

By: Paul Carter, Leader of the Council

To: County Council - 17 February 2011

Subject: Medium Term Financial Plan 2011-13 (Incorporating the Budget and Council Tax Setting for 2011/12)

Classification: Unrestricted

Summary: This report has been prepared so that Kent County Council can formally set its budget and Council Tax levels for 2011/12 in accordance with relevant legislation.

The report briefly provides an update on the 2010/11 financial position and makes detailed proposals for the 2011/12 revenue and capital budgets, as set out in the draft Budget Book and proposed Medium Term Financial Plan (MTFP). This report incorporates Final Settlement Grant figures which were confirmed by Parliament on 9th February 2011, final tax base notifications, final collection fund surpluses and deficits, all as described in the updated Cabinet Report of 2nd February 2011. Consequential changes made to the MTFP and Budget have been identified within this report, as set out in paragraph 19 onwards ('Changes between draft budgets for Cabinet and County Council').

This report incorporates the proposals to deal with the unexpected reduction in the Early Intervention Grant and the loss of Area Based Grants which were referred to in the draft Budget Book and proposed MTFP. These reductions in grant were announced too late to be included in the draft proposals.

This report incorporates the changes to the Dedicated Schools Grant following consultation with the Kent Schools Forum (which could not take place between the provisional settlement being notified on 13th December and the launch of the draft Budget on 6th January).

This report seeks formal approval to proposals from Personnel Committee to change the eligibility for essential user status (together with consequential impact on lease car users).

At this stage the draft Budget Book and proposed MTFP have been drawn up according to the portfolio and directorate structures prior to restructuring. However, the information has been presented in appropriate building blocks to enable the transfer into new portfolios and the new structures following the approval of "Change to keep Succeeding" without materially changing the budget approved by the full Council. The approval seeks delegated authority to make the necessary transfers into the new portfolios and structures within the limits set out in paragraph 45 of this report.

Indicative financial information has been provided within the MTFP for 2012-13. 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** "Budget Book 2011/12" and "Medium Term Plan 2011-13" 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 on and ultimately set a budget and Council Tax for the next financial year, 2011/12. This report sets out the required calculations and recommendations. The proposed Budget 2011/12 and MTFP 2011-13 have been drawn up so that the Acting Director of Finance can satisfy Section 25 of the Local Government Act 2003 which 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.
2. The Council's budget is set within the framework of its policy priorities and in particular the proposed 2011/12 budget and 2011-13 MTFP supports the vision set out in Bold Steps for Kent. The proposed budget and MTFP also takes into account a range of external factors including national local government funding, the economic situation and the legislative programme.
3. In a break from previous convention we have produced a two year MTFP covering 2011/12 and 2012/13. This echoes the Local Government Finance Settlement which has only been announced for two years pending a fundamental review of local government funding to be conducted over the next 6 months and planned to be implemented from 2013/14.
4. The MTFP sets out in detail the main issues that have been taken into account in setting the budget and Council Tax for 2011-12, summarised as follows:
 - Government revenue grants to reduce by £58m (over 10% excl. schools) on a like for like basis compared with the original grant announcements for 2010/11
 - Unavoidable additional revenue spending pressures of £28m to cover inflation, demand/demographic changes and externally imposed factors (this has increased from the previous draft budget due to revised pressures including children's services)
 - Revenue investments of £17m to support local policy priorities (this has increased from the previous draft budget due to increasing the

- contingency which may be needed for the implementation of the Children's Services Improvement Plan)
- Additional £5m in Council Tax receipts due to increase in the tax base and the surplus on the collection fund notified by Districts (this has increased by over £3m from the previous draft budget) and an additional £3m from reversing one-off pressures from 2010/11
 - We are proposing to freeze the rate of Council Tax at the same level as 2010/11 i.e. £1,047.78
5. The overall impact of the summary in paragraph 4 leaves £95m to be found from income generation or savings in 2011/12 (with an estimated further £65m to find in 2012/3). Members should note that KCC's discretionary net expenditure of approx £1bn (excluding schools) is funded by over £400m of un-ringfenced Government grants (which have reduced) and the rest is funded by Council Tax (which is frozen).
 6. The changes to the grant regime are complex making year on year comparison complicated. We have produced a graphic presentation in the revised draft Budget Book for County Council (white combed) and the transfers will be covered in a brief presentation to the Council at the start of the meeting.
 7. Capital grants and supported borrowing have reduced significantly following the Spending Review and provisional Local Government Finance Settlement particularly in relation to future waves of Building Schools for the Future and Integrated Transport. In difficult economic circumstances we have sought to sustain an ambitious capital investment programme and in particular support the borrowing necessary to honour previous pledges and promises on individual schemes.

