

By: Peter Gilroy, Chief Executive
Andy Wood, Head of Financial Management

To: Corporate Policy Overview Committee – 8 November 2007

Subject: Medium Term Plan 2008-09 TO 2010-11

Classification: Unrestricted

Summary: To update the Committee on the Autumn Budget Statement report to Cabinet on 17 September 2007 and any later announcements by Government departments. In addition, to provide Members of the Committee with an opportunity to consider suggested service pressures and to develop savings proposals for the Directorate.

1. Introduction

- 1.1 The Autumn Budget Statement (ABS) report by the Leader, Cabinet Member for Finance, Chief Executive and Director of Finance to Cabinet on 17 September 2007 set out the national and local context for KCC's medium term plan (MTP) for the period 2008-09 to 2010-11.
- 1.2 This report expands on that report, updates for the latest developments since the ABS, looks in more detail at specific elements in the directorate medium term plan, and invites Members to make proposals for the services provided by Chief Executive's Directorate.

2. Background

- 2.1 This paper summarises the current budget position for 2008-09 and is based on submissions to Corporate Finance as part of the Medium Term Plan process. Indicative cash limits for 2008-09 and 2009-10 were approved by County Council in February 2007 in the MTP for 2007-10. These figures are being updated for known changes such as transfers of activities or staff between portfolios, Comprehensive Spending Review 2007 and the forthcoming local government finance settlement, expected in late November or early December. This gives Members a starting point to review the 2008-11 MTP.
- 2.2 The indicative cash limits are consequently under review given we are due to move into a relatively fixed three year settlement for local government funding.
- 2.3 The outcomes of the discussions at this meeting will feed into the continuing MTP process, of which the key dates are:

Provisional grant settlement	late November / early December
Update on provisional settlement	3 December Cabinet (if available)
Chancellor's pre-budget report	mid December (best guess)

Draft budget proposals released	21 January 2008
Corporate Services POC	25 January 2008
Cabinet	6 February 2008
County Council	19 February 2008

Further information on the budget timetable, as appended to the Autumn Budget Statement, is attached at Appendix 4 for further information.

To help inform the discussions, there is also a directorate budget monitoring report on this agenda, as there will be in January, and on a regular basis thereafter.

3. Latest Developments: National Context

- 3.1 There are a number of national factors to take into account.
- 3.2 The Government's Comprehensive Spending Review 2007 was published on 9 October 2007 and sets out national spending plans for the next three years, 2008-11.
- 3.3 The Chancellor's Pre Budget Report was announced the same day and sets out some further detail.
- 3.4 We are now working on assumptions for 2008-09 onwards which take into account the outcomes from those announcements, whilst awaiting the detail of the local government finance settlement which is still to come. There are no significant changes to our budget assumptions which were set out in the Autumn Budget Statement in September. Key assumptions remain:
 - No increase in government formula grant
 - Council tax increase limited to a maximum of 5% per annum
 - The option to raise a precept on the business rate

4. Chief Executive's Directorate Priorities for the Medium Term Plan

- 4.1 The overall direction for the CED directorate is now well established, and attached at Appendix 1 is a copy of the current Medium Term Service Priorities for CED, which will shape our contribution to Section 3 of the Medium Term Plan.
- 4.2 Members will appreciate, from the information in paragraphs 3 above, that the financial framework for the medium term will be very tough for all Directorates and comes at a time when demand for services has never been higher, both because more people need services and because of greater public expectations.
- 4.3 Whilst the Directorate is implementing modernisation changes that will increase efficiency and effectiveness, there does need to be awareness of the need to consider some potentially difficult decisions affecting the directorate in the medium term

4.4 Areas of spending priority for which significant additional funding is suggested are as follows:

Pay; £1,129k in 2008/09 – this reflects a provision for the 2008 pay award

Gateway; £500k across the 3 years – the current capital funding will provide for 8 Gateways across the County, and a further bid for capital will provide for a further 3 by 2012.

Debt servicing to support capital investment; £282k - this sum reflects the decision by CED to fund capital investment from within the CED revenue budget. The majority of this relates to the WAN / LAN network improvements

Financing Costs; £9,541k – this reflects the expected cost of repaying new borrowing required to fund the existing approved capital programme. Any changes to the borrowing requirement as a result of changes to the approved capital programme will impact on this pressure

Strengthening Communication; £175k – this reflects an intention to ensure all of Kent’s residents have access to knowledge, news and information about the Council and its services, via the whole range of available media.

