	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Public Rights of Way	-1,250	1,250			0
Village Halls & Community Centre Grants	-30	30			0
Essella Road Footbridge	-620	10	610		0
Innovation Investment Initiative (i3)	-1,173		394	779	0
Kent Empty Property Initiative	83	1,917	-2,000		0
Kent Broadband Voucher Scheme	-533	-765	781	517	0
Broadband Contract 2	-1,349	1,349			0
Gypsy & Traveller Site Improvements	30	-30			0
Kent and Medway Business Fund	83	1,017		-1,100	0
Kent and Medway Business Fund - Small Business Boost	-304	304			0
Public Sports	-3	3			0
Growth Places Fund	-6,145	6,145			0
TOTAL GROWTH & COMMUNITIES REPHASING	-11,211	11,230	-215	196	0
Rephasing already actioned through Budget Build	-3,117	680	1,142	1,296	0
Remaining rephasing to action from outturn	-8,094	10,550	-1,357	-1,100	0
Chief Executive's Department	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Modernisation of Assets	-4,370	4,370			0
Asset Utilisation	-1,341	1,341			0

Chief Executive's Department	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Strategic Reset	-977	977			0
Dover Discovery Centre	-100	100			0
TOTAL CED REPHASING	-6,788	6,788	0	0	0
Rephasing already actioned through Budget Build	-2,042	2,042	0	0	0
Remaining rephasing to action from outturn	-4,746	4,746	0	0	0

GRAND TOTAL	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
TOTAL REPHASING	-135,528	66,662	46,136	22,730	0
Total Rephasing already actioned through Budget Build	-73,500	12,429	34,211	26,860	0
Total Remaining rephasing to action from outturn	-62,028	54,233	11,925	-4,130	0

Appendix 5 | Capital Cash Limit Changes

To reflect revised funding/phasing since budget

The tables below reflect changes and timing in available funding, such as additional grant and external funding, since the 2026-29 budget was agreed

Children, Young People & Education	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Annual Planned Enhancement	-46	0	0	0	-46
Modernisation Programme	253	668	2,391	0	3,313
Basic Need KCP16	12	0	0	0	12
Basic Need KCP17	-9	0	0	0	-9

Children, Young People & Education	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Basic Need KCP18	81	-70	0	0	11
Basic Need KCP19	-3,228	-745	0	821	-3,152
Basic Need KCP20 (21-25)	72	0	0	0	72
Basic Need KCP21 (22-26)	-11	-300	0	0	-311
Basic Need KCP22 (23-27)	4,445	-5,900	900	0	-555
Basic Need KCP23 (24-28)	-1,018	428	-1,586	73	-2,103
Basic Need Markers	-1,362	-20,651	21,950	1,823	1,761
High Needs Provision	-2,289	1,840	0	23,141	22,692
Special Schools Review	-9	0	0	0	-9
Family Hubs and Start for Life	-48	0	0	0	-48
Childcare Expansion	75	0	0	0	75
Purchase of Vehicles	0	0	0	0	0
In House Residential Provision (Athena)	-1,075	1,006	0	0	-69
Total Other Cash Limit Changes	-4,154	-23,725	23,656	25,858	21,634

Adult Social Care & Health	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Home Support Fund	-179	0	0	0	-179
LD Good Day Programme	-85	55	0	0	-30
Developer Funded Schemes	16	41	0	0	57
Community Sexual Health Services	157	0	0	0	157
Capitalisation of IT Equipment Costs	2,000	0	0	0	2,000

Adult Social Care & Health	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Total Other Cash Limit Changes	1,909	96	0	0	2,005
Growth, Environment & Transport – Highways & Transportation	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Highway Major Enhancement	662	0	-1,808	-4,008	-5,153
Integrated Transport Schemes	-83	0	0	0	-83
Government Transitions works (was EU Exit) (Sevington)	-1,000	1,000	0	0	0
Dover IBF	0	0	0	0	0
DFT Border Works	-75	0	0	0	-75
LED Conversion	-59	0	0	0	-59
Galley Hill	-99	0	0	0	-99
Bearsted Road Improvements	-930	1,077	25	13	185
Thanet Parkway Railway Station	-120	0	0	0	-120
A28 Chart Road	-4	13,804	1,801	-15,602	0
Maidstone Integrated Transport	0	0	0	0	0
KTS A226 St Clements Way	0	0	0	0	0
Sturry Link Road	4,050	30,401	-26,741	4,365	12,075
A252 Ashford Safer Rds	14	0	0	0	14
A290 Safer Roads Fund	-14	0	0	0	-14
A2500 Lower Road	-1	0	0	0	-1
Housing Infrastructure Fund - Swale	5,338	-904	-179	0	4,255
Dover Bus Rapid Transit - Fastrack	2,921	393	0	0	3,314

