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To: Cabinet 3 December 2012

Subject: **Cabinet response to 2013/14 Budget consultation**

Classification: Unrestricted

FOR DECISION

This report sets out a proposed Cabinet response to the 2013/14 Budget consultation.

Cabinet is asked to note the likely detrimental impact of announcements and consultations on funding arrangements during the autumn. Cabinet is also asked to note that updated funding and the impact on 2013/14 budget will be included in the revised final draft budget proposals to be launched after the provisional settlement has been announced.

Cabinet is asked to agree that the revised final draft budget includes changes to the consultation draft to reflect its response to the consultation feedback. Cabinet is also asked to agree that this revised final draft be launched following the announcement of the provisional settlement later in December.

1. Changes since the launch of the Consultation

1.1 There have been a number of announcements and consultations during the autumn which are likely to impact on the overall resources available in 2013/14. Some changes will provide additional funding while others reduce funding. We are anticipating that the net effect will mean less funding than we estimated in the consultation resulting in the need for more savings to balance the budget. We will not know the full impact until we receive the local government finance settlement later in December.

1.2 On 8th October the Chancellor of the Exchequer announced further support for local authorities in 2013/14 and 2014/15 to help councils freeze Council Tax for a third successive year. The grant would be equivalent to 1% increase on 2012/13 Council Tax. At the same time the Government also announced its intention to reduce the referendum threshold to 2%. The announcements effectively cap any Council Tax increase to between 1% and 2%. We estimate the Council Tax freeze to be worth an additional £5m-£5.8m for KCC in each of the next two years compared to the assumptions in the consultation.

1.3 On 16th October the Government announced £100m one-off transitional funding for local Council Tax Support schemes. In order to be eligible for grant billing authorities would have to limit benefit reductions for

working age recipients of full benefit to 8.5%, could not increase the taper for those on partial benefit above 25%, and would need to avoid sharp reductions for claimants entering work. We estimate that the transitional grant would be £1.1m-£1.8m less than the impact on the tax base from limiting benefit reduction and thus equates to a funding reduction compared to the consultation.

1.4 The Government has proposed that the Early Intervention Grant is subsumed into the new local government funding arrangements through the localisation of business rates. The consultation proposed that the amount transferred into the new business rates model is substantially less than the current grant, and that the funding for the expansion of free early years places for 2 year olds be transferred into the Dedicated Schools Grant. There were only limited financial models included in the consultation (which only exemplified the overall position with no amounts for individual authorities) and to date there has been no announcements of decisions following the consultation. We are unlikely to know the full impact until we receive the local government finance settlement later in December.

1.5 The Government has consulted on changing the way money for central local authority functions (LACSEG) should be transferred to academies. The consultation sought views on transferring all funding for LACSEG functions to DfE who would introduce a national system to provide grants to local authorities and academies. There were only limited financial models included in the consultation (which only exemplified the overall position with no amounts for individual authorities) and to date there has been no announcements of decisions following the consultation. We are unlikely to know the full impact until we receive the local government finance settlement later in December.

1.6 The Chancellor of the Exchequer will make his Autumn Budget Statement on 5th December. This is later than previous years and means the KCC autumn statement cannot be presented to Cabinet before the final draft budget has to be launched. It also means that we are unlikely to get the provisional grant settlement (the baseline and top-ups for the new Business Rate retention scheme) until later in December. This is significantly later than previous years and means the final draft budget is unlikely to be available until January to allow time to assimilate the impact of the settlement. The consultation made it clear that we were working on funding estimates as we had no provisional grant details.

2. Response to Consultation

2.1 Attitudes to Council Tax

The majority of residents would not want to see council tax increased in the current economic climate, adding further pressure to already stretched household budgets. Some participants expressed a desire to see a more fundamental reform of council tax.