4.5 The position can be summarised as follows:

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Existing pressures in published MTP 2007-2010			
Pay	1,129	863	
Prices	406		
Legislative	180		
Demand	8	100	
Towards 2010	450	350	
Service Improvements	9,905	15,063	
New pressures			
Pay			2,880
Prices			
Legislative	-90		
Demand			-63
Towards 2010*	-200	-100	200
Performance Reward Grant	-1,590	-231	1,821
Service Improvements	130		8,500

* Targets and funding transferred to CF&EA Portfolio

More detail is provided in Appendix 2.

4.6 The Comprehensive Spending Review 2007 confirmed Government’s expectation of a 3% efficiency saving per annum for each of the next three years for local government budgets. The detail of the efficiency target is still

being worked through but, broadly, is expected to be based on gross budgets (with a few minor exceptions). If applied strictly across the board, that would mean an annual efficiency saving of £5.7m per annum (£17.1m cumulatively) for the portfolios covered by this committee.

- 4.7 The POC is asked to prioritise the functions and budget that it has oversight of and indicate what types and areas of savings, broadly, might be achievable and acceptable, if there were a savings requirement on the gross budget of:

1%; which equates to £1.9m, then a further £1.9m in 2009/10 and a further £1.9m in 2010/11

2%; and

3%;

To assist and remind Members of the current position, the current budgets for the functions they have oversight of are attached at Appendix 3 to this report. The appendices are copies of the relevant pages from the approved annual operating plans

5. Recommendation

Members are asked to:

- a) note the national and local context within which this MTP will be set.
- b) scrutinise the pressures attached to this report
- c) identify and express their relative priorities for services and to indicate, broadly, areas and types of savings and efficiencies that they consider could be realistically be achieved.

Draft Submission for Section 3 of the Medium Term Plan

3.13 PUBLIC HEALTH

In progressing towards the MTP priorities listed by theme in Section 1, the following service-specific objectives and priorities demonstrate how the Portfolio will focus activities and continue to deliver core services to the highest standard possible.

3.13.1 Overall objectives of the Portfolio

- To provide strategic leadership in tackling the public health issues in the County, in partnership with the NHS;
- To influence the strategies and plans of Kent County Council, all Local Government, NHS, Public Sector and Voluntary Health Sector Organisations with a view to contributing to the improvement of health and reducing health inequalities;
- To build on existing partnerships with district councils and the voluntary sector to support the delivery of health improvement outcomes especially through the Local Area Agreements (Kent Agreement Outcome 16 - To promote the health of Kent's residents and reduce health inequalities by addressing variations in health across the County);
- Ensure co-ordination of Choosing Health activity across NHS and KCC and monitor progress. Lead on monitoring and performance management of Public Health targets in "Kent Agreement";
- Identify key public health priorities and targets for the Kent Agreement;
- Progress work on the portfolio specific and relevant cross cutting targets in the "Towards 2010" plan;
- To highlight and mainstream good practice across all organisations and agencies throughout Kent.

3.13.2 Medium Term Service Priorities

- To promote the concept of healthier living in Kent and highlight the effect of obesity by taking forward the recommendations arising out of the Kent County Council Obesity Select Committee completed during the latter part of 2006;
- To promote a greater awareness of the effects of drugs and alcohol on the health of people by establishing an Informal Members Group to review the studies carried out elsewhere within the Country and advertise that at a seminar(s) involving businesses from all sectors of the community;
- To underpin County Council awareness of the issues surrounding Public Health by working with Directorates and Cabinet Members on all issues concerning Public Health and provide clarity about current public health activity;
- To establish a Public Health Team, Public Health Observatory and Public Health Partnership Board (for the latter involving representatives from the NHS, KCC, Kent district councils, Voluntary Organisations and relevant local businesses) to ensure all aspects of Public Health are the subject of

- discussion leading to the production of a Public Health Strategy and Annual Public Health Plan;
- To work with colleagues in the NHS, Voluntary Organisations and District Councils with a view to ensuring Local Involvement Networks are established throughout Kent on a local basis to replace the Patient & Public Involvement Forums which are due to cease at the end of 2007;
 - To ensure that an external body is commissioned to undertake an annual-for-three-years independent evaluation of the Public Health Department;
 - To assist the transfer of resources from the acute sector into preventative services through the Local Delivery Plan process.

