



DEMOCRATIC SERVICES  
SESSIONS HOUSE  
MAIDSTONE

Tuesday, 10 February 2009

To: All Members of the County Council

Please attend the meeting of the County Council in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 19 February 2009 at **10.00 am** to deal with the following business. **The meeting is scheduled to end by 5.00pm.**

### A G E N D A

1. Declarations of Interest
2. Minutes of the meeting held on 11 December 2008 and if in order, (Pages 1 - 8)  
to be approved as a correct record.
3. Chairman's Announcements
4. Questions
5. Appointment of Interim Director of Children's Services (Pages 9 - 10)
6. Medium Term Budget 2009-12 (Incorporating the Budget and (Pages 11 - 18)  
Council Tax Setting for 2009-10)

Peter Sass  
Head of Democratic Services and Local Leadership  
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## KENT COUNTY COUNCIL

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MINUTES of a meeting of the Kent County Council held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 11 December 2008.

**PRESENT:**

Mr P W A Lake (Chairman)  
Mr J A Davies (Vice-Chairman)

Mrs A D Allen, Mr M J Angell, Mr A R Bassam, Mr T J Birkett, Mr R H C Bliss, Mr A H T Bowles, Mr D L Brazier, Mr J R Bullock, MBE, Mr C J Capon, Ms S J Carey, Mr P B Carter, Mr N J D Chard, Mr A R Chell, Mr I S Chittenden, Mr L Christie, Mr B R Cope, Mr G Cowan, Ms C J Cribbon, Mr A D Crowther, Mr J Curwood, Mrs V J Dagger, Mr D S Daley, Mr M C Dance, Mrs T Dean, Dr M R Eddy, Mr K A Ferrin, MBE, Mr C G Findlay, Mr M J Fittock, Mr J B O Fullarton, Mr T Gates, Mr G K Gibbens, Mr R W Gough, Ms A Harrison, Mr C Hart, Mr W A Hayton, Mr C Hibberd, Mr P M Hill, OBE, Mr D A Hirst, Mrs S V Hohler, Mr E E C Hotson, Mr I T N Jones, DL, Mr R E King, Mr A J King, MBE, Mr J F London, Mr R L H Long, TD, Mr K G Lynes, Mr T A Maddison, Mr R F Manning, Mr R A Marsh, Mr J I Muckle, Mr W V Newman, DL, Mr M J Northey, Mr R J E Parker, Mr R J Parry, Mr A R Poole, Mr L B Ridings, Dr T R Robinson, Mrs E D Rowbotham, Mr G Rowe, Mr J E Scholes, Mr J D Simmonds, Ms B J Simpson, Mr D Smyth, Mr M V Snelling, Mr R Tolputt, Mr R Truelove, Mrs E M Tweed, Mr M J Vye, Mr C T Wells, Mr B P Wood and Mr F Wood-Brignall

IN ATTENDANCE: Mr P Gilroy (Chief Executive) and Mr G Wild (Director of Law and Governance)

### UNRESTRICTED ITEMS

**1. Declarations of Interest**

There were no declarations of personal or prejudicial interests by Members in any item on the agenda.

**2. Minutes of the meeting held on 16 October 2008**

RESOLVED that the Minutes of the meeting held on 16 October 2008 are correctly recorded and that they signed by the Chairman.

**3. Chairman's Announcements**

**1. Petitions**

The Chairman formally received a petition from the parents of Kennington Junior School in Ashford regarding the condition of the buildings on the site, which was handed to Mr Mark Dance, Cabinet Member for Operations, Resources & Skills CFE, for attention.

The Chairman formally received a petition from the Maidstone Green Party regarding safety on the roads in Maidstone, which was handed to Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste, for attention.

## **2. Spirit of the Community Initiative**

The Chairman drew the Council's attention to a letter he had received from the Lord Lieutenant of Kent, who wishes to initiate a celebration of the great variety that makes up the Spirit of the Community across our County. The Chairman asked for Members' ideas for the initiative, so that the Chairman could respond to the Lord Lieutenant.