BUDGET 2010/11

8. Budget monitoring for the current year has shown significant demand led pressures on Adult Social Services, Children Social Services and Freedom Pass, as well as inflationary pressures with contractual indexation continuing to exceed Government targets. The proposed budget for 2011/12 takes these pressures into account to ensure that our base budget reflects the latest possible projections of activity and cost.
9. Although monitoring has also shown a pressure on the asylum budget due to outstanding issues with previous years' grant claims and continuing support for those with "All Rights Exhausted" we are still in negotiation with the UK Border Agency to resolve this issue on a permanent basis. Therefore, we are not making any additional provision for KCC to support the Asylum budget, which assumes we will reduce the cost of support to £150 per week in line with the Home Office grant and KCC's only net budget requirement would be to fund the cost for the first 25 cases leaving care.
10. The second quarter's monitoring forecast a net £4.5m under spend on the revenue budget for 2010/11 after in-year management action to address some of the pressures outlined in paragraph 7. The proposed budget for 2011/12 assumes that all this under spend from 2010/11 will be available to support the

2011/12 budget. The latest monitoring report forecasts greater under spend, leaving some headroom on roll-over for other purposes at year-end.

11. We have introduced a moratorium on non essential expenditure for the remainder of the current financial year. We are projecting that this moratorium will produce a further £1m under spend which can be rolled forward to support the 2011/12 budget. We are on target to deliver this.
12. We expect to close the 2010/11 accounts with £26.7m 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. In light of the increased risks to the County Council the budget proposals include an increase in general reserves of £5m (increasing reserves to 3% of gross expenditure excluding schools).
13. Schools started 2010/11 with revenue reserves of £51.8m and capital reserves of some £13.9m. This represented an £11.4m reduction in revenue reserves compared to 2009/10 and an increase in capital reserves of £4.5m. This is consistent with previous year's trend following the introduction of the balance control mechanism in January 2007.
14. It should be noted that the Dedicated Schools Grant (DSG) is a ring-fenced 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 on schools related expenditure.

CONSULTATION

15. The draft budget was launched on 6th January. KCC was one of the first Councils to officially publish budget proposals. The launch received widespread local media coverage and information has been published on KCC's web-site. Members of the public and staff have been encouraged to examine the budget proposals and submit comments as part of the formal consultation process.
16. As well as consulting with the general public we arrange formal consultation with Trade Unions & Professional Associations, the business community, opposition Members, and the Kent Youth County Council. Policy Overview and Scrutiny Committees have considered the budget proposals during their meetings in January 2011. A meeting with staff representatives was held on 20th January, and a presentation to business leaders took place on 26th January. The budget proposals were reviewed at Cabinet Scrutiny Committee on 24th January and 9th February.
17. We have also commissioned the market research firm Ipsos MORI to undertake a 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 2nd February 2011.
18. The views from this consultation process were reported to Cabinet on 2nd February 2011 and appendices to the report included notes of all of the consultation meetings.

CHANGES BETWEEN DRAFT BUDGETS FOR CABINET AND COUNTY COUNCIL

19. Some changes to the Budget Book and Medium Term Financial Plan document have been made since the draft was first published on 6th January. These are explained in this section. Some changes were anticipated at the time the draft budget was launched due to the unexpected reductions in some grants announced in the provisional Local Government Finance Settlement on 13th December which left insufficient time to fully evaluate the impact. These unexpected reductions principally affected Children Families & Education and Communities. The proposals to deal with these previously unidentified savings were reported to Cabinet on 2nd February. Other changes result from the final notification of the 2011/12 Council Tax base and Collection Fund balances from 2010/11, the final Local Government Finance Settlement, and the final arrangements for the distribution of the Dedicated Schools Grant.