3.13.3 Risk Assessment

The Key Risks to the work carried out within the Public Health Directorate are:

- The establishment of a Public Health Directorate is to enable clarity of functions between KCC and PCT's. As such the Directorate is working at the cutting edge;
- The raising of public expectations needs to be handled very carefully about what can be achieved;
- Different styles of management and administration between the three partners;
- The Directorate has extremely limited funds and thus can only encourage and initiate rather than arrange and fund. Any ideas or concepts must therefore be funded from elsewhere, bringing with it the need to liaise very closely with a range of partners to ensure commitment to any scheme;
- Financial issues for both the NHS and the County Council which could affect the delivery of joint plans;
- Loss of focus on outcomes.

3.14 CORPORATE SUPPORT

In progressing towards the MTP priorities listed by theme in Section 1, the following service-specific objectives and priorities demonstrate how the Portfolio will focus activities and continue to deliver core services to the highest standard possible.

3.14.1 Overall Objectives of the Portfolio

The overall objective of the portfolio is the continued provision of efficient services in support of the democratic process and of the front-line business of the service portfolios.

For Corporate Support the key objectives are focussed upon:

- Delivering KCC's Strategy for Staff, refocusing elements when appropriate to support the delivery of excellent front line customer services to the people of Kent;
- Working collaboratively with the business to deliver value for money ICT products and services that enable KCC to better serve the people of Kent;

- Offering advice and guidance on the use of Information Technology to maximize the business benefits of current systems and support the delivery of new products and services;
- Supporting the democratic process by providing a comprehensive legal, Member support and secretariat service in all areas of the council's business.

3.14.2 Medium Term Service Priorities

- Ensure the successful implementation of the "Towards 2010" initiatives delegated to the portfolio;
- Assist with work on "The Kent Agreement" targets;
- Providing across the organisation a robust, agile and modern ICT environment capable of supporting the organisation going forward, providing a platform for real service modernisation;
- The use of ICT infrastructure to free up staff through greater flexibility and innovation leading to more devolution and empowerment to the appropriate level within the organisation, and automating routine tasks;
- Delivery of open access to services and information for Members, staff, partner agencies and citizens while maintaining tight security standards;
- Delivery of access to the most effective technology while driving down total technology costs;
- Underpin KCC's programme of efficiency review and organisational change through working with Directorates to enable the migration of services to electronic service delivery (via the web etc), building on process improvements delivered through the value for money programme;
- Expanding the capability of ICT systems and supporting innovative and modern flexible working practices such as wireless networking, remote access and home working is a key priority;
- The potential and capabilities of ICT are being fully developed and exploited across KCC to help drive forward change and transformation.
- Provide proactive legal advice and representation to staff in all directorates;
- Co-ordinate our compliance with the Data Protection and Freedom of Information Acts;
- Develop HR systems and procedures that enhance and support directorate priorities;
- Deliver the workforce development strategy that will identify future leadership potential and meet the business needs of the future;
- Contribute to the organisation retaining its 4 star CPA rating;
- Embed into the organisation valued management development programmes;
- Integrate the Payroll and Shared Services processes to enhance personnel services and achieve savings targets;
- Maximise opportunities to generate new (external) income.

3.14.3 Risk Assessment

The most significant risks faced by the Portfolio are:

- Increasing demand for IT services in response to the modernisation agenda;

- Ability to retain flexibility to respond to both increases and decreases in demand from service directorates without disproportionately increasing costs or exposure to future costs;
- Renewal of the WAN /LAN contract.

3.15 POLICY AND PERFORMANCE

In progressing towards the MTP priorities listed by theme in Section 1, the following service-specific objectives and priorities demonstrate how the Portfolio will focus activities and continue to deliver core services to the highest standard possible.

3.15.1 Overall Objectives of the Portfolio

The policy and performance function provides the County Council with the strategic capacity to ensure it continues to be a high performing organisation with a relentless focus on service delivery, service improvement and in putting the customer first, all of which requires robust internal performance management and policy co-ordination. The portfolio is focused on challenging the status quo as a means of driving change and securing the best for Kent residents by influencing the national political agenda.