2.1.1 Cabinet agrees that at a time of unprecedented financial pressure on household budgets that KCC should do all that it can to avoid increasing council tax in its precept. Therefore, freezing the council tax will be at the heart of our final 2013/14 budget proposals, subject of course to the outcome of the grant settlements referred to in section 1. This only relates to the county council's share of Council Tax, and other Kent local authorities that also levy a precept or charges through the Council Tax may decide to increase the charge on their share.

2.1.2 Cabinet also understands the desire of some residents to want to see reform of the Council Tax system. Indeed, changes to council tax arrangements, such as the localisation of council tax benefit to local authorities, are placing even greater financial pressure on council tax arrangements, which we are trying hard to mitigate with our District Council partners. However, reform of the council tax, as part of a wider debate around the sustainability of local government finance, should be an important part of the Government's 2014 Comprehensive Spending Review.

2.1.3 Cabinet will be pressing for consideration of reform to council tax arrangements as part of our wider call for fairness in the local government financing arrangements in our submission to the spending review. Cabinet have previously received reports on the wide variation in tax rates between London Boroughs and surrounding county areas and South East 7 published a report this year "Fixing a Broken System" setting out its view that the current system is not sustainable. Cabinet shares this view that the current differentials in Council Tax between individual authorities (which directly result from flaws the current funding system) are not sustainable and needs to be addressed.

2.1.4 Cabinet has been working closely with district councils and other precepting authorities to ensure that the localisation of Council Tax Support is implemented effectively. Cabinet does not want to see those currently in receipt of Council Tax benefits facing sudden and expected Council Tax demands. At the same time Cabinet firmly believes that the reduction in funding for Council tax support should not be a burden on other Council Tax payers. Cabinet supports the schemes which districts have been developing and in particular welcomes the opportunity recently offered by ministers to limit the impact of Council tax benefit reductions in 2013/14.

2.2 Models for Service Delivery

Kent residents place a high value on core public services (particularly personal care related services) to be available should they need them. Residents would need to be satisfied that KCC has driven out the maximum savings from non frontline activities and reviewed provision of discretionary services before changes are considered to core services. Residents have increasingly mixed views whether the national budget deficit should be tackled through savings on public services.

2.2.1 Cabinet are pleased that Kent residents place a high value on the services provided by the County Council and are committed to maintaining provision, especially for those services that support the most vulnerable

members of Kent's communities. That is why a transformative approach to adults and children's social care is so important, so we can continue to provide the level of care needed and deliver better outcomes for individuals within the financial resources available. KCC will have already delivered over £150m of cashable savings over the last two years including:

- £19m of efficiencies on procured services
- £24m on staff efficiencies
- £60m on staff and running costs through service reforms

2.2.2 Cabinet remains absolutely committed to driving further efficiencies wherever possible, and will continually review KCC's back office and support arrangements to make further savings where it is appropriate to do so without placing additional burdens on front line staff. Also, by better integrating similar services around key client groups, as we are doing with adolescent support services, the organisation will be able to drive further efficiencies through reducing duplication and providing better targeted support to those who need it most.

2.2.3 It is of course our legal duty to provide statutory services, and Cabinet understands and appreciates that protection of statutory services is important to Kent residents. However, discretionary services, such as Community Wardens, can play an important role in supporting the quality of life of Kent residents and have wider social benefits that must be considered. Moreover, many discretionary services play an important part in the preventative agenda, helping to solve problems before additional and expensive statutory interventions become necessary. In some cases, investment in non-statutory preventative services may be required as part of the overall approach to managing demand on statutory provision and to ensure financial sustainability. Cabinet will continue to review all provision, both statutory and non-statutory, to ensure that it is both effective and providing value for money, but a simple delineation in spending priorities between statutory and non-statutory services may sometimes prove counter productive.

2.2.4 Cabinet appreciates that residents have mixed views on whether reducing the national budget deficit should be delivered through savings to public services or through other means. However, as a County Council we accept it is important that the national finances are brought into balance and as country we do not live beyond our means. Therefore, it is imperative that the structural deficit is cleared. Without such action, the longer term sustainability of public services would be in doubt. The only other option to delivering savings in public services would be to significantly increase personal and company taxation. As Cabinet have already noted, whilst pressure on household budgets remains significant, and economic growth remains sluggish as many businesses struggle, it is important that the state does not add pressure to already overstretched household and company budgets.