Growth, Environment & Transport – Highways & Transportation	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Fastrack Full Network - Bean Tunnels	5,443	2,054	-4,750	0	2,747
North Thanet Link	0	-892	1,000	0	108
Kent Active Travel Fund Phase 2	280	0	0	0	280
Kent Active Travel Fund Phase 3	-280	0	0	0	-280
Consolidated Active Travel Fund CATF	-772	1,000	3,454	0	3,682
Diversion Routes for Unplanned Events (DRUE)	-29	0	0	0	-29
Manston to Haine Link	0	250	500	16,684	17,434
Ebbsfleet Development Corporation Landscaping Improvements (EDC)	320	-320	0	0	0
National Bus Strategy - Bus Service Improvement Plan BSIP Ph1 & Ph2 & Ph3	-3,947	0	0	0	-3,947
Local Electric Vehicle Infrastructure (LEVI)	18	0	0	0	18
Moving Traffic Enforcement Service	129	0	0	0	129
Folkestone A Brighter Future	2,321	-2,203	1,169	0	1,287
Faversham Swing Bridge	-700	700	0	0	0
Total Other Cash Limit Changes	13,383	46,361	-25,529	1,452	35,667

Growth, Environment & Transport – Environment & Circular Economy	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
New Transfer Station Folkestone & Hythe	0	-132	132	0	0
Surface Water Flood Risk Management	199	0	0	0	199
Energy & Water Investment Funds - External (Salix Fund)	-232	-49	-35	-24	-340
Energy & Water Investment Fund (KCC Funds)	232	49	35	24	340

Growth, Environment & Transport – Environment & Circular Economy	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Trees Outside Woodland	34	0	0	0	34
Waste Compactor Replacement	318	0	0	0	318
Waste Infrastructure	-4	0	0	0	-4
Windmills Weatherproofing	-19	0	0	0	-19
Total Other Cash Limit Changes	528	-132	132	0	528

Growth, Environment & Transport – Growth & Communities	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Public Rights of Way	0	60	0	0	60
Gypsy & Traveller Site Improvements	25	0	0	0	25
Essella Road Footbridge	0	0	-10	0	-10
Javelin Way Development	-4	0	-33	0	-37
Kent & Medway Business Fund	-800	0	0	0	-800
Kent & Medway Business Fund - Small Business Boost	800	0	0	0	800
Kent Empty Property Initiative	-66	0	0	0	-66
KSS Equipment and Vehicles	418	0	0	0	418
Total Other Cash Limit Changes	373	60	-43	0	390

Chief Executive's Department	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Modernisation of Assets	-40	0	0	0	-40
Dover Discovery Centre	53	0	0	0	53

Chief Executive's Department	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Strategic Estate Prog	-1,722	2,172	0	0	450
Accommodation for Unaccompanied Asylum Seeking Children	-1,669	128	0	0	-1,541
Corporate Property Strategic Capital	58	0	0	0	58
Disposal Costs	-56	0	0	0	-56
Asset Utilisation	-14	0	0	0	-14
AU - Oakwood House	32	0	0	0	32
Dover Discovery Centre	-529	0	0	0	-529
LAN Refresh	456	0	0	0	456
Strategic Reset Prog	15	0	0	0	15
Land Adj to Cranbrook	1,075	0	0	0	1,075
Total Other Cash Limit Changes	-2,341	2,300	0	0	-41

GRAND TOTAL	2025-26 £'000	2026-27 £'000	2027-28 £'000	Future years £'000	Total £'000
Total Other Cash Limit Changes	9,697	24,960	-1,784	27,309	60,183