The Kent Partnership is grouped with this portfolio for business purposes and the work of both units is jointly co-ordinated.

Thus, key objectives include:

- Providing the corporate policy framework to guide long-term change within the Authority in order to deliver political and policy objectives;
- Through dynamic public policy support, ensuring the development and implementation of UK and European legislation in the interest of Kent's residents and businesses;
- Continuing to deliver a robust performance management framework to underpin and sustain the excellence status of KCC in service delivery;
- Ensuring policy co-ordination within the Authority and between its local, District, County, Regional and national partners;
- Securing new levels of enhanced partnership working to deliver corporate objectives;
- Maximising the benefits to Kent of the County Council's European and international work;
- Promoting understanding of KCC and its role and services among Kent residents and increase awareness of the reputation of KCC as an excellent authority amongst Kent and national organisations and key influencers.

3.15.2 Medium Term Service Priorities

Fundamental change for the County Council during the lifetime of this plan is inevitable. This will be particularly so with the publication last year of the Local Government White Paper and the Lyons Inquiry into Local Government heralding future legislative changes for local government. Such inevitable change will be reinforced by the conclusion of the Government's Comprehensive Spending Review 2007 (CSR07) that will lead to increased

fiscal constraint for local government. Thus, the portfolio has the following priorities:

- Give support, intelligence and guidance to senior Members and officers in shaping KCC's response to the White Paper and future local government legislation;
- Provide high level policy capacity across the county council, identifying and understanding the new challenges facing Kent and stimulating thinking to develop new ways of delivering improved services;
- Maximise the benefits of the intelligence-led corporate policy formulation capacity of the County Council;
- Bind the work of partners into co-ordinated joint action on behalf of the communities of Kent to influence both Government and those who influence Government to support key Kent policies and programmes;
- Initiate and guide joint action by the public, private, voluntary and community sectors to deliver the key corporate policy objectives in the "Vision for Kent", "Towards 2010", "The Kent Agreement" and Annual Plan;
- Strengthen the community leadership role of the County Council through the Kent Partnership and the delivery of the Supporting Independence Programme;
- Co-ordinate and support the work of the Kent Public Service Board in their work to improve local services and secure cost efficiencies to be reinvested in frontline service;
- Drive and support the Localism agenda including delivering the outcomes from the Informal Member Group – Going Local;
- Develop and undertake a programme of consumer monitoring through the Kent Residents' Panel, Best Value Performance Monitoring survey work and other forms of consumer intelligence feedback as a key feedback loop into service improvements;
- Give leadership and support to the consultation and community engagement processes across KCC;
- Co-ordinate critical monitoring reports for the "Towards 2010" targets;
- Create an action plan to take forward "Preparing for Employment" in "Towards 2010" to incorporate Kent Works and other work streams within CFE.
- Progress work on "The Kent Agreement" targets;
- Pursue Supporting Independence Programme priorities and work with relevant units and partners to embed the principles of SIP across the portfolio;
- Manage the annual unit Business Planning process across KCC;
- Prepare the Annual Plan;
- Contribute to national activity such as the LAA Performance Management Framework; CPA development;
- Ensure preparation for CPA in order to maintain 4 star status;
- Continue to lead and develop KCC's and Kent's participation in the EU Interreg IV programmes; franco-british cross-border programme (IVA); transnational co-operation programme (IVB); and inter-regional co-operation programme (IVC);
- Maximise the uptake of European funding to support the work of KCC directorates and partners in Kent.

3.15.3 Risk Assessment

The key risks to manage are:

- The failure of KCC to retain its CPA excellent score and subsequent impacts on reputation, freedoms and flexibilities, staff morale and ultimately on service delivery;
- The effect of legislative and Government inspired changes on the health and function of the county council arising from the Local Government White Paper, Lyons Inquiry and CSR07;
- Reduction of European funds coming into Kent.
- Underperformance on “The Kent Agreement” leading to smaller financial rewards than anticipated as well as loss of reputation;
- Potential failure to negotiate and agree the second Local Area Agreement (LAA) by March 2008.

3.16 FINANCE

In progressing towards the MTP priorities listed by theme in Section 1, the following service-specific objectives and priorities demonstrate how the Portfolio will focus activities and continue to deliver core services to the highest standard possible.

3.16.1 Overall Objectives of the Portfolio

The overall objective of the portfolio is to manage the corporate finances of the Authority and to provide a property strategy to support the delivery of KCC’s business.