2.2.5 The Government could however do more to support local authorities to meet the financial challenge they face. Invariably, whilst it asks local public services to join-up commissioning and delivery, individual Whitehall departments often follow their own agenda, which impacts on what can be

delivered locally. The need for Whitehall to speak with one voice is vital. It is also important that Whitehall honours the spirit of localism and if it expects local government to be more responsible for its own destiny, Government must give local authorities the tools to do the job and not try to retain too much control.

2.2.6 Moreover, the funding imbalance in local government grant formula which distributes money away from non-metropolitan areas in the South and East, makes meeting the financial challenge even harder and this needs to be addressed. The Government could also do more to reduce and remove many of the unnecessary regulations and restrictions, such as the overly prescriptive European Union procurement rules, which add cost to local authority contracts and services. So whilst we accept as a County Council the need to do our bit, the Government can and should do more to support authorities to meet the challenge.

2.2.7 Cabinet is extremely concerned that Government has not issued provisional grant settlements for 2013/14 and that the funding position for councils is extremely unclear so close to the start of the financial year. Cabinet took the bold step of consulting on the budget proposals much earlier than previous years despite the lack of information on grants or the new local government funding arrangements in the Local Government Finance Bill. Cabinet recognises that this is an extremely complex area and it is right that any change should be for the better but fear the new arrangements could turn out to be even more complex and will require further modifications. Cabinet urges Government to give local authorities adequate time to implement the new arrangements and not to make last minute changes.

The MORI workshops explored participants' appetites for three different ways of delivering services, looking at whether responsibility for budgeting and managing delivery should lie with KCC, the community or the individual. Participants generally wanted KCC to maintain its responsibility for services, acknowledging that we have the necessary experience and expertise and can generate economies of scale. There was some appetite for greater individual responsibility for heavily subsidised and non essential services (e.g. Freedom Pass, libraries,) and for greater community responsibility where existing structures are in place and the risk of failure is low (e.g. schools.) However participants were wary of the potential risks, particularly to vulnerable people.

2.2.8 Cabinet are grateful that the MORI workshops identified a high degree of trust in the County Council to effectively balance competing interests and commission and deliver services in the best interests of Kent as whole. Cabinet believe that this is a fundamental role of a countywide strategic authority, and even through our commitment to localism and new ways of working, we have ongoing responsibility to ensure fair access to services and a quality service level is maintained.

2.2.8 However, we are keen to explore different models of service delivery, including increasing personal responsibility and utilising community capacity to help deliver services to better meet local needs. At the same time, we agree with the participants in the MORI workshops that such approaches need to be developed carefully, and ensure that the council does not simply

transfer liability to individuals and communities when they either aren't sufficiently resilient or don't have the capacity to take on increased responsibility. Our view is that such approaches must be developed on a service-by-service, case-by-case basis, with communities and service users actively participating in co-designing any new arrangements.

2.2.9 Cabinet is committed to protecting the most vulnerable in Kent and believes this can be better achieved through investing in better preventative services such as community health provision, rather than spending on more expensive interventions such as the provision of residential care services.

2.3 Service areas

Adult Social Care

Participants agreed that the current model of service provision is unsustainable due to the ageing population and reduced funding. Views on how to tackle this varied. Some felt that individuals should pay more towards their care. Others thought local communities could do more to help. All participants agreed that people should be supported to remain in their own homes, but did not think this should be funded through increased council tax. Adult social care was identified as most in need of protection from savings during the MORI workshops and was also the third least favourable area for savings in the online survey. Some respondents were concerned that proposals to make savings through transformation could result in diminished services to vulnerable people.