Early Intervention Grant

20. The draft budget identified that the new Early Intervention Grant was £11.5m less in 2011/12 than the original announcements for the 2010/11 grants which transferred into the new grant. Some of this reduction relates to the in-year reductions to Area Based Grant in 2010/11 (which we were expecting would be reflected in the 2011/12 settlement) but we were not expecting the further reductions (equivalent to 9.7% nationally) or the transitional arrangements to limit the impact. The draft budget left information on spending reductions amounting to £6.402m in 2011/12 and £3.092m in 2012/13 to be identified before the County Council meeting.
21. The draft MTFP for County Council (white combed) for Children Families and Education identifies the proposed spending reductions necessary to cover the loss of EIG (page 72). These were reported to Cabinet on 2nd February. At this stage we have still not been able to finalise the precise split of savings between 2011/12 and 2012/13. More details of the proposed savings will be reported to the Education Learning & Skills Policy Overview and Scrutiny Committee on 14th April.

Area Based Grant

22. The draft budget identified that £11.949m of Area Based Grant (ABG) announced at the start of 2010/11 had not transferred into Formula Grant or Early Intervention Grant. £9.182m related to CFE, £2.430m related to Communities, and £0.337m related to EHW. The reductions relating to CFE were not reflected as detailed savings proposals, awaiting further clarification of other grants (although it was assumed the ABG would be lost). The draft Budget Book and MTFP for County Council (white combed) now includes the proposed spending reductions in CFE as a result of the loss ABG. These were reported to Cabinet on 2nd February.
23. At the time this report was published we were still waiting for detail of the grants affecting Communities (principally Safer Stronger Communities). We have assumed that the reductions announced in 2010/11 will be reflected in 2011/12 and at this stage have assumed we will receive grant of £1.525m. Any changes

as a result of the final announcements will have to be treated as in year variations and reported as part of budget monitoring. We have reduced the overall saving expected from EHW as a result of the loss of ABG to ensure there is no impact on the highway maintenance budget. We have included £138k of ABG to fund Inshore Fisheries Conservation not included in the earlier draft budget.

Council Tax base & Collection Funds

24. We estimated that the Council Tax base would increase by 0.5% when we launched the draft budget 6th January. The final notification from District Councils (as reported to Cabinet on 2nd February) confirmed that the increase was better than we had anticipated and the tax base has increased by 0.74%. This generates an additional £1.252m.
25. Cabinet agreed that £1m of this should be allocated to CFE to reflect the latest forecast pressure on children's service placements (principally fostering), £100k to EHW to protect the highway maintenance budget from the reductions in Area Based Grant, £70k to Localism & Partnerships to provide District Councils with additional grant reflecting their share of the increase relating to the reduced discount on second homes, and the balance be allocated to Finance to cover changes in the financing of the capital programme (see paragraph 34). These changes have been reflected in the revised draft Budget Book and MTFP for County Council (white combed).
26. KCC's share of the surplus balance on the district Collection Funds as at 31 January 2011 is £1.991m. Cabinet agreed that this should be added to the Finance portfolio for the contingency being held for the Children's Social Care Improvement Plan if additional funding is necessary following approval of the implementation plan.

Dedicated Schools Grant

27. The draft budget was based on the estimated DSG included in the 2010-13 MTFP as the timing of the provisional settlement did not allow time to discuss the implications with the Kent Schools Forum prior to the launch on 6th January. The settlement for schools includes the transfer of 23 grants that were previously allocated as ring-fenced Standards Fund, Standards Grant and other grants. The overall position for schools is that the new DSG settlement including the transferred grants provides the same per pupil in cash terms as 2010/11 (other than previously announced reductions in Diploma Grant and the end of pilot programmes).
28. The draft Budget Book and MTFP for County Council (white combed) includes an estimated DSG of £877m after allowing for the transfer out of funding for academies, reductions in pupil numbers and the impact of grant transfers which were not delegated to schools. The final position in relation to Dedicated Schools Grant (DSG) will be subject to the remaining recommendations from the Kent Schools Forum and decisions referred to the Secretary of State. Final decisions on the allocation of DSG need to be delegated to the Cabinet Member for Education, Learning & Skills (ELS) including finalising schools' delegated

budgets by 4th March. The final amount of DSG will not be announced by the Government until June 2010.