For the Finance Portfolio the key objectives are focussed upon:

- Participate in the development of both service and corporate policy and provide a lead role in the development of medium term planning;
- Develop a strategic approach to demonstrating value for money in the delivery of the council’s services;
- Develop an excellent finance function through staff development and performance management;
- Continue the excellent performance of the in-house treasury management function to reduce borrowing costs and increase investment income;
- Promote proactive approaches to risk management across the council;
- Optimise external funding;
- Improve Kent’s share of resources and funding;
- Support service delivery by providing an independent and objective evaluation of our clients’ ability to accomplish their business objectives and manage their risks effectively;
- Through Commercial Services, continue the key role of market regulator through its presence as an operator in the market place, as well as direct intervention. In this manner it is able to pursue best value to both Kent County Council and its partners;
- Strategically manage Kent’s property portfolio.

3.16.2 Medium Term Service Priorities

- Assist with the work in delivering the targets of the “Towards 2010” plan;
- Assist with work on “The Kent Agreement” targets;
- Support activities that will deliver the Supporting Independence Programme;
- Embed processes within the council to demonstrate value for money and achievement of Government and local efficiency targets;
- Through the further development of the Oracle financial and associated business systems improve the quality of financial information available to Members and service managers, and streamline financial processes to reduce the amount of manual intervention;
- As the administering authority for the Kent Pension Fund continue to develop the investment strategy to meet strategic investment objectives and deliver high quality administrative services;
- Developing shared services and exploring new and innovative work with partners which contribute to income generation;
- Develop audit services that will contribute towards the council’s ability to stay excellent, including value for money reviews and fraud awareness training;
- Sustaining and re-invigorating our core businesses and rigorously exploiting opportunities for new business will be major drivers for the next three years;
- Identifying and progressing opportunities for new areas of income generation, including those enabled by limited company status and other changes in legislation;
- Closer working with other service partners in Local Government, the Health Sector, Police and Fire, and in so doing, to reduce duplication of effort and bureaucracy in line with the Gershon agenda;
- Continued effective market regulation, moving into new markets as necessary to improve value and choice for KCC;
- Property Acquisition / Disposal strategy aimed at maximising the value of the portfolio through intelligent investment and usage policies;
- Development of Office Strategy aimed at releasing value and maximizing flexible workspace opportunities;
- Delivery of a large and varied Capital Programme;
- Building Schools for the Future – an additional £1.4bn bid to support the redevelopment of the secondary school estate;
- Maximising flexible workplace opportunities.

3.16.3 Risk Assessment

The following represents our major budget risks:

- Changes to interest rates, affecting the cost of borrowing and investment returns;
- Ability to retain flexibility to respond to both increases and decreases in demand from service directorates without disproportionately increasing costs or exposure to costs;
- Property Group external contracts for Estates and Environmental Management to be renewed/replaced;

- Resolving with front-line directorates the details and impact of reductions in property related services following revenue savings requirements;
- Possible changes in the accounting treatment of some treasury management activity;
- Change in External Audit provision;
- Dependency upon delivery of capital receipts as per agreed programme with implications upon cash flow of non-delivery;
- Ability of the Enterprise Fund to identify and realise receipts for fund investment;
- Non payment from Government of asylum costs incurred in Kent in addressing this national issue.

Corporate Support Portfolio - Revenue Budget

		2008-09	2009-10	2010-11
		£000	£000	£000
Pay:				
All	Pay & Reward	606	582	594
All	Increase in Employers Pension Contribution	116		
P&D	Cost of pay assimilation			
		722	582	594
Prices:				
All	External contracts	98		
		98	0	0
Government/Legislative Pressures:				
IS	On-going revenue support for e-Gov services	90		
		90	0	0
Demand/Demographic Led:				
IS	Pensions enhancement	-55		
IS	KSSIP support	-100		
IS	Change in the demand upon ISG support as directorates move to more mobile IT devices	100	100	
		-55	100	0
Delivery of T2010 Targets:				
SDU	Gateway	150	150	200
		150	150	200
Performance Reward Grant				
	CED allocation	136	20	-156
		136	20	-156
Service Strategies & Improvements:				
P&D	Design and implement Staff handbook	5		
P&D	Workforce Development - manager's post & development plan	-118		
All	Debt servicing to support capital investment	282		
		169	0	0
		1,310	852	638