2.3.1 Cabinet are very pleased that participants recognised that the current model of providing adult social care must change. In order to protect these vital services, savings of the magnitude required can only be delivered through fundamentally redesigning how adult social care is delivered. The Adults Transformation Programme will deliver significant savings in 2013/14 and improve outcomes through allowing staff to focus more of their time on productive outcomes and ensuring we provide care that is best suited to individual's needs and circumstance to help them remain independent as long as possible. The Transformation Programme will also deliver savings through better procurement and improved partnership with the NHS and other agencies involved in social care. This is not about cutting services and Cabinet will be including more information about how we intend to go about delivering savings when the final draft budget proposals for 2013/14 are published in a few weeks. Cabinet recognises that we need to explain more clearly what the Transformation Programme aims to achieve in order to allay concerns about service cuts.

2.3.2 In order to ensure a stable and sustainable future for adult social care in Kent, and to mitigate the risk of reductions to front line services, the first phase of the Adult Social Care Transformation Programme will focus on four main areas:

- 1) Transforming the care pathway: giving as many people as possible the opportunity to receive services that enable them to be

independent for as long as they can be. We expect our focus on early intervention support will reduce long term care needs/costs. Examples of this are:

- a. Enablement: significantly increasing the number of people who receive short-term intensive services that support people to learn, or re-learn, everyday skills and have confidence to complete daily living tasks themselves. These types of services can be suitable for people upon discharge from hospital, after illness or accident or other life changing events. People who have Enablement usually find that, afterwards, they can manage very well on their own or with a very low level of support.
 - b. Telecare: broadening the range and use of equipment and technology currently used so that it supports even more people to live safely and independently in their homes, thereby reducing the number of admissions to costly residential care.
- 2) Increasing our performance: reducing the amount of time spent on processes, paperwork and systems so that we work as efficiently and effectively as possible. This will increase how quickly people access support and make better use of staff time.
 - 3) Strategic commissioning and procurement: making sure that we maximise value in all that we commission and procure. This will keep prices affordable for users of our services as well as the Council. We will look at ways to use our buying power to bulk buy whilst understanding the social care market and ensuring businesses are not put at risk.
 - 4) Investment: utilising ring-fenced NHS social care funding in a range of services that will reduce the number of people requiring ongoing support from social services and improve health outcomes. We will use this money to develop a range of new services that will provide additional support to carers, prevent social isolation, avoid hospital admissions and ensure safe and timely hospital discharge.

2.3.3 Focussing on the above in the first phase of the programme (18-24 months) aims to ensure we have a robust foundation in which to manage further transformation such as integration with health.

2.3.4 One of the central aims of the Adults Transformation Programme is to improve preventative action to help people avoid, delay or minimise their need for care, and Cabinet welcomes the support for this approach. We are also exploring how communities can help support elderly and disabled people.

2.3.5 KCC is lobbying Government to implement the Dilnot Commission's recommendations on the funding of adult social care by 2015, including the lifetime cap on care costs and increased means test level. A properly funded system for adult social care will relieve the increasing pressure on Local Authorities in the future.

Children's Social Care

Participants felt that in order to help look after the most vulnerable children, KCC should continue to be responsible for Children's Social Care. They were not able to identify many ways of saving money, and tended to think that there should be more investment in services. Participants were in favour of early intervention and prevention activity to stop problems escalating and the need for expensive interventions. Children's social care was rated as the least acceptable area for savings in the online survey, with some respondents concerned that proposed budget cuts could leave vulnerable children at risk. However, participants at the MORI workshops did not agree that council tax should be raised to increase funding for these services. Some participants recognised the need to encourage more people to adopt or foster children.

2.3.6 Cabinet acknowledges that the consultation has shown unease about the scale of the potential savings to Children's Social Care. Although there have been significant improvements in Children's Social Care over the last two years, this has come at the price of £23m of additional investment and Cabinet recognises that there is still much work to do to get long term value from this investment.