Final Settlement

29. The final local government grant settlement is scheduled to be approved by parliament on 9th February. We are anticipating that the Formula Grant settlement will reduce by £152k from the provisional settlement. This has been reflected in the draft Budget Book and MTFP for County Council (white combed) as a reduction to the Finance portfolio.

Other Changes

30. The Budget Book and MTFP have been updated to reflect the most up to date information. That includes refining of gross and income estimates, distribution of government grants, further clarification of activity in the A to Z of services in the budget book, and updates on the commentary in the MTFP relating to announcements since the draft was published.
31. We have re-presented the A to Z of services for the County Council in an alternative format by portfolio to assist debate on the day. This alternative format has exactly the same proposed budget amounts. We have also included a line number reference on each page of the draft Budget Book for County Council (white combed) to make the impact of any amendments easier to identify. At this stage we have had to present information according to the portfolios as they existed prior to the changes announced on 28th January. The Budget Book in A to Z format has been designed so that it can be transferred to new portfolios without materially changing the budget approved by the full Council (subject to the delegation limits set out in paragraph 45)
32. Table 1 summaries the impact on the overall budget requirement of the changes since the draft budget was published.

TABLE 1 – CHANGES TO DRAFT REVENUE BUDGET 2011/12	Net £'000
Budget Requirement per draft on 6th January	905,825
Additional income from increased Council Tax base	1,252
Additional income from Collection Fund surplus	1,991
Area Based Grant not included in draft budget	138
Reduction in Formula Grant in final settlement	-152
Revised proposed Budget Requirement as per “Draft for County Council”	909,054

33. Table 2 summarises the changes in revenue budget portfolio totals.

TABLE 2 – CHANGES TO PORTFOLIO AMOUNTS	Original Draft Net £'000	County Council Net £'000
Children, Families & Education	169,536	170,536
Adult Social Services	336,204	336,204
Environment Highways and Waste	162,091	162,191
Communities	77,968	77,968
Regeneration & Economic Development	5,224	5,224
Public Health & Innovation	483	483
Localism & Partnerships	7,799	7,869
Corporate Support Services & Performance Management	28,183	28,183
Finance	118,337	120,396
Budget requirement 2011-12	905,825	909,054

CAPITAL INVESTMENT PROPOSALS 2011/12

34. There have been very few changes to the proposed capital programme as reported to Cabinet on 2nd February. The only changes made are:

- An additional £1.9m to fund the completion of the Rushenden Link road
- Update the academies programme to reflect the latest notifications from Government
- Changes to reflect the re-phasing of the 2010/11 programme into later years

The revised estimated resources are summarised in Table 3 below:

TABLE 3 – TOTAL ESTIMATED RESOURCES 2011/12	Original Draft Net £'000	County Council Net £'000
SOURCE OF FUNDING:		
Supported Borrowing	81	81
Prudential Borrowing	33,549	34,477
Prudential funded from Portfolio Revenue	10,020	10,072
Property Enterprise Fund 2 (PEF2)	6,811	7,000
Grants	200,512	214,054
External Funding - Developer Contributions	8,430	7,268
Other External Funding	4,971	5,079
Revenue and Renewals	11,435	11,357
General Capital Receipts	256	556
Earmarked Capital Receipts	8,564	8,538
Private Finance Initiative (PFI)	22,000	22,000
Total of Funding Available	306,629	320,482
Amount of over-programming	10,000	10,000
Total Planned Capital Resources	316,629	330,482

The increase of £14m since the original draft is principally due to the additional re-phasing of expenditure from 200/11 reported to Cabinet.