Finance Portfolio - Revenue Budget

		2008-09	2009-10	2010-11
		£000	£000	£000
Pay:				
All	Pay and reward	264	223	227
All	Increase in Employer's Pension Contribution (EPC)	70		2,000
		334	223	2,227
Prices:				
Fin items	Financing items levies etc	40		
Property	Rent reviews	125		
Property	External contracts	104		
Property	Prices	39		
		308	0	0
Government/Legislative Pressures:				
		0	0	0
Demand/Demographic Led:				
Property	Dilapidations	63		-63
		63	0	-63
Delivery of T2010 Targets:				
		0	0	0
Performance Reward Grant				
		-1,726	-251	1,977
		-1,726	-251	1,977
Service Strategies and Improvements:				
Fin Items	Financing costs	9,541	15,063	8,500
		9,541	15,063	8,500
		8,520	15,035	12,641

Policy Portfolio - Revenue Budget

		2008-09 £000	2009-10 £000	2010-11 £000
Pay:				
All	Pay & Reward	64	58	59
All	Increase in Employers Contribution	9		
		73	58	59
Delivery of T2010 Targets:				
Policy	Kent Renewal Scheme	100	100	
		100	100	0
Service Strategies and Improvements:				
Policy	Ending of LPSA2 funding for Policy Unit	150		
Comms	Strengthening and enhancing communication with internal and external stakeholders	175		
		325	0	0
		498	158	59

Public Health Portfolio - Revenue Budget

		2008-09 £000	2009-10 £000	2010-11 £000
Pay:		0	0	0
Prices:		0	0	0
Government/Legislative Pressures:		0	0	0
Demand/Demographic Led:		0	0	0
Service Strategies and Improvements:		0	0	0
		0	0	0

Appendix 3

CED BUSINESS PLAN 07- 08

PROPERTY GROUP

Activity	FTE	Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	& Projects	Expenditure	Income	Income	Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Projects	24.0	1,013.1	49.0		1,062.1		-1,062.1	0.0
Contract Performance & Financial Monitoring	8.0	216.9	5.2		222.1		-222.1	0.0
Professional Services					0.0			
Access Officers					0.0			
Strategic Assets Initiative	2.0	105.9	6.6		112.5			112.5
Resources	8.0	281.6	48.1	85.0	414.7		-85.0	329.7
Director of Property & Business Support	4.6	434.0	28.2		462.2			462.2
PA'S & Admin								
PFI Team	6.9	313.3	6.0		319.3		-319.3	0.0
Maintenance & Minor Works	11.0	450.1	19.8	1,055.0	1,524.9		-725.2	799.7
Estates Management Team	8.4	366.8	19.2	1,057.1	1,443.1		-688.0	754.9
Property Asset Management (incorporating Enterprise Fund)	1.6	67.2	383.9	87.3	538.4	-185.7	-538.4	-185.7
Property Development & Disposals	3.0	199.3	44.8	40.4	284.5		-284.7	0.0
Kent Facilities Management	48.2	1,080.7	798.9	1,553.7	3,433.3	-71.0	-352.4	3,009.9
County Hall Ops	18.9	419.3	18.9		438.2	-9.6		428.6
Cleaning Contract	3.5	101.6	15.4		117.0	-36.0	-43.4	37.6
County Hall Lettings	2.5	55.9	27.1	130.0	213.0	-25.4	-309.0	-121.4
Clover House	3.8	74.2	121.2	18.0	213.4			213.4

Kingshill	6.8	158.2	314.0	739.0	1,211.2			1,211.2
Post	6.6	129.8	27.9		157.7			157.7
Kroner	6.1	141.7	274.4	666.7	1,082.8			1,082.8
Strategic HQ	0.0	2.0	1,704.4	1,802.8	3,509.2	-32.0	-362.1	3,115.1
County Offices	1.6	54.9	101.3	2,592.1	2,748.3	-17.9	-862.4	1,868.0
Oakwood House	4.0	130.0	402.8	953.0	1,485.8	-1,143.5	-743.3	-401.0
Income Target (PEF)						-3,300.0		-3,300.0
Controllable Totals	131.3	4,715.8	3,618.2	9,226.4	17,560.4	-1,450.1	-6,245.0	9,865.3