## **3. Kent Archaeological Award for Co-operation 2008**

The Chairman formally reported receipt of a certificate for outstanding co-operation and support to windmills in Kent, from the Chairman of the Council for Kentish Archaeology.

## **4. Mrs Christine Angell**

The Chairman stated that Mrs Angell was poorly, following a hip operation and wished her a speedy recovery on behalf of the Council.

## **5. Memorial Service for Lord Bruce-Lockhart**

The Chairman welcomed the recent memorial service for Lord Bruce-Lockhart, which was a sentimental and uplifting occasion and thanked Members for their support and the Civic Office and others for ensuring that the day was a great success and a fitting tribute to a remarkable man. He added that Lady Bruce-Lockhart had written to the Chairman to thank the County Council for arranging the service.

## **6. Lunch for the Wooden Spoon Charity**

The Chairman stated that he had hosted a lunch for the Wooden Spoon Rugby Charity, who raised substantial sums of money for respite care in Kent and he encouraged Members to support the charity.

## **7. Royal Regiment of Scotland**

The Chairman referred to the award of the Honorary Freedom of the City of Canterbury, awarded to the Royal Regiment of Scotland (Argyll and Sutherland Highlanders, 5<sup>th</sup> Battalion Royal Regiment of Scotland), on Sunday 7 December, which was a very successful event.

## **4. Questions**

Under Procedure Rule 1.18, 11 questions were asked and replies given. One question was not asked because of the absence of the questioner.

## **5. Report by Leader of the Council**

(1) Under Procedure Rule 1.20, the Council agreed that, on this occasion, the length of the Leader's oral report be extended by 3 minutes to 13 minutes and the responses of the Leaders of the other two political groups be extended by 3 minutes to 10 minutes each.

(2) The Leader began by looking back over the previous 12 months; commenting on the retention by the Council of its 4-star status following the CPA Corporate Assessment and Joint Area Review; the recent CSCI inspection of Adult Social Services, which had seen the retention of the top 3-star rating; the best education results ever at Key Stage 1 and 4; successful negotiations with the Government about KCC's asylum costs; the Capital Programme being on track to be delivered; and, good progress being made on the shape of next year's budget, with the aim of keeping the Council Tax as low as possible. In light of the ongoing global economic situation, he spoke about the programme of measures being put in place to support business in Kent and the increasing work being done to promote the modern apprenticeships programme. He mentioned the sad loss of Lord Bruce-Lockhart and John Law, adding that the influence of both Members was already being missed.

(3) Referring to the two Motions for time-limited debate, the Leader spoke about the review of the PIPKIN system that Mr Ferrin was leading on, to which Mrs Dean and Dr Eddy had been invited to be involved. He also mentioned a proposed substantial increase in resources for improvements to roads and pavements in Kent, together with an enhanced role for Members in being able to commission work in their electoral Divisions.

(4) On Child Protection, the Leader referred to the additional resources that were being allocated to the Children, Families and Education Directorate in the forthcoming budget round and the review being led by the Chief Executive on the process for child protection work within Kent. He had asked for the review to be completed by the end of January and stated that both Dr Eddy and Mrs Dean would be invited to attend a meeting to discuss the findings of the review.

(5) With the permission of the Chairman, Mr Chittenden was invited to speak on this item. Mr Chittenden, with the consent of his seconder and the Council formally withdrew his Motion for time-limited debate.

## **6. Select Committee Report - Accessing Democracy**

RESOLVED that:

- (a) the Select Committee report and its recommendations be endorsed by the County Council;
- (b) the Select Committee be thanked for an excellent report on a complex, challenging and emotive issue;
- (c) the witnesses and others who provided evidence and made valuable contributions to the work of the Select Committee be thanked; and
- (d) an annual report be submitted to the County Council on the progress of agreed recommendations of recent Select Committees.

## **7. Member Development Policy**

RESOLVED that the Member Development Policy be approved for incorporation into the County Council's Constitution.

**8. IMG Report on Member Information**

RESOLVED that the recommendations of the Informal Member Group of Member Information as set out in Appendix 1 to the report be approved.

