

To: Corporate Policy Overview Committee – 13th November 2009

**By: Paul Carter, Leader
Alex King, Deputy Leader and Cabinet Member for Localism and Partnerships
John Simmonds, Cabinet Member for Finance
Roger Gough, Cabinet Member for Corporate Support Services & Performance Management
Alan Marsh, Cabinet Member for Public Health
Peter Gilroy, Chief Executive**

Subject: BUDGET 2010/11 AND MEDIUM TERM FINANCIAL PLAN 2010/11 TO 2012/13

Classification: Unrestricted

Summary: This report identifies the proposed strategy for determining next year's budget and the financial plans for the following two years. This includes the latest indications of likely pressures facing the portfolios covering the Chief Executive's Department, suggested areas for service improvements and the savings that may be needed in order to set a realistic three year budget plan.

Recommendation: Members are asked to review and comment on the overall strategy, the pressures identified for the portfolios covering the Chief Executive's Department and to identify their priorities for savings if portfolios had to deliver a 10% saving on gross expenditure over the next three years.

FOR COMMENT

1. Introduction

1.1 The Autumn Budget Statement to Cabinet on 12th October 2009 suggested that we are entering into more uncertain times for local government finance than has been the case for many years. Whilst we have been assured that the Government will honour the third and final year (2010/11) of the current three-year Local Government Finance settlement there remain uncertainties on the level of efficiency savings that will be required for the year, the allocation of specific grants and the level of council tax capping.

1.2 Beyond 2010/11 the future is even more uncertain with the next three-year Comprehensive Spending Review (CSR) deferred until after the next general election, the general state of the UK economy continuing to

be weak, and a big hole in public finances. The most likely scenario is that we will be heading into a period of spending restraint compared to the relative prosperity of recent years.

2. Background

- 2.1 Indicative cash limits for 2010/11 and 2011/12 were approved by the County Council on 19th February 2009 in the Medium Term Plan (MTP) for 2009/12. These have been updated for known changes such as transfers of activities or staff between portfolios following the announcement of the new Cabinet responsibilities in May.
- 2.2 We are proposing a minor restructuring of the presentation of the MTP so that we can more clearly distinguish between unavoidable pressures (such as the impact of inflationary pressures on pay and prices, demographic pressures due to changes in Kent's population, and legislative pressures from Government) and pressures arising from local decisions on service levels and policy led improvements. The indicative cash limits have been updated for the latest forecast of these pressures.
- 2.3 We are also proposing a minor re-presentation of savings and income sections to more closely match the strands set out in the budget strategy below. Managing Directors have been set targets to make efficiency savings on staff overheads and procured services. In setting these targets we have been clear that we need to drive out as much as possible from efficiency savings before we look at any other savings.
- 2.4 We are setting POCs the challenge to identify their priorities for areas for savings if we had to make a 10% reduction on gross expenditure over the next 3 years. At this stage in the process this is a scoping exercise to inform policy development over the medium term (and we have no intention to take such a blunt salami slicing approach to policy development) rather than to bring forward specific proposals. However, POCs will have the opportunity to identify any areas where they think savings can be achieved from policy changes affecting the 2010/11 budget.

3. Budget Strategy

- 3.1 In light of the national situation outlined in this report we are proposing a budget strategy based on the following assumptions:
 - A £9m increase in formula grant for 2010/11 from £267m to £276m. Thereafter we are estimating a 3% per annum reduction in cash terms.
 - A reduction in the growth in the council tax base due to additional households from 0.8% in 2009/10 to 0.5% pa for the period of the next MTP
 - As low an increase in council tax as possible