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

TABLE 4 - CAPITAL EXPENDITURE 2011/12	Original Draft Net £'000	County Council Net £'000
PORTFOLIO:		
Children, Families & Education	163,392	174,745
Adult Social Services	34,584	35,366
Environment, Highways and Waste	84,185	85,874
Communities	12,855	12,946
Regeneration & Economic Development	9,889	9,889
Localism & Partnerships	500	500
Corporate Support Services & Performance Management	11,224	11,162
Total Planned Capital Expenditure	316,629	330,482

36. The above figures reflect the re-phasing as set out in the regular budget monitoring reports to Cabinet throughout 2010/11, including the report on 2nd February 2011.
37. 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 MTFP.

COUNCIL TAX 2011/12

38. It is proposed to freeze the level of Council Tax in relation to the County Council precept at the same rates as 2010/11. This will result in a precept of £573.688m on district councils based on the notified council tax base. The frozen amounts for each Council tax band are shown in table 5 below. 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 & Rescue Authority, Police Authority, District Councils and Parish Councils.

TABLE 5 – KCC COUNCIL TAX AT FROZEN LEVELS								
	Band							
	A £	B £	C £	D £	E £	F £	G £	H £
Annual Charge	698.52	814.94	931.36	1,047.78	1,280.62	1,513.46	1,746.30	2,095.56

STAFF PAY

39. This is our seventh year of local pay bargaining, and has continued to be undertaken in an honest and constructive manner. The difficult financial climate together with the challenges Kent County Council face now and in the medium term have been key factors in the discussion with our recognised Trade Unions.

40. The Government has now formally abolished the recently created "Schools Support Staff Negotiating Body" which was to take responsibility for the reward structure for such employees in schools. A consequence of this abolition will be that school support staff will continue to be employed under Kent Scheme terms and conditions of employment and therefore any associated local pay settlement.
41. The County Council has made no budgetary provision for a cost of living award. The Trades Unions local submission this year was a reflection of the national submission in that they seek a minimum of £250 for all, an additional days annual leave, retention of essential car user status and its associated payment, a reversal of the Kent Scheme pay structure changes and for KCC to provide paid time off for staff undergoing IVF treatment. Consequently pay bargaining did not conclude with a joint recommendation, though discussions will continue.
42. The proposed 0% does not meet the trade union expectation or predicted levels of inflation, but does take into account the Council's budgetary pressures and challenging economic conditions. This will be the second consecutive year that there will be no increase.
43. Personnel Committee agreed and recommends to County Council that there is no pay award for 2011/12, but that the proposed addition of leave for those staff undergoing IVF treatment is pursued.

STAFF TRAVEL

44. The draft budget proposes savings from changes to staff travel allowances as recommended by the Personnel Committee. The committee has looked into the current arrangements for reimbursement for essential and casual users and has concluded that the current arrangements are inequitable and cannot be sustained.
45. Currently essential users are classified as those who are required to travel more than 2,500 miles per annum in the course of their duties (or in the case of certain specified groups of employees more than 1,500). Essential users are entitled to a lump sum payment towards the cost of maintaining a car and are reimbursed according to a mileage rate agreed by the Council. This entitlement normally creates a taxable benefit and national insurance liability for the user. Essential users are also entitled to apply for a car loan, a KCC subsidised lease car, or a KCC county car (according to other specified circumstances).
46. Other staff who do not meet the criteria for essential user are paid as casual users. Casual users are paid 40p per mile up to 10,000 miles and 25p per mile thereafter. These rates are set by HMRC as the agreed rates for which there is no taxable benefit. Mileage paid above these rates would be taxable. In exceptional circumstances casual users can be granted a car loan.
47. Personnel Committee has agreed that the current criteria are not sustainable. As a consequence the Committee has recommended the only option is to remove essential user status and all employees would reclaim travel expenses as casual users. The recommendation requires full Council approval.

48. We are considering appropriate compensation arrangements for members of staff who would change travel status, and other ways which the authority can help staff have access to an affordable car without compromising personal taxation liability. It is our intention that employees graded KR10 or below are no worse off as a result of the changes to travel allowances. Once the alternative arrangements have been agreed due notice will be given to employees affected by the withdrawal of essential user status and existing contracts for car loans/lease cars/county cars would be honoured. Personnel committee will keep these considerations under review and approve the necessary changes to KCC's personnel procedures (blue book).