**9. Update on Localism**

RESOLVED that the progress in responding to the range of emerging Community Engagement pilots across the County be noted.

**10. Preparing the County Council for Future Challenges**

(1) Mr P Carter moved, Mr A King seconded the recommendations contained on page 45 of the Blue Book, subject to a minor alteration to (d), when the voting was as follows:

For – 42

Mrs A D Allen, Mr M J Angell, Mr R Bliss, Mr A H T Bowles, Mr D L Brazier, Mr J R Bullock, Miss S J Carey, Mr P B Carter, Mr N J D Chard, Mr A R Chell, Mr B R Cope, Mr A D Crowther, Mr J Curwood, Mrs V J Dagger, Mr M C Dance, Mr C G Findlay, Mr J B O Fullarton, Mr T Gates, Mr G K Gibbens, Mr R A Gough, Mr W A Hayton, Mr D A Hirst, Mrs S V Hohler, Mr A J King, Mr R E King, Mr J F London, Mr R L H Long, Mr K J Lynes, Mr R Manning, Mr M Northey, Mr R J Parry, Mr R A Marsh, Mr L B Ridings, Dr T R Robinson, Mr J E Scholes, Mr J D Simmonds, Ms B Simpson, Mr M V Snelling, Mr R Tolputt, Mrs E Tweed, Mr C Wells and Mr F Wood-Brignall.

Abstain – 18

Mr T Birkett, Mr I Chittenden, Mr L Christie, Ms C J Cribbon, Mrs T Dean, Dr M R Eddy, Mr M J Fittock, Ms A Harrison, Mr C Hart, Mr T Maddison, Mr W V Newman, Mr R J E Parker, Mr A R Poole, Mrs E Rowbotham, Mr G Rowe, Mr D Smyth, Mr R Truelove and Mr M J Vye.

Against – 1

Mr I T N Jones.

*Carried*

(2) RESOLVED that:

- (a) the contents of the report be noted;
- (b) the actions taken to date to commence senior management structure reviews in the KASS, CFE and E&R Directorates and the CED be endorsed;
- (c) the interim arrangements put in place to maintain continuity and capability pending the outcome of the reviews be endorsed;
- (d) authority be delegated to the Chief Executive, in consultation with the Leader and Cabinet, to implement the findings of those reviews, referred to in paragraph 20 of the report, save those which the Constitution specifically reserves to the County Council; and

- (e) the changes to Appendix 8 of the Constitution with regard to the composition and overall senior management structure of the organisation be approved.

## **11. Proposed Amendments to the Constitution**

(1) With the permission of the County Council, the Chairman stated that the five separate reports contained within agenda item 11 (a to e) would be taken together.

(2) Mr A King moved, Mr K Lynes seconded the proposed amendments to the Constitution, subject to the addition of the words “and their carers” after the words “social care needs” in the 3<sup>rd</sup> bullet point under the description of the role of the Director of Adult Social Services (item 11a).

*Carried without a vote.*

(3) RESOLVED that:

- (a) the Constitution be amended to include the responsibilities of the Director of Adult Social Services (known in Kent as the Managing Director of Adult Social Services) and the Director of Children’s Services (known in Kent as the Managing Director of Children, Families and Education) as statutory Chief Officers, as described in the report, subject to the addition of the words “and their carers” after the words “social care needs” in the third bullet point under the description of the role of the Director of Adult Social Services;
- (b) the adoption of the Leader and Cabinet Executive model in accordance with the provisions of the Local Government and Public Involvement in Health Act 2007 together with the appropriate alterations to the Constitution as outlined in paragraphs 4 and 5 of the report be approved;
- (c) the request of the Children, Families and Education Policy Overview Committee to establish a Local Children’s Partnership (LCSP) Sub-Committee on a permanent basis and include in its membership a Church and Teacher Advisory representative, with Terms of Reference as set out in Appendix 1 to the report be approved;
- (d) the formal appointment of a Children’s Champions Board, with Terms of Reference as set out in Appendix 2 of the report be approved;
- (e) the Children’s Champions Board be requested to reflect on the discussion of the three Group Leaders on 11 November 2008, as follows:
  - (i) the definition of the role of the elected Member as a corporate parent; and
  - (ii) that the Children’s Champions Board be asked to submit an annual report to the County Council on the work of the Board. Within this annual report, it would be helpful to include information on the number of Looked After Children places by other authorities in Kent and information on the number of Looked After Children placed within each Member’s electoral division including information on the educational achievement and attainment of these children.