2.3.7 The transformation of Children's Social Care aims to shift the emphasis from high-cost reactive work to a preventative approach, while at the same time making necessary reductions in spend. It may take a longer period of time for the emphasis to shift and for the investment in early intervention and prevention to pay off. Subsequently, Cabinet will reconsider whether the savings proposed for Children's Social Care next year strike an appropriate balance between the need to reduce costs now and allowing the long-term benefits of a preventative approach to develop. Cabinet's revised plans will be set out in the final draft budget due to be published in a few weeks.

2.3.8 Cabinet agrees entirely with the MORI participants' views that we must do more to improve the process of adoption and fostering. This will help us return children to a stable family environment as soon as possible, which will deliver longer-term reductions in care costs and provide better outcomes for these children. Kent's *Looked After Children Strategy* explains how we will achieve this. KCC has already seen improvements in the adoption service through working with Coram to improve and streamline the process.

Children's Services

Participants felt that Children's Services needed the oversight of KCC and did not want to see a reduction in the quality or access to services. There was no support for an increase to council tax but participants were prepared to accept some reduction in cost through increased parental responsibility and greater input from community organisations. Children's Centres was chosen as the second least acceptable area for savings in the online survey, although we have some concerns that the results may have been skewed by a local campaign. Participants felt that employment and careers advice for young

people might be better achieved by different external agencies, instead of the CXK service commissioned by KCC.

2.3.9 MORI participants said that each child and their family are unique. Cabinet agrees, and our aim is that families should receive tailored support from an integrated team of professionals including from KCC and our partners. One example of where KCC is putting this approach into action is the Troubled Families initiative, which will improve outcomes for Kent's highest need families, reduce costs and enhance the way we work and commission together.

2.3.10 Children's Centres provide an important and valued service. Currently KCC has a large number of Children's Centres operating across the county (97). 20 of these are located in the 20% most disadvantaged wards in Kent, and 53 in the 30% most disadvantaged areas. 62 of the centres are located on school sites. 21 have attached on site nurseries, with partnership agreements with a further 25 nurseries which are actively supporting the free childcare places for all three and four year olds, as well as the new 'Free for Two' agenda.

2.3.11 Between October 2011 and September 2012, 42,480 children were active registered users at a centre in Kent, this equates to approximately 40% of the County's 0-4 year olds. Cabinet needs to ensure that the centres are reaching the families that need help and supporting the preventative agenda. Review work is underway to find the most appropriate operating model for Children's Centres, which includes looking at integration with other services and their geographical distribution. This review activity will ensure that we better target Children's Centres activity to those who need it most in the future, and supports other Kent priorities such as Children's Social Care and the Troubled Families initiative.

2.3.12 In addition to looking at operating and geographical models, Cabinet are also considering how Children's Centres could deliver improved value for money and further efficiencies through income generation, standardised core staffing structures, reallocation of funding based on needs and economies of scale through more effective commissioning.

2.3.13 People who responded to the budget consultation felt that supporting young people into employment is important. This is a priority for KCC and there is a great deal of activity going on including the *Kent Jobs for Kent's Young People* campaign which has already secured over 100 apprenticeship pledges and the online careers guidance portal *Kent choices 4 U* which is being used by 83% of young people who are in the transition to 16+ learning. Cabinet acknowledges participants' concerns about the effectiveness of the current contract for employment and careers advice. Cabinet agrees that we need to find a more effective way to provide specialist careers advice to vulnerable young people and are developing options to achieve this within the proposed budget.

Community Services

Participants felt that there was plenty of scope for communities and individuals to take more responsibility for community services, including paying charges at point of use and further reliance of online services. There was no desire to increase Council Tax or council funding for these services and savings can be made. People were also willing to consider a reduction in the quality of these services if needed, including things like reducing library buildings. Participants who did not directly interact with Community Wardens did not appreciate the value they added.

2.3.14 Cabinet welcomes participants' interest in communities and individuals taking more responsibility for Community Services and KCC is already encouraging this. Through Future Library Services KCC is working with communities to identify options for library services in their local area. Cabinet acknowledges that participants were prepared to accept the closure of library buildings, but are confident we can deliver the savings and maintain our existing libraries through transformation.

