

By: Richard Long – Chairman of Governance and Audit Committee

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To: Governance and Audit Trading Activities Sub Committee – 1 September 2009

Subject: **EXISTING TRADING ACTIVITY**

Classification: Unrestricted

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**Summary:** To identify the £371.71m of trading activity turnover across Kent County Council for Members' consideration.

## **FOR INFORMATION**

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### **1. INTRODUCTION AND BACKGROUND**

- 1.1 The Trading Activities sub committee has been explicitly established to review and comment upon the commercial activities across the whole of Kent County Council.
- 1.2 To facilitate the sub committee in this responsibility, as a first course of action the Finance Function has compiled a financial profile of this activity.
- 1.3 This activity amounts to some £371.71m turnover per year, including brokerage services. This is detailed as Appendix A to this report.

### **2. RECOMMENDATIONS**

- 2.1 It is recommended that Members NOTE the existing level of trading activity across the Council and is USED when deciding upon its future workplan.

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## Appendix A

Service	Activity	Delivery Vehicle	Trading Activities 2008-09			
			Gross £'000	Internal Income £'000	External Income £'000	Net £'000
<b><u>Children, Families &amp; Education</u></b>						
Finance	Finance support provided to KCC schools.	KCC	748	-748		0
Finance	Finance support provided to Medway & independent schools	KCC	47		-75	-28
Advisory Service Kent	Selling training courses to schools	KCC	397	-357	-50	-10
Management Information	Selling training courses to schools	KCC	14	-27		-13
School Advisory Services	Governor training & improving together network	KCC	253	-199		54
School Organisation	Clerking agency - KCC schools	KCC	125	-125		0
			1,584	-1,456	-125	3
<b><u>Kent Adult Social Services</u></b>						
<b>NIL RETURN</b>						
			0	0	0	0
<b><u>Environment &amp; Regeneration</u></b>						
Country Parks	Income from country parks: café, shops, visitor centres & education centres.	KCC	429	-685		-256
Nat Env & Coast	Eco Advice to Sevenoaks DC	KCC	5		-5	0
Heritage	Archaeological work carried out - Districts & Medway	KCC	117		-112	5
	Archaeological work carried out - Education	KCC	10	-10		0
	Archaeological work carried out - KHS	KCC	25	-25		0
	Farm Env Plans (£75 charged per plan)	KCC	4		-4	0
	Officer time for providing information (£65 per job)	KCC	1		-7	-6
			591	-848		-257

Service	Activity	Delivery Vehicle	Trading Activities 2008-09			
			Gross £'000	Internal Income £'000	External Income £'000	Net £'000
<b>Communities</b>						
<b>Adult Education</b>	Fees paid to attend courses. The fee covers tuition costs and exam fees where applicable. Most courses are subsidised by LSC grants. Some courses are 100% funded so are free, but for premium courses students pay the full cost with no subsidy.	KCC	13,501		Students: -2,707 LSC Grant: -10,845	<b>-51</b>
<b>Adult Education</b>	Sales and premises lettings	KCC	75		-149	<b>-74</b>
<b>Library and Archives</b>	Loans for AV materials in libraries	KCC	341		-526	<b>-185</b>
<b>Library and Archives</b>	Merchandising of stamps, greeting cards, books, etc. through libraries and archive centres	KCC	82		-126	<b>-44</b>
<b>Youth Service</b>	Outdoor education centres. The youth service operates 4 outdoor education centres which fully recover costs through charges to individual young people and groups	KCC	1,284		-1,450	<b>-166</b>
<b>Registration Service</b>	Registration. A range of fees are charged for different services. Some are statutory fees set by the General Register Office (so not trading). Others are discretionary fees for additional ceremonial and other services.	KCC	2,147		-2,361	<b>-214</b>
<b>Kent Scientific Services</b>	Provision of calibration and analytical services for other local authorities	KCC	665		-745	<b>-80</b>
<b>Trading Standards</b>	Business advice and testing, fees to register into Buy with Confidence scheme	KCC	18		-147	<b>-129</b>
<b>KEY Training</b>	Fees charged to individual learners towards exam fees	KCC	481	-24	-539	<b>-82</b>
			18,595	-24	-19,595	<b>-1,024</b>