- (f) the Public Relations Protocol for Select Committee Reviews and reports as set out in Appendix 1 to the report be approved;
- (g) that further discussions take place between the Policy Overview Coordinating Committee, the Chairman of the County Council and Members of the Cabinet on the process for launching Select Committee reviews; and
- (h) the proposed amendments to the Constitution in relation to Overview and Scrutiny, as set out in the Appendix to the report be approved.

## **12. Urgent Decision Item - Quarterly Report**

RESOLVED that the quarterly report of Key Decisions that had been taken as a matter of urgency in the previous 3 months be noted.

## **13. Motion for Time Limited Debate - Dr M Eddy will move, Mr M Fittock will second:**

- (1) Dr M Eddy moved, Mr M Fittock seconded:

“That this Council, following the recommendation of the NSPCC, requires its Children, Families & Education Directorate to:

- (a) carry out an urgent review of Kent’s Child Protection framework and procedures; and
- (b) carry out a specific review of its child protection plans, identifying those children at risk of the most serious harm examining especially closely those cases where decisions not to take legal proceedings have followed significant recorded dissent between professionals and/or managers, where children are on interim care orders and are still at home and where children are subject of an unfinished police investigation into maltreatment.

This Council also requires the results of these reviews to be compiled and circulated in a written report to all Members by the end of January 2009, with any personal data anonymised as necessary”.

- (2) Dr Eddy, with the consent of his seconder and the Council agreed to a request by the Leader to add the words “the Chief Executive, working with the” and the deletion of the word “its” after the word “requires” in the introduction to this Motion.

- (3) Mr M Vye moved, Mrs T Dean seconded as an amendment the addition of a new sub paragraph (c) as follows:

“present the results of these reviews to a special meeting of the Children's Champions Board in January, for scrutiny”.

- (4) Dr Eddy with the consent of his seconder and the Council agreed to incorporate the tenet of Mr Vye’s amendment into the last paragraph of his motion.



(5) RESOLVED that this Council, following the recommendation of the NSPCC, requires the Chief Executive, working with the Children, Families & Education Directorate to:

(a) carry out an urgent review of Kent's Child Protection framework and procedures; and

(b) carry out a specific review of its child protection plans, identifying those children at risk of the most serious harm examining especially closely those cases where decisions not to take legal proceedings have followed significant recorded dissent between professionals and/or managers, where children are on interim care orders and are still at home and where children are subject of an unfinished police investigation into maltreatment.

This Council also requires the results of these reviews to be compiled and circulated in a written report to all Members by the end of January 2009, and presents the results of these reviews to a special meeting of the Children's Champions Board in the same month, with any personal data anonymised as necessary.

*Carried without a vote.*

**14. Motion for Time Limited Debate - Mr I Chittenden will move, Mr D Daley will second:**

The Chairman informed the Council that Mr Chittenden with the consent of his seconder and the Council had withdrawn this motion.

**15. Minutes for Information**

Pursuant to Procedure Rules 1.23 (4), the Minutes of the Planning Applications Committee held on 7 October and 4 November 2008, were noted.

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By: Paul Carter, Leader of the Council  
To: County Council – 19 February 2009  
Subject: Appointment of Interim Director of Children’s Services  
Classification: Unrestricted

FOR DECISION

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### **Introduction**

1. The Director of Children’s Services is a statutory designation under the Children Act 2004, with responsibility for building and leading arrangements for improving outcomes for, and the wellbeing of, children and young people, either directly or with other agencies.
2. It is for the authority to determine which officer is to be designated as its Director of Children’s Services. Whilst interim arrangements are in place in CFE pending the appointment of the new Managing Director (who will assume this role when taking up their appointment) it is considered appropriate for this designation to rest with the Chief Executive.
3. Whilst the post is accountable to the Cabinet, such a change in designation requires the agreement of the County Council and a variation to the Constitution.
4. Members are requested to agree the Chief Executive be designated Interim Director of Children’s Services.