2.3.15 Cabinet is particularly pleased to see that participants were willing to rely more on online services. KCC is committed to channel shift, as set out in the Customer Service Strategy. This means enabling customers to use the web to help themselves, whilst reserving more expensive face-to-face and phone for the most complex enquiries, or those who cannot go online. The forthcoming replacement and enhancement of kent.gov will make it easier to access information and allow people to carry out more transactions with KCC online which will improve efficiency and cost effectiveness, as well as the user experience.

2.3.16 Cabinet acknowledges participants' concerns about the value of Community Wardens. While the area covered by Community Wardens is not universal, other research shows that they are highly valued in the areas they operate in. Cabinet intends to work with the new Police and Crime Commissioner to identify options for community policing to inform the future role of Community Wardens.

Highways

Participants felt that Highways needs to remain the responsibility of KCC and could see potential inefficiencies in devolving responsibility, although some groups could see some merit in local decisions on things like traffic calming and urgent maintenance. There was no support for increasing funding for Highways either through increased council tax or user charging. Some participants might be more willing to pay user charges for roads if there were viable alternatives through public transport. Respondents to the online survey felt that street lighting is the most acceptable area to make savings.

2.3.17 Cabinet agrees with participants' views that the costs to individuals of travelling by car are already high and would not want to add to this burden. Cabinet also accepts that additional council tax should not be levied to support Kent highways and the council will need to continue to improve the

quality of Kent's roads and keep traffic flowing whilst also getting best value from our highways contracts so that we do not have to raise additional taxes or charges.

2.3.18 Cabinet is very disappointed that money collected through the vignette scheme for charging foreign HGVs to use UK roads, first proposed by KCC to offset the damage foreign HGVs have on Kent highways, will not be hypothecated to Kent to invest in our highway network. Such a new and innovative income stream would have reduced the unfair pressure on Kent council taxpayers in paying for repairs to highways caused by huge growth in foreign HGVs.

2.3.19 Cabinet is pleased that many respondents agreed with our proposals to turn off some streetlights between midnight and 5am, when roads are least well used. Lights will only be turned off where it is sensible and safe to do. This measure will not only save tax payers money but would also be a visible demonstration of the council's commitment to reduce energy consumption and its carbon footprint.

2.3.20 Cabinet also recognises the views of some participants that public transport is an important option. KCC has worked extensively with bus companies to improve bus services, and will continue to work with developers to integrate convenient and reliable public transport into new housing developments, such as the Fast Track service at Kent Thameside.

2.3.21 Cabinet acknowledges that most participants want KCC to maintain responsibility for Kent's highways, and particularly welcome their views that KCC can deliver better economies of scale and obtain the required expertise and skills through our commissioning and procurement arrangements. The new Highways Enterprise contract is a much better arrangement than KCC has had before, and is already delivering significant improvements to highways maintenance without increasing the overall cost.

Schools

In principle, participants at the MORI workshops were keen to hand greater responsibility for school improvement down to schools, reducing Council spend. They felt that there should be increased responsibility from individuals and communities. They also felt that schools should share best practice and that underperforming schools should learn from better performing ones. However some participants were concerned about whether this would work in practice. Participants also felt that parents would be more likely to try to get their children into a better school rather than play a role in improving their local under-performing school.

2.3.22 Cabinet agrees with the participants' view that responsibility and financial autonomy should be devolved down to schools wherever possible. KCC has already put this into practice. Devolving responsibility is the best way for schools to meet the needs of their pupils and achieve excellent outcomes. However, whilst schools should be financially independent, it is important that the total investment into Kent schools is sustained. Cabinet will

work with schools to ensure that the changes to schools funding being proposed by the Government are fair, and do not reduce the comparative level of funding available for Kent schools nor unfairly advantage academies over maintained schools.