FINANCE GROUP

Activity	FTE	Employee Costs £'000	Running Costs £'000	Contracts & Projects £'000	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Controllable Expenditure £'000
COUNTY FINANCE	4.0	960.7	446.6		1,407.3	-159.6		1,247.7
INTERNAL AUDIT & RISK	30.4	1,225.9	90.9		1,316.8	-635.6	-32.0	649.2
FINANCIAL SERVICES	91.6	2,738.4	518.2		3,256.6	-2,225.5	-93.5	937.6
ACCOUNTING & BUDGETING	33.4	1,349.0	821.8		2,170.8	-110.6	-63.3	1,996.9
Controllable Totals	159.4	6,274.0	1,877.5		8,151.5	-3,131.3	-188.8	4,831.4

P&D GROUP

Activity	FTE	Employee Costs £'000	Running Costs £'000	Contracts & Projects £'000	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Controllable Expenditure £'000
Strategy & Leadership	5.7	387.9	247.5		635.4			635.4
Added Years		186.4			186.4			186.4
Business Support	16.0	669.8	24.4		694.2		-129.2	565.0
Pay & Reward	5.4	240.5	17.0		257.5	-30.1		227.4
Employee Relations & Policy	3.8	187.6	29.6		217.2			217.2
Employee Services	69.5	1,658.2	361.8		2,020.0	-58.0	-60.9	1,901.1
Personnel Information System	9.6	352.6	12.4		365.0			365.0
Learning & Development	18.8	695.6	577.9		1,273.5	-10.0	-843.7	419.8
Training Budget (P&D)		31.3			31.3			31.3
H&S	4.0	194.4	27.5		221.9			221.9
Equalities	3.8	175.8	54.0		229.8			229.8
Staff Care	14.1	506.2	277.7		783.9	-78.1	-231.1	474.7
Wellbeing Health Checks			75.0		75.0			75.0
P&D S4S								
S4S	2.5	134.9	316.2		451.1			451.1
ADP	12.5	571.4	29.5		600.9		-110.2	490.7
P&D SCHOOLS								0.0
SPS	61.5	2,088.1	339.7		2,427.8	-75.0	-1,864.3	488.5
<i>e-Recruitment savings - subsequently recovered from all</i>		-700.0			-700.0			-700.0

<i>directorates</i>								
Controllable Totals	227.2	8,080.7	2,390.2	0.0	10,470.9	-251.2	-3,239.4	6,280.3

ISG GROUP

Activity	FTE	Employee Costs £'000	Running Costs £'000	Contracts & Projects £'000	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Controllable Expenditure £'000
EIS	67.0	2,741.3	535.7	40.0	3,317.0	-647.3	-2,877.1	-207.4
Operations Management (OPS)	2.0	166.3	36.7	0.0	203.0	0.0	0.0	203.0
Resourcing & Standards (OPS)	24.4	1,252.5	20.6	0.0	1,273.1	0.0	0.0	1,273.1
Service Desk (OPS)	63.0	2,183.1	42.2	0.0	2,225.3	0.0	-448.8	1,776.5
Change Control Management (OPS)	21.0	1,070.7	9.4	0.0	1,080.1	0.0	-740.7	339.4
Operations Support Services (OPS)	33.2	1,626.7	57.3	382.1	2,066.1	0.0	-167.0	1,899.1
Procurement (OPS)	8.0	239.4	180.2	4,754.2	5,173.8	-7.7	-217.9	4,948.2
Chief Information Officer's Office	28.7	2,153.1	474.7	32.3	2,660.1	0.0	-57.6	2,602.5
Kent First – KSSIP	16.9	1,008.0	31.6	300.5	1,340.1	0.0	0.0	1,340.1
Project Team	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Refresh Programme	22.0	1,007.6	-2,758.1	1,878.4	127.9	0.0	-127.9	0.0
Kent Connects	2.0	118.2	186.7	185.1	490.0	-351.8	-138.2	0.0
Business Solutions & Policy	7.8	705.8	637.7	0.0	1,343.5	0.0	0.0	1,343.5
Controllable Totals	296.0	14,272.7	-545.3	7,572.6	21,300.0	-1,006.8	-4,775.2	15,518.0