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By: Paul Carter, Leader of the Council  
To: County Council - 19 February 2009  
Subject: Medium Term Plan 2009-12 (Incorporating the Budget and Council Tax Setting for 2009-10)  
Classification: Unrestricted

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Summary: This report has been prepared so that Kent County Council can formally set its budget and council tax levels for 2009-10 in accordance with relevant legislation.

The report briefly provides an update on the 2008-09 financial position and makes detailed proposals for the 2009-10 revenue and capital budgets, as set out in the proposed Medium Term Plan. This report incorporates Final Settlement Grant figures, final tax base notifications, final collection fund surpluses and deficits, all as described in the Cabinet Report of 2 February 2009. Consequential changes made to the Medium Term Plan and Budget have been identified within this report, as set out in paragraph 11 onwards ('Changes between draft budgets for Cabinet and Council').

Indicative financial information has been provided within the Medium Term Plan for 2010-11 and 2011-12. It should be noted that this is for planning purposes only, in line with the requirements of the Local Government Act 2003.

Members are reminded to bring the white-comb bound 2009-10 Budget Book and 2009-12 Medium Term Plan to this meeting.

Members are reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

Any Member of a Local Authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not cast their vote on anything related to KCC's Budget or Council Tax.

## INTRODUCTION

1. The Local Government Finance Act 1992 requires the Council to formally consult and ultimately set a budget and Council Tax for the next financial year, 2009-10. This report sets out the required calculations and recommendations. The Local Government Act 2003 requires the Director of Finance to give an opinion on the robustness of the budget estimates and the level of reserves held by the Council. The Medium Term Plan formally sets out the assumptions that inform these decisions.
2. The Council's budget is set within the framework of its policy priorities. It takes into account a range of external factors including national local government funding and the legislative programme.
3. To clearly demonstrate this, the Medium Term Plan for 2009-12 is attached to this report (white comb version). It should be noted that financial projections for both resourcing and expenditure for 2010-11 and 2011-12 are shown as "indicative" planning assumptions. Clearly, there are a number of issues that will be subject to better information or change over time, particularly in light of the current and forecast economic conditions. Formal decisions on the actual annual budget allocations will continue to be made each February at County Council.
4. The Medium Term Plan sets out in some detail the main issues that have been taken into account in setting the budget and Council Tax for 2009-10. Formula Grant funding will increase by a headline 3.2%, which is above the floor funded minimum. This figure falls to 2.0% when the ending of the Local Authority Business Growth Incentive Scheme (LABGI) grant is taken into account. The headline figure for 2010-11 is also 3.2%. It should be noted that Formula Grant and Area Based Grant account for only 37% of our budget requirement, the rest is funded by Council Tax.

## BUDGET 2008-09

5. Budget monitoring for the current year has shown significant pressures throughout the year to date. The budget for 2009-10 takes these pressures into account, where appropriate, to ensure that our base budget reflects the latest possible projections of activity and cost.
6. The latest forecast for the revenue budget for 2008-09 is an underspend of £5.8m, although this is reduced to £0.6m if we take into account the 'overspend' on Asylum. However, we continue to expect Central Government to recompense us for the undue burden of asylum costs that falls on this Authority. The proposed budget for 2009-10 assumes that £3.7m of underspend from 2008-09 will be available to support the 2009-10 budget.
7. We expect to close the 2008-09 accounts with £25.8m of general reserves, which is in line with the Council's financial strategy. It is also in line with recommended best practice as provided by both CIPFA and the Audit Commission. There is no proposal in the budget to change the level of general reserves in 2009-10.
8. Schools started 2008-09 with revenue reserves of £67m and capital reserves of some £17m. Under normal circumstances we would expect reserves to remain broadly at this level. However, the balance control mechanism, which came into force from January 2007, limits the level of uncommitted reserves that individual schools may hold. It is still unclear how schools will react to the scheme, but we may see a reduction in reserves as a result. It should be noted that the Dedicated Schools Grant (DSG) is a ringfenced grant and any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, for use in schools or schools related expenditure.