2.3.23 In response to the changing landscape, Cabinet is ensuring that a new transactional relationship is developed in the way that KCC supports schools. EduKent allows schools and academies to buy the support services they need from KCC to run their school effectively. Cabinet also agrees that schools are best placed to help each other improve and have developed the Kent Association of Head Teachers to help schools work together and support each other.

Transport

Participants thought that the community could get more involved in running transport services. In the case of SEN transport, participants welcomed more control and responsibility for parents in getting their children to school, but felt that some vulnerable families would still need support. People felt that given the existing costs of running a car and using public transport, they would not be willing to pay more to use transport services. The exception was the Freedom Pass, which participants felt was offering an exceptional deal. Views were mixed on increasing council tax to support this service or reducing service levels.

2.3.24 The increase in SEN transport costs over recent years is unsustainable, and Cabinet must do everything we can to bring costs down. Cabinet agrees with participants that it is good for parents to have more say in how their child is transported to school, and the more personalised approach will be a positive change as in many cases parents can get their children to school more cheaply than the current costs paid by KCC. However, the needs of the child are a priority, and parental involvement would only be on a voluntary basis. Cabinet will also oversee the renegotiation of SEN transport contracts to get maximum value from them, including working with other South East councils through SE7 to see whether larger scale commissioning and procurement of SEN transport can deliver better value.

2.3.25 Cabinet is pleased that participants think the Freedom Pass offers such a good deal. The Freedom Pass supports Kent's young people to make the most of education, employment, social and cultural opportunities, and is a service that many other Councils do not provide. Cabinet realises that increasing the individual contribution would only be a short-term solution, and therefore we are considering how we can make changes to the offer in future years to make it more financially sustainable whilst still maintaining the greater freedom and flexibility the pass offers to parents and young people.

2.3.26 However, we need to be clear that it is a parent's responsibility to get their children to school and they should consider this when choosing a school. We only have to provide transport assistance where a child lives beyond the statutory distance from their nearest school. The Freedom Pass means KCC already goes much further in its support for children and families beyond the

statutory minimum and invests upward of £10m on subsidy for the Kent Freedom Pass and the Post 16 Travel Card. These enable Kent's young people to access public transport not just to and from school and places of education, but also for use at evenings and weekends. Cabinet believes it is essential that all young people should be able to access schools and other facilities best suited to their needs.

2.3.27 Cabinet also agree with participants' views that subsidy of bus routes could be reduced. In the current financial climate, it will not always be viable or fair to continue to subsidise individual routes which are hardly used. Cabinet will ensure that this is reviewed on a case by case basis, taking into account the needs of users in the area and local alternatives. Where a bus route is supporting a vital need, for example helping people get to a hospital, Cabinet will seek to maintain funding for it.

Waste Recycling and Disposal

Participants were not prepared to increase council tax to fund this service and felt that we could get more savings from contracts and increase income from users or through recycling. Participants were also prepared to see a decrease in provision if necessary to manage costs. There was little appetite in devolving responsibility to local communities and some participants were concerned about a potential increase in fly-tipping and other problems if KCC took less of a role in managing rubbish and recycling.

2.3.28 Cabinet welcome participants' views that it is important for KCC to continue to manage waste services. Although Cabinet sees a role for community and individual responsibility, we share participants' concerns about the risk of fly-tipping if rubbish and recycling is not properly managed. We work closely with district councils over fly tipping enforcement, and will continue to consider the most effective ways of delivering waste services to maintain provision. This will include Cabinet continuing the successful policy of developing joint arrangements with district and borough councils to unify the way in which waste is collected, which will reduce both their costs and the cost to the county council in disposing of waste. KCC has a good record in achieving savings from its numerous waste contracts, and Cabinet will ensure the value from these continues to be maximised.

2.3.29 Cabinet acknowledges participants' views that they would be prepared to see a decrease in opening hours of household waste recycling centres or accept a charge to individuals for waste and recycling. These issues were explored recently by a wide-ranging member review of the household waste recycling centre operations which led to recent site changes, and Cabinet will keep all possibilities open, bearing in mind statutory limitations around charging.