KCC RESTRUCTURE

49. The draft Budget Book and MTFP for County Council (white combed) has been produced according to portfolios prior to the changes announced on January 28th. We anticipate that the revised presentation of the budget book in an A to Z format will mean that the approved budget from County Council can be recast to reflect the new portfolio responsibilities without material changes. The consequential revised portfolio budgets would be presented as part of the first quarter's budget monitoring report including a full reconciliation to the amounts approved by the full Council.
50. Some minor revisions may be necessary where an existing budget line has to be split into more than one of the new portfolios. We propose that responsibility for agreeing the recast to new portfolios be delegated to the Cabinet Member for Finance in consultation with the Leader and Cabinet Members, and that he has delegated authority to approve minor variations up to £500k on individual budget lines as they appear in the A to Z of services in order to effect a smooth transition.
51. Following approval of the budget at County Council we have traditionally produced a final budget book in March. This book includes additional information on a subjective analysis (how money is to be spent), Council Tax and reappportionment of overheads outside controllable budgets. We propose that we continue to include these alternative analyses without varying any of the individual amounts approved by the full Council.
52. We also propose to include a new section setting out the amounts to be delegated to individual managers within directorates according to the new structures approved by the County Council on 16th December. This revised presentation by manager would replace the budget information previously included in Business Plans. Any delegations below the level set out in this new presentation would still have to be agreed by individual Cabinet Members through new business plans.

Update to the operating framework

53. As a result of the financial settlement in relation to the Education budget, some refinement of the structure of the Education, Learning and Skills Directorate is required. As a result, it is proposed that the post of Director of Specialist Schools Services is deleted from the operating framework. The residual responsibilities currently in that role will be delivered through a revised Director

of School Improvement and Standards and two Heads of Service. A revised Job Description for the Director post is attached as Appendix 1.

54. In presenting this budget to the County Council, Members are invited to confirm that Andy Wood, currently the Interim Director of Finance, also acts as the County Council's Interim Section 151 Officer over the period that the current post holder is absent. The allocation of this responsibility rests with the County Council which is invited to agree to this temporary change in designation to Andy Wood of this statutory post. The statutory roles of Director of Adult Social Services (DASS) and Director of Children's Services (DCS) are vested in the role of Corporate Director of Families and Social Care (FSC) in the new operating framework. This post is part of the significant savings achieved through the new senior management structure and the post is currently being advertised nationally. It is proposed that pending the appointment of a permanent Corporate Director, Malcolm Newsam is the Interim Corporate Director of FSC and holds the two statutory posts DASS and DCS allocated to this post. County Council is asked to agree this interim appointment.

ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

55. 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.
56. 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 MTFP sets out the main budget risks, alongside the proposed management action for dealing with these.
57. The MTFP also clearly sets out the recommended strategy for ensuring adequate reserves and in particular recommendations to increase the amount held in reserves to manage risk and a drawdown from longer term reserves (to be reimbursed at a later date). In making these recommendations consideration has been given to a number of key factors including; the economic and fiscal uncertainty into the future, the potential disruption due to restructuring, 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 2011. The level of general reserves is in line with best practice as recommended by CIPFA and the Audit Commission.
58. To conclude, the Director of Finance is able to formally report that the budget estimates are robust and the level of reserves adequate.

RECOMMENDATIONS

59. The Council are asked to approve the contents of the attached 2011/12 Budget and Medium Term Financial Plan 2011-13 and to approve the following proposals:

- (a) that Andy Wood is confirmed as the Interim Section 151 Officer with immediate effect and Malcolm Newsam as Interim DASS and DCS with effect from 1st April 2011;
- (b) the Revenue and Capital Budget proposals for 2011/12;
- (c) the Revenue Budget requirement of £909,054,000;
- (d) the Capital Investment proposals of £330,482,000, 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;
- (e) the Prudential Indicators as set out in Appendix D of the attached Medium Term Financial Plan;
- (f) the Revenue and Capital Budget proposals as presented in the white combed version of the Budget Book and Medium Term Financial Plan for:
- Children, Families and Education;
 - Adult Social Services;
 - Environment, Highways and Waste;
 - Communities;
 - Regeneration and Economic Development;
 - Public Health & Innovation;
 - Localism & Partnerships;
 - Corporate Support Services & Performance Management; and
 - Finance;
- (g) that final recommendations in relation to the Schools Budgets and Dedicated School Grant (DSG) be delegated to the Cabinet Member for Education Learning & Skills (ELS);
- (h) that there is no pay award for staff in 2011/12, but that the proposed addition of leave for those staff undergoing IVF treatment is pursued;
- (i) the removal of essential user status and delegation to Personnel Committee to agree final compensation arrangements for existing users, alternative ways for the Authority to help staff have access to an affordable car and to agree the necessary changes to KCC's Personnel policies and procedures;
- (j) that the re-presentation of the budget to reflect the new portfolio responsibilities announced on 28th January be delegated to the Cabinet Member for Finance in consultation with the Leader and Cabinet Members and that he has delegated authority to vary individual budget lines by up to £500k to effect a smooth transfer;
- (k) a total requirement from Council Tax of £573,688,888 to be raised through precept to meet the 2011/12 budget requirement; and
- (l) a Council Tax as set out below, for the listed property bands:

Band								
Council Tax for Band	A	B	C	D	E	F	G	H
£	698.52	814.94	931.36	1,047.78	1,280.62	1,513.46	1,746.30	2,095.56

Background documents:

Autumn Budget Statement – Cabinet 29th November 2010

Medium Term Financial Plan 2011-14 considered by Policy Overview and Scrutiny Committees between 4th November 2010 and 19th November 2010

Provisional Local Government Finance Settlement 2011/12 and 2012/13 – 13th December 2010

Provisional Local Government Settlement 2010/11 – Cabinet 11th January 2010

KCC response to the Provisional Local Government Finance Settlement – 17th January 2011

Draft 2011/12 Budget and Medium Term Financial Plan 2011-13 launched 6th January 2011 and considered by Policy Overview and Scrutiny Committees between 11th January 2011 and 18th January 2010

Budget 2011/12 and Medium Term Plan 2011-13 – Update to Cabinet 2nd February 2011

Officer Contact:

Andy Wood, Acting Director of Finance, Ext. 4622
 Dave Shipton, Finance Strategy Manager, Ext. 4597

Kent County Council

Job Description: **Director of School Improvement & Standards**

Date: February 2011

Directorate:	Education, Learning & Skills
Division:	School Improvement & Standards
Location:	Variable
Grade:	KR17
Responsible to:	Corporate Director – Education, Learning & Skills

Job Outline

Champion and support the strategic cohesion in the delivery of children's services by maintaining and developing key links with district school improvement teams, children's social services and preventative services via the locality boards and the Kent Children's Trust

Develop and lead the commissioning of services (including joint commissioning) and development of a new policy framework to support the overarching activity of the schools community in Kent and to address the new national policy framework in this area as it emerges.

Lead and co-ordinate the admissions service to ensure children are placed in schools in line with the Authority's admission criteria and that appropriate school transport is commissioned to support these admissions.

Direct and lead the development of planning and the provision of educational services to ensure service delivery and standards are maintained and improved and are cost effective.

Develop and direct strategies to ensure that learning provision in schools and pre-school settings are quality assured and that standards are met and improvements are identified and reported.

Develop curriculum and skills provision beyond age 14 across the county, in partnership with local colleges, and in conjunction with integrated youth services, apprenticeships and Connexions, ensuring that this supports the Kent economy.

Lead and develop strategies for the provision of early years and child care services to ensure they meet need and that there is a coherent level of coverage available to people who require the services.

Lead and direct information and support to parents promoting a transparent information environment for all school activity.

Lead and direct the provision of a Financial Awards service.

Lead and direct support to Governors to ensure the development and continuous improvement of the local management of schools.

Champion intervention in school settings and institutions that fail to meet standards for the education of children and young people in Kent.