## CONSULTATION

9. The annual budget process provides formally for consultation with the public, Trade Unions, the business community, opposition Members and professional organisations. Policy Overview Committees have considered the budget proposals since 13 January 2009. A meeting with business leaders was held on 27 January and there was a consultation with staff representatives on 11 February. The budget proposals were reviewed at Cabinet Scrutiny Committee on 26 January and 10 February.
10. Formal feedback has been received from market research firm Ipsos MORI on KCC's study of public attitudes to expenditure priorities and Council Tax levels. This information has informed the recommendations made to County Council and a summary was attached to the report to Cabinet on 2 February 2009.

## CHANGES BETWEEN DRAFT BUDGETS FOR CABINET AND COUNCIL

11. Some changes to the Budget and Medium Term Plan document have been made since they were first published on 7 January. These are explained in this section.
12. The proposed Council Tax increase considered by Cabinet on 2 February was 2.44%. This is 0.41% less than the 2.85% increase proposed in the draft budget published on 7 January. In budget terms, this equates to a reduced funding requirement of £2.187m. Further details are provided in Table 1 in paragraph 15.
13. This change impacts on the Finance Portfolio and the budget and MTP have been changed accordingly, as have the Prudential Indicators shown at Appendix D in the MTP.
14. The Budget Book and MTP have also been updated to reflect the most up to date information. That includes refining of gross and income estimates, allocation of overheads and capital charges, and general updates on the commentary in the MTP, particularly with regard to the rapidly changing economic climate.
15. The impact of the changes which have an impact on the budget as set out in this report to Council can be summarised as follows:

| <b>TABLE 1 – CHANGES TO DRAFT BUDGET 2009-10</b>         | Net<br>£'000   |
|--|----------------|
| <b>Budget Requirement per draft on 7 January</b>         | <b>889,562</b> |
| Further debt restructuring                               | - 3,169        |
| Increase in second homes taxbase and associated spending | + 77           |
| <b>Revised proposed Budget Requirement</b>               | <b>886,470</b> |

|   |                  |
|---|------------------|
| <b>Amount met by Council Tax per draft on 7 January</b>                                   | <b>-557,626</b>  |
| Lower than expected taxbase   | + 1,135          |
| Reduction in funding requirement which reduces council tax increase from 2.85% to + 2.44% | + 2,187          |
| <b>Amount met by Council Tax per draft to Council</b>                                     | <b>- 554,304</b> |
| Government Funding – Formula Grant and Area Based Grant (unchanged at Final Settlement)   | - 331,936        |
| Surplus on tax collection for previous years  | - 230            |
| <b>Total funding</b>  | <b>- 886,470</b> |

## REVENUE BUDGET PROPOSALS 2009-10

16. Managing Directors and Cabinet Portfolio Members have developed and refined medium term budget pressures and savings opportunities since the summer. This has included the incorporation of changes to budgets to reflect changes between portfolios and directorates. The attached Medium Term Plan provides more detail, with the proposals for 2009-10 summarised in Table 2 below.
17. The final position on the Children, Families and Education Directorate in relation to Dedicated Schools Grant (DSG) will be subject to the remaining recommendations from the Schools Forum. The recommendations on this need to be delegated to the Cabinet Member for Operations, Resources and Skills (CFE). The final amount of DSG will not be announced by the Government until June 2009.

| <b>Portfolio totals excluding charges for capital assets</b> | <b>£'000</b>   |
|--|----------------|
| Operations, Resources and Skills (CFE)                       | 73,466         |
| Children, Families and Educational Achievement               | 136,651        |
| Adult Social Services  | 340,668        |
| Environment Highways and Waste                               | 150,002        |
| Regeneration   | 8,096          |
| Communities  | 56,347         |
| Public Health  | 680            |
| Corporate Support and External Affairs                       | 16,665         |
| Policy and Performance                                       | 1,482          |
| Finance  | <u>102,413</u> |
| <b>Budget requirement 2009-10</b>                            | <b>886,470</b> |

