

**Draft Budget 2013/14 and Medium Term Financial Plan  
(21 January 2013)**

Cabinet portfolio: Mr J Simmonds, Cabinet Member for Finance and Procurement

Synopsis: The report presented the Draft Budget 2013-2014 and the Medium Term Financial Plan 2013-2015

Main Points from debate:

1. Mr Wood highlighted two issues of concern which would be adjusted in the budget before it was presented to County Council on 14 February 2013. These related to the future cost of residents claiming ordinary residence for social care and review the provision for price increases (particularly social care).
2. Members discussed the money that had previously been taken from reserves but it was considered entirely appropriate that this should have been done in times of austerity and any money taken out would be replaced.
3. Questions were raised around the Freedom Pass and if any consideration had been given to increasing the cost of the pass. This had been increased two years ago and it was decided to retain the current cost of the Freedom Pass this year to help families. It was accepted that a small increase, e.g. £5, would not raise significant additional income.
4. Witnesses confirmed that the "saving" on the arrangements to renew concessionary fares passes was in fact an avoidance of additional costs rather than a cash saving.
5. In response to a question around procurement the witnesses confirmed that they were confident that the savings made by the procurement team would more than outweigh the cost of the procurement team. The team was also mindful of using Kent businesses where possible which had led to a 10% increase in the use of Kent businesses.
6. There had been a recent focus, led by the procurement team, to ensure that the Council's contracts were not linked to inflation indices and that indexation of contracts was not generally included in new arrangements.
7. It was confirmed that KCC's current Council Tax was below the average for other county councils.
8. Savings had been made from reviewing the ways in which the 97 Children's Centres were run, without impacting on the number or opening hours of centres. The £1.4m saving in the 2012/13 budget should be seen in the light of a £11 million reduction compared to the current year on a like for like basis in the Early Intervention Grant included in the new local government funding arrangements.
9. There would be a need for an additional 10,000 primary school places over the next 2-3yrs which presented a risk to the budget. Much would depend on the level of basic needs funding received from Government. There were concerns around the associated highways issues and costs and the need to negotiate with the districts whose role had become crucial as a result of the new Community Infrastructure Levy legislation.
10. KCC was still trying to recover asylum money relating to the Swattenden Centre

and a letter had recently been sent to the Minister to try to resolve this issue. Conflicting legislation within the Children's Act and the Leaving Care Legislation, particularly around the "all rights exhausted" clients, and different interpretations of the legislation meant that this was a complicated situation but the council was pressing the Government for settlement.

11. Provision had been made within the budget for the recent settlement for the Dartford Fast Track CPO claim in 2007 which would cover almost the entire final compensation figure.

**Recommendations and responses:**

1. **Thank Mr King, Mr Simmonds, Ms Carey, Mr Wood, Mr Shipton and Mr Abbott for attending the meeting and for answering Members' questions. Members expressed their appreciation for the clear and understandable budget document that had been produced by the finance team.**
2. **Ask for clarification on savings in transport because of an increased use of the Freedom Pass. Confirm whether contracted services for home to school transport were paid for by headcount or per vehicle/journey.**

**Cabinet Member's Response:**

**XXXX**

Date of Response:

**XXXX**