This post will act as the Caldicott guardian for these services.

Ensure that all services provided by this post are actively reviewed as to the 'right source' option for their future delivery - that will cover options of outsourcing, co-sourcing or insourcing to ensure the most effective and efficient delivery method has been chosen.

Structure

Standards and School Improvement
Early Years and Childcare
14-19 Entitlement
Careers guidance
Connexions
Governor Services
Planning & Provision
Admissions & Transport
Association of Schools
Information and support for Parents
Financial Awards

Corporate Responsibilities:

All senior staff will operate as one leadership and management community, connecting across services and drawing together strategy and delivery as appropriate.

All senior staff in Kent County Council will fully engage with staff to understand the detail of service delivery models and challenge the practice that exists in order to eliminate unnecessary processes and activities to minimise the resources necessary to deliver services to the people of Kent.

All senior staff are corporate parents to the Council's looked after children and must take an active part in ensuring the needs of these children in our care are met.

Customers & Partners

Engage with and build positive relationships with customers to ensure that their requirements are at the centre of the design and delivery of services in accordance with the Council's customer strategy.

Ensure that the needs of everyone in Kent are met by modelling behaviour that fosters equality of opportunity in service provision and employment.

Contribute to the development and delivery of the one Council brand, enhancing the overall reputation of Kent County Council.

Build and promote successful partnership working with private, voluntary and other public sector organisations and with service users to deliver more cost effective and valued services.

Commission effective and efficient services through a range of direct delivery, innovative partnerships and commercial arrangements which meet the three ambitions of the medium term plan "Bold Steps for Kent".

Leading Services

Ensure that the Council performs its duties and functions in fulfilment of its statutory obligations.

In pursuit of this responsibility, senior managers need to ensure that they, and their relevant staff, keep abreast of the Council's changing legal obligations and mandates. Responsible for ensuring relevant compliance with the financial regulations and standing orders of the Council.

Responsible for the managerial leadership of those services and functions that are set within the direction of this post as well as for Council services corporately. Promote managerial responsibility for cross-organisational team working, and across boundaries with other agencies and partners, to improve services and solve problems in a coherent and integrated manner.

Ensure that relevant and best professional advice, guidance and information is available in an intelligible and timely fashion to the Cabinet, Scrutiny, all elected Members, as well as to other stakeholders.

Sustain and improve the overall reputation of the Council and act in the best interests of Kent through effective representation locally, regionally and/or nationally.

Leading People

Demonstrate the Council's managerial leadership values and behavioural competencies – providing positive leadership, acting with openness, honesty and integrity, and instilling a clear sense of direction, priority and pace. Leading people in an inclusive way to deliver strategic and operational objectives.

Ensure that effective arrangements are in place to secure the overall well-being and the health & safety of all employees and people delivering services for the Council.

Performance, Finance and Risk

Develop and embed a performance culture that delivers results through rigorous open challenge, personal accountability, disciplined execution and continual improvement.

Ensure that all services/functions are delivered within and to budget.

Provide managerial leadership to the improvement of corporate and service performance by ensuring that resources are targeted on the Council's priorities and meeting customer needs.

Improve the overall management of resources (financial, human and other) in serving the public of Kent. Discover new ways to reduce the cost of services to taxpayers and their overall productivity and value for money to service users through a range of approaches, including: the strategic re-design of services and their costs; the use of business and operational process improvements; the smarter use of supply (through out-sourcing, co-sourcing and in-sourcing where appropriate); the better use of demand management; and improved asset management. Ensure managers within the directorate fully use the Council's systems, become self supporting through the use of technology and reduce duplication.

Ensure that effective risk management arrangements are in place to minimise the Council's exposure to risk and uncertainty. Responsible for resilient business continuity arrangements and robust response and recovery arrangements in the event of emergencies and critical incidents locally – in accordance with the requirements of the Council's Emergency and Business Continuity Plans.

Promote and ensure compliance with policies and procedures, all Statements of Required Practice for managers and the Council's Code of Conduct.

Take an active role in promoting and ensuring the Council's responsibilities for safeguarding are met for adults and children.