INTERNATIONAL AFFAIRS GROUP

Activity	FTE	Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	& Projects	Expenditure	Income	Income	Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
International Affairs Group (formerly part of Strategy & Planning)	8.0	338.0	62.0	0.0	400.0	-65.0	-12.0	323.0

POLICY GROUP

Activity	FTE	Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	& Projects	Expenditure	Income	Income	Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy	25.4	1,122.4	69.3	550.3	1,742.0		-208.5	1,533.5

LEGAL & DEMOCRATIC SERVICES GROUP

Activity	FTE	Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	& Projects	Expenditure	Income	Income	Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Legal	73.2	3,274.2	278.2	1,000.0	4,552.4	-647.8	-4,205.0	-300.4
Members	3.0	129.2	2,214.9		2,344.1			2,344.1
Democratic Services	33.0	1,068.3	156.0		1,224.3	-11.0	-31.2	1,182.1
Data Protection	1.6	78.0	11.1		89.1			89.1
Local Boards	6.0	341.7			341.7			341.7
Corporate Communication	19.0	753.4	404.1		1,157.5	-64.0	-28.0	1,065.5

Inter -Authority Partnership Unit	3.0	160.0	60.0	250.0	470.0	-470.0		0.0
Controllable Totals	138.8	5,804.8	3,124.3	1,250.0	10,179.1	-1,192.8	-4,264.2	4,722.1

CORPORATE MANAGEMENT UNIT

Activity	FTE	Employee Costs £'000	Running Costs £'000	Contracts & Projects £'000	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Controllable Expenditure £'000
Pre-LGR Pensions Costs			937.4		937.4	-110.4		827.0
KCC Staff Club			34.0		34.0			34.0
Strategic management & support	3.0	439.9	208.2		648.1			648.1
Controllable Totals	3.0	439.9	1,179.6	0.0	1,619.5	-110.4	0.0	1,509.1

STRATEGIC DEVELOPMENT UNIT

Activity	FTE	Employee Costs £'000	Running Costs £'000	Contracts & Projects £'000	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Controllable Expenditure £'000
STRATEGIC DEVELOPMENT UNIT	6.0	251.6	281.6		533.2			533.2
GATEWAYS	3.0	100.5	331.5		432.0			432.0
KENT TV			600.0		600.0			600.0
KENT FILM OFFICE	1.0	40.0					-40.0	
Controllable Totals	10.0	392.1	1,213.1	0.0	1,565.2	0.0	-40.0	1,565.2

KENT PARTNERSHIPS & KENT WORKS

Activity		Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	& Projects	Expenditure	Income	Income	Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
KENT P'SHIP		271.6	96.4		368.0			368.0
KENT WORKS		150.0			150.0			150.0
Controllable Totals		421.6	96.4	0.0	518.0	0.0	0.0	518.0

PUBLIC HEALTH

Activity	FTE	Employee	Running	Contracts	Gross	External	Internal	Controllable
		Costs	Costs	&	Expenditure	Income	Income	Expenditure
		£'000	£'000	Projects	£'000	£'000	£'000	£'000
Joint initiative with SHA to promote the health of the Kent population £100k		70.0	30.0		100.0			100.0
Controllable Totals	0	70.0	30.0	0.0	100.0	0.0	0.0	100.0

Appendix 4

Key Dates

What	Who	When
Review of budget proposals and overall pressures, impacting upon the relevant directorates	Policy Overview Committees	7 – 20 November
Provisional Settlement – announcement by government and then analysis and interpretation for impact for KCC 2008-11	Financial Strategy Group – briefing for all members	Late November / early December <i>(timing not yet announced by government)</i>
Update on Provisional Settlement and review of corporate budget strategy (if announced - see above entry)	Cabinet	3 December
Chancellor of Exchequer Pre-Budget Report	Financial Strategy Group	December <i>(timing not yet announced by government)</i>
Budget proposals published and press conference	Cabinet	21 January
Review of budget proposals and overall pressures, impacting upon the relevant directorates	Policy Overview Committees	25 – 31 January
Final settlement for 2008-09	Cabinet	Late January/ early February <i>(timing not yet announced by government)</i>
Opportunity for Cabinet Scrutiny to consider proposed budget	Cabinet Scrutiny Committee	1 February
Cabinet recommends budget to Council	Cabinet	6 February
Council sets budget and precept	Council	19 February

Source: Autumn Budget Statement Report to Cabinet 17 September 2007 (Item 4)