- 3.2 Based on these assumptions this would see a small increase in the council's net spending of £822m in 2009/10 (excl. Area Based Grant) and thereafter standstill or reduced net spending. This represents a substantial shift over the previous three-year period which saw net spending rise from £710m in 2006/07 to £742m in 2007/08 to £796m in 2008/09.
- 3.3 In order to deliver a change of this magnitude we have calculated we would need to reduce spending in real terms by nearly £200m over the period of the next MTP. We are proposing this would be achieved through a combination of resisting budget pressures and making savings through efficiencies/income generation (i.e. delivering the same or similar level of service at lower cost) and policy led changes (i.e. delivering a different level of service).
- 3.4 In the normal course of events we could have anticipated budget pressures of circa £190m over the period of the next MTP. This assumes inflation running within the government target of 2.5% pa, demographic changes arising from an increasingly elderly and needy population, and legislative changes adding additional burdens on local authority services. Under the budget strategy we propose to resist 1/3 of these pressures through taking a robust stance in negotiating pay and price increases and responding to demographic and legislative pressures through innovative cost effective approaches.
- 3.5 Even after resisting some pressures this would still leave the authority needing to find around £130m of cashable savings to deliver a balanced budget within the overall strategic assumptions outlined in paragraph 3.1. This equates to the 10% that we are asking each POC to consider (assuming schools spending/grants continue to be outside of KCC's direct influence). To put savings of this magnitude into context over the preceding three-year period from April 2007 to March 2010 we will have delivered over £110m of efficiency savings/income generation as part of delivering each year's budget.
- 3.6 Chief Officers have signed up to identifying £10m of efficiency savings in 2010/11 from reducing staff overheads through a review of support functions. Chief Officers have also agreed to identify £6m of savings on procured services in 2010/11 through driving out efficiencies between the authority and contractors. POCs can consider and comment on these proposals as part of their deliberations on identifying the scope for 10% savings on the total portfolio spend.

4. Latest Developments: National Context

- 4.1 There are a number of national factors to take into account.

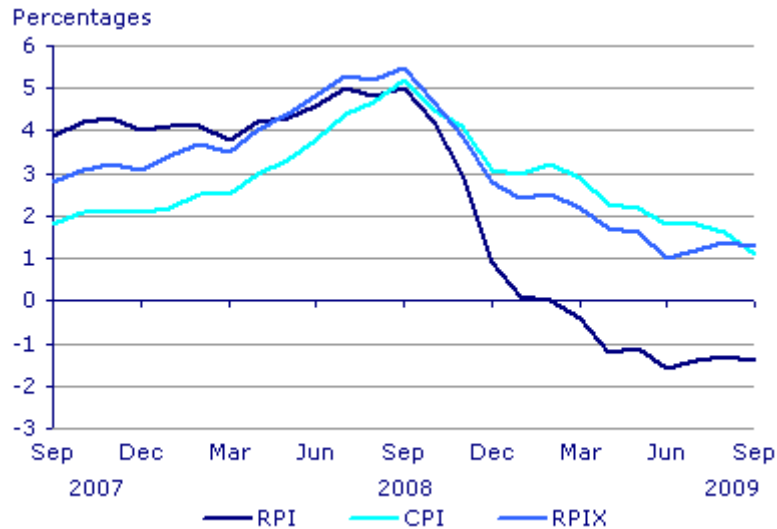
4.2 The Government's Comprehensive Spending Review 2007, published on 9 October 2007, set out national spending plans for 2008/11. The overall state of public finances and direction of the UK and world economy has significantly deteriorated since these plans were published. Nonetheless, the Government has assured local authorities that they will honour the third and final year of the current plan and that Formula Grant settlements will be as previously announced. For Kent this represents an increase of around £9m on the £267m grant for 2009/10. The final figure will vary slightly for changes in the data used for the formula and the Government is due to issue revised indicative figures in late November/early December and we should get final settlements in late January/early February.

4.3 Over the last 18 months inflation has initially gone up (exceeding Government targets) and subsequently reduced. There are different indices used to measure inflation, the indices enable an annual rate of underlying inflation to be calculated:

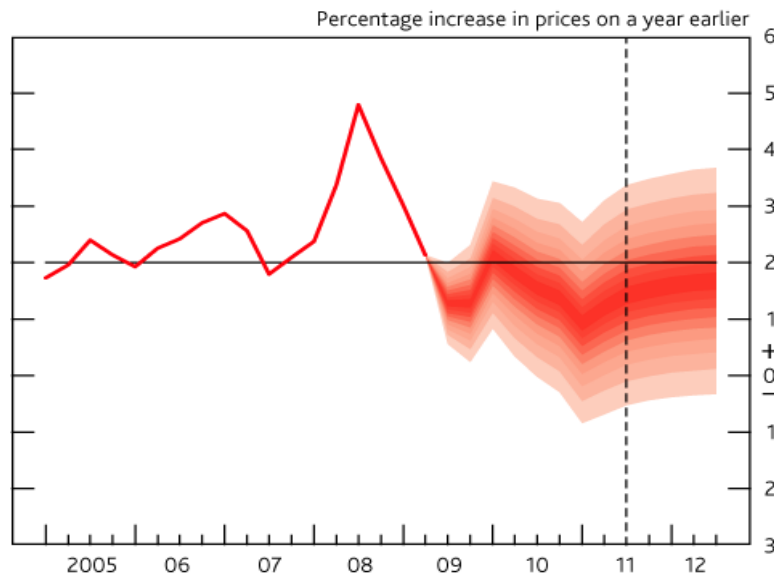
Retail Price Index (RPI) – This is the traditionally accepted measure for inflation and has been calculated continuously since June 1947. It is used by the government to update pensions, benefits and index-linked gilts. It is commonly used to uprate contracts, and is often taken into account in wage bargaining. RPIX is a variant excluding mortgage interest payments; RPIY is a further variant excluding mortgage interest and indirect taxes (e.g. VAT and council tax).