Service	Activity	Delivery Vehicle	Trading Activities 2008-09			
			Gross	Internal Income	External Income	Net
			£'000	£'000	£'000	£'000
<b>Chief Executive's Department</b>						
<b>Property</b>	Oakwood House - income from internal & external sources	KCC/Plc	2,080	-2,058		<b>22</b>
<b>Property</b>	Asset Management Consultancy Hampshire, Russian Study Tour & EU Nations Finance Project, Consultancy work for Royal Berkshire & NPS	KCC	62	-62		<b>0</b>
<b>Property</b>	Classcare (insurance) for schools.	KCC	1,349	-1,349		<b>0</b>
<b>ISG</b>	EIS provides ICT support to schools and community projects by offering a full range of services to meet the need of customers to use ICT effectively in the classroom for the curriculum, or in the office for management and school administration.	KCC	5,966	-1,070	-5,172	<b>-276</b>
<b>Personnel &amp; Development - Schools Personnel Service</b>	CFE holds the Local Education Authority budget for which they are required to provide minimum services to KCC schools, eg. provision of statutory returns, Headteacher recruitment, CRB, strategic support to CFE, ER management etc.	KCC	716		-716	<b>0</b>
	Personnel advice and support delivered through a range of "packages" designed to respond most effectively to the needs of the customer. Customers purchase services on an annual basis at a rate dependant on the number of staff they employ.	KCC	1,883	-1,938		<b>-55</b>
	Additional personnel support over and above what is offered in "packages" on an ad-hoc basis.	KCC	160	-164		<b>-4</b>
	SPS undertakes CRB checks for schools on both a retrospective and new staff basis and this is on-going through out the year.	KCC	11	-11		<b>0</b>
	Delivery of specialist training and workshops to schools and other educational establishments around a varied range of relevant and timely topics.	KCC	52	-54		<b>-2</b>
<b>Legal Services</b>	Income from legal services provision internal to KCC and external customers (including schools (KCC & non-KCC), other LAs, Police & Fire authorities, Probation Service, Super Fund third party).	KCC	5,066	-1,321	-4,869	<b>-1,124</b>
			17,345	-8,027	-10,757	<b>-1,439</b>
<b>TOTAL EXCLUDING COMMERCIAL SERVICES</b>			<b>38,115</b>	<b>-9,542</b>	<b>-31,289</b>	<b>-2,716</b>

Service	Activity	Delivery Vehicle	Trading Operations 2008-09		
			Expenditure	Turnover	Net Surplus/Deficit (-)
			£'000	£'000	£'000
<b>Commercial Services - Existing Trading Operations</b>					
<b>Kent County Supplies and Furniture</b>	Provision of educational and office supplies and furniture assembly	KCC/Plc	36,161	-37,701	<b>-1,540</b>
<b>Facilities &amp; Technical Services</b>	Provision of a wide range of Facilities & Staff Care Mangement, and Maintenance of buildings and equipment including IT	KCC/Plc	4,823	-5,236	<b>-413</b>
<b>Brokerage Services</b>	Procurement and distribution of Services, including Laser energy buying group, community equipment service, and the specification and control of transport for CFE, E&R & KASS.	KCC/Plc	248,880	-250,768	<b>-1,888</b>
<b>County Print</b>	Graphic design and general printing	KCC/Plc	2,575	-2,583	<b>-8</b>
<b>Transport Services</b>	Provision of lease cars, minibuses, ambulances and lorries, plus vehicle maintenance and repairs. Provider of bus services, including school transport.	KCC/Plc	18,767	-20,744	<b>-1,977</b>
<b>Landscape Services</b>	Grounds maintenance including constructing and safety Inspection Services for electrical and fire fighting equipment	KCC/Plc	7,531	-8,181	<b>-650</b>
<b>Commercial Services - Existing Limited Companies</b>					
<b>Kent Top Temps Ltd</b>	Includes Kent Top Temps and Kent Top Travel	KCC/Plc	14,134	-14,389	<b>-255</b>
<b>Kent County Facilities Ltd</b>	First full trading year	KCC/Plc	779	-819	<b>-40</b>
			333,650	-340,421	-6,771