## CAPITAL INVESTMENT PROPOSALS 2009-10

18. The total estimated resources are summarised below:

| <b>SOURCE OF FUNDING:</b>                  | <b>£'000</b>   |
|--|----------------|
| Supported Borrowing                        | 61,146         |
| Prudential                                 | 46,151         |
| Prudential funded from Portfolio Revenue   | 17,580         |
| Property Enterprise Fund 2 (PEF2)          | 23,287         |
| Grants                                     | 242,905        |
| External Funding - Developer Contributions | 7,682          |
| Other External Funding                     | 13,800         |
| Revenue and Renewals                       | 8,206          |
| General Capital Receipts                   | 2,680          |
| Earmarked Capital Receipts                 | 9,421          |
| Private Finance Initiative (PFI)           | 54,983         |
| Transfer of Land in Part Payment           | 3,060          |
| <b>TOTAL</b>                               | <b>490,901</b> |



19. The total forecast capital expenditure financed from all of the above sources of funding is as follows:

| <b>TABLE 4 - CAPITAL EXPENDITURE 2009-10</b>   |                |
|--|----------------|
| PORTFOLIO:                                     | £'000          |
| Operations, Resources and Skills (CFE)         | 278,519        |
| Children, Families and Educational Achievement | 3,318          |
| Adult Social Services                          | 23,046         |
| Environment, Highways and Waste                | 128,633        |
| Regeneration                                   | 6,835          |
| Communities                                    | 28,589         |
| Corporate Support & External Affairs           | 16,389         |
| Policy and Performance                         | 500            |
| Finance  | 5,072          |
| <b>TOTAL</b>                                   | <b>490,901</b> |

20. The Prudential Regime requires that this capital programme be agreed with due regard to the new indicators which have been provided in full at Appendix D in the attached Medium Term Plan.

## COUNCIL TAX 2009-10

21. The Budget's aims are to establish a sound and sustainable financial position, to provide value for money and to make progress on policies to deliver the kind of modern public services Kent people want, and deserve.
22. In order to calculate the level of County Council Tax it is necessary to divide the precept requirement by the tax base within its area. The County's tax base is the sum of the 12 District tax bases and is expressed as the number of equivalent Band D properties, which for 2009-10 equals 540,114.82.

| <b>TABLE 5 – CALCULATION OF COUNCIL TAX</b>      |                  |
|--|------------------|
|  | £000             |
| <b>Budget Requirement 2008-09</b>                | <b>857,018</b>   |
| Spending Increase (net of adjustments)           | + 29,452         |
| <b>Budget Requirement 2009-10</b>                | <b>886,470</b>   |
| Financed From:                                   |                  |
| Formula Grant                                    | - 331,936        |
| Collection fund surplus                          | - 230            |
| <b>Precept requirement from Council Tax</b>      | <b>554,304</b>   |
| Divided by tax base (band D equivalent)          | 540,114.82       |
| <b>Council Tax for a Band D property 2009-10</b> | <b>£1,026.27</b> |
| Council Tax for a Band D property 2008-09        | £1,001.79        |
| Band D increase                                  | £24.48           |
|  | + 2.44%          |

23. The tax for other property bands is calculated in fixed proportions to Band D. Table 6 illustrates the impact for all property bands. In practice, people will pay lower amounts of tax if they are eligible for discounts (e.g. people living alone) or receive Council Tax Benefit which is available to people on low incomes. These tax levels exclude the charges from the separate Fire Authority, Police Authority, District Councils and Parish Councils.