Consumer Price Index (CPI) – This is the measure now adopted by Government for targets on the economy. It is based on harmonised consumer index prices (HCIP) and enables comparison on internationally agreed standards throughout Europe. It does not include mortgage interest or indirect taxes but does include some financial services not included in RPI.

4.4 The chart below shows the changes in inflation over the last 2 years. In summer 2008 we experienced relatively high levels of inflation (CPI 5.2%, RPI 5.0% both peaked in September 2008) well above the levels assumed in the government's spending plans. At the time was attributed to rising fuel prices. Since then RPI has declined steadily dropping to 0% in January 2009 and currently stands at an annual decrease of -1.4% as at September 2009. This is mainly on the back of reduced interest rates affecting mortgage payments and reduction in VAT. CPI has declined less rapidly and currently stands at an annual increase of +1.1% as at September 2009 (down from 1.6% in August). The largest downward factor on CPI over the last year has come from housing and household services particularly energy prices which have remained largely constant following increases last September.

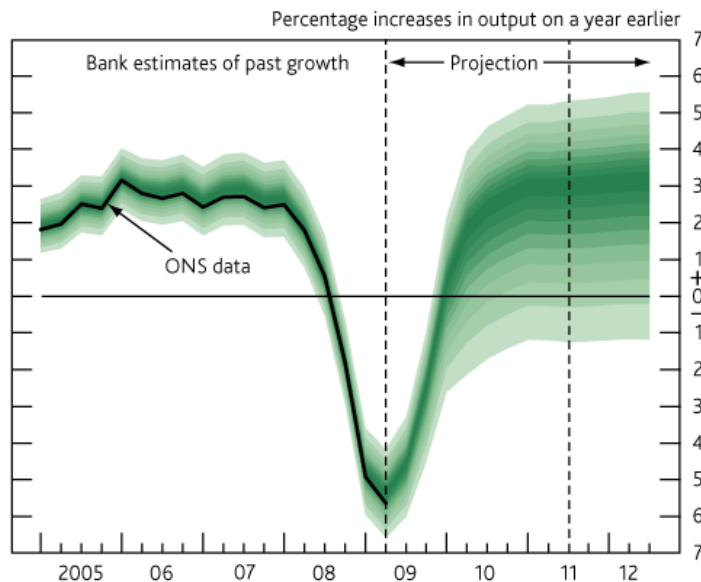


4.5 The Bank of England Monetary Policy Committee (MPC) produces monthly “fan charts” with forecasts for inflation (CPI) and economic growth (Gross Domestic Product – GDP). The idea of the fan chart is that it provides a range for forecasts which expand the further into the future to allow for greater uncertainty. The latest fan chart for inflation is reproduced below.



4.6 As can be seen from the fan chart the MPC is forecasting a rise in inflation (as measured by CPI) to around 2% by the end of the year with a steady decline throughout 2010 (down to around 1%) and thereafter a small but steady rise up to around 1.8% by the end of 2011. On the presumption that interest rates will remain low for the foreseeable future it seems likely that RPI will continue to be below CPI although the gap should close as the reductions in interest rates last year no longer have a negative impact on the annual underlying rate of inflation (when interest rates eventually rise this is likely to impact as an increase in RPI taking it above CPI).

- 4.7 We have dwelt on inflation in more depth than previous POC reports as it is an essential component of our budget strategy that the current low levels be reflected in our pay and price pressures and negotiations. In particular RPI on which many of our contracts and wage bargaining is based is currently negative (and likely to remain so or at least negligible increase while interest rates remain low).
- 4.8 The other major economic factor which we have to take into account is that the UK economy has been in recession since Autumn 2008. The MPC is currently forecasting that we reached the bottom of the trough earlier in the year and the economy is slowly improving. The fan graph for GDP suggests the economy could be back into modest growth by the end of the year. Should the forecasts prove to be inaccurate and the recession continue longer than expected this could have significant impact on the demographic forecasts within the MTP as there is much evidence that in a time of prolonged recession people's attitudes, behaviours and demands for