Financing and staff costs

Respondents to the online survey rated use of reserves as the second most acceptable area for savings, and a small number commented that this is the right thing to do to prevent a Council Tax increase. Respondents also rated

capital financing as the third most acceptable area for savings. A small number of respondents suggested that KCC could make better use of its capital assets or sell buildings to save money. Some respondents felt that KCC could make further savings by reducing staff salaries and expenses. Participants at the MORI workshops also questioned the amounts some staff are paid and the terms and conditions for KCC staff.

2.3.30 The 2013/14 budget proposals include releasing £6 million of reserves. Reducing the level of reserves means Cabinet manage the short-term cash flow impact from transformation programmes. Cabinet is pleased that respondents agreed that this is a sensible way to manage next year's budget. Reserves can only be used once, and we are confident that our transformation programmes will deliver the required savings in future years.

2.3.31 KCC is developing a revised Capital Strategy which will ensure that we continue to achieve maximum benefit from capital assets. As part of this the existing capital spending programme will be reviewed, removing some schemes and funding others schemes in different ways to reduce the impact on the revenue budget.

2.3.32 The average salary for a KCC employee is £26k. KCC has removed more than 1,500 jobs through restructuring and transformation since April 2011, many of which are in management and support functions. Cabinet has also taken the bold step of removing the Chief Executive role. A number of allowances have also been removed in the past three years and the authority is currently reviewing staff terms and conditions to make further savings. Cabinet intends to include more information about these staff and cost savings in the final draft budget proposals due to be published in a few weeks.

2.3.33 The council froze staff pay in 2010/11 and 2011/12 but competitive salaries and terms and conditions must be maintained if KCC is to recruit the best staff to provide Kent residents with high quality services.

3. Recommendations

3.1 Cabinet is asked to note the likely detrimental impact of announcements and consultations on funding arrangements during the autumn. Cabinet is also asked to note that updated funding and the impact on 2013/14 budget will be included in the revised final draft budget proposals to be launched after the provisional settlement has been announced.

3.2 Cabinet is asked to agree that the revised final draft budget includes changes to the consultation draft to reflect its response to the consultation feedback. Cabinet is also asked to agree that this revised final draft be launched following the announcement of the provisional settlement later in December.

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Background Documents

Ipsos MORI report on Kent Budget Workshop 2012

https://shareweb.kent.gov.uk/Documents/council-and-democracy/KCC_budget%20workshop_report_FINAL.pdf.pdf

Report on Feedback from Budget Consultation Document and Specific Sector Group Briefings

<https://shareweb.kent.gov.uk/Documents/council-and-democracy/Budget%20Consultation%20Report%20v2.pdf.pdf>

CHECKLIST

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Background Documents	13/14 Budget Consultation document
Previous Council/Cabinet/Committee references	Key points from the consultation reported to all Cabinet Committees in the November meeting round
Does the report propose a key decision is taken?	NO
If yes, is the decision in the Forward Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	3 Dec - Consultation reported to Cabinet for formal response Jan Cabinet Committees - Receive final draft portfolio budget details 23 Jan - Cabinet to agree final draft budget 14 Feb - County Council to approve draft budget
Is this report proposing an amendment to the budget and/or policy framework?	YES
Have the financial implications (including any capital spend implications) been cleared by the Director of Finance?	YES
Has the report been cleared by the relevant Corporate Director?	YES
Has the relevant Cabinet Member been consulted?	YES
Has the relevant Local Member been	N/A

consulted?	
Has the report been cleared by Legal Services?	NO
Has the matter been cleared in accordance with the Council's procurement rules (in 'Spending the Council's Money)?	NO
Have any communications issues been cleared by Communications and Media Centre?	YES
Has a Customer Impact Assessment been carried out in relation to this report?	YES, EIA Screening carried out for key elements of the budget consultation
Are there any community safety implications?	NO
Are there any environmental implications?	NO
Are there any health & safety implications?	NO
Are there any personnel implications?	NO
Are there any human rights implications?	NO