| <b>TABLE 6 – KCC COUNCIL TAX ASSUMING AN INCREASE OF 2.44%</b> |        |        |        |         |         |         |         |         |
|--|--------|--------|--------|---------|---------|---------|---------|---------|
| Band   |        |        |        |         |         |         |         |         |
|  | A<br>£ | B<br>£ | C<br>£ | D<br>£  | E<br>£  | F<br>£  | G<br>£  | H<br>£  |
| Weekly Increase Compared to 2008-09                            | 0.31   | 0.37   | 0.42   | 0.47    | 0.58    | 0.68    | 0.78    | 0.94    |
| Annual Charge  | 684.18 | 798.21 | 912.24 | 1026.27 | 1254.33 | 1482.39 | 1710.45 | 2052.54 |

## **ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

24. As required by the Local Government Act 2003, the Director of Finance must formally give opinion as to the robustness of the budget estimates and the level of reserves held by the Council.
25. The estimates have been produced from a challenging process with Portfolio Holders and Directorates, resulting in agreement on the level of service delivery within the identified financial resources. In addition, the Medium Term Plan sets out the main budget risks, alongside the proposed management action for dealing with these.
26. The Medium Term Plan also clearly sets out the recommended strategy for ensuring adequate reserves. This has been set in consideration of a number of key factors, such as our recent excellent record on budgetary control, the internal financial control framework, our strong approach to risk management and the expected level of General Reserves at 31 March 2009. The level of general reserves is in line with best practice as recommended by CIPFA and the Audit Commission.
27. To conclude, the Director of Finance is able to formally report that the budget estimates are robust and the level of reserves adequate.

## **RECOMMENDATIONS**

28. The Council are asked to approve the contents of the attached 2009-10 Budget and Medium Term Plan 2009-12 and to approve the following proposals:
  - (a) the Revenue and Capital Budget proposals for 2009-10;
  - (b) the Revenue Budget requirement of £886,470,000;
  - (c) the Capital Investment proposals of £490,901,000, together with the necessary use of borrowing, revenue, grants, capital receipts, renewals and other earmarked capital funds, external funding and PFI, subject to approval to spend arrangements;
  - (d) the Prudential Indicators as set out in Appendix D of the attached Medium Term Plan;

- (e) the Revenue and Capital Budget proposals as presented for:
- Operations, Resources and Skills (CFE);
  - Children, Families and Educational Achievement;
  - Adult Social Services;
  - Environment, Highways and Waste;
  - Regeneration;
  - Communities;
  - Public Health;
  - Corporate Support and External Affairs;
  - Policy and Performance; and
  - Finance;
- (f) that final recommendations in relation to the Schools Budgets and Dedicated School Grant (DSG) be delegated to the Cabinet Member for Operations, Resources and Skills (CFE);
- (g) a total requirement from Council Tax of £554,303,636 to be raised through precept to meet the 2009-10 budget requirement; and
- (h) a Council Tax as set out below, for the listed property bands:

| Council Tax Band | A      | B      | C      | D       | E       | F       | G       | H       |
|------------------|--------|--------|--------|---------|---------|---------|---------|---------|
| £                | 684.18 | 798.21 | 912.24 | 1026.27 | 1254.33 | 1482.39 | 1710.45 | 2052.54 |

*Background documents:*

- *Impact of Current Economic Situation on the Council - Cabinet 4 August 2008;*
- *Autumn Budget Statement - Cabinet 15 September 2008;*
- *Effect of the downturn in the economy on Corporate Services - Corporate Policy Overview Committee 14 November 2008;*
- *Provisional Local Government Finance Settlement 2009-11 - 26 November 2008;*
- *Preparing the County Council for Future Challenges - County Council 11 December 2008;*
- *Local Government Provisional Finance Settlement - Cabinet 12 January 2009;*
- *KCC consultation response to Provisional LG Finance Settlement - 6 January 2009;*
- *Draft budget 2009-10 and Draft Medium Term Plan 2009-12 - launched 7 January 2009 and considered by Policy Overview Committees between 13 and 20 January 2008, and Cabinet Scrutiny Committee 26 January 2009;*
- *Final Local Government Finance Settlement 2009-10 and Provisional Settlement 2009-11 - 21 January 2009;*
- *Medium Term Plan 2009-12 (Incorporating the Budget and Council Tax Setting for 2009-10) - Update – Cabinet 2 February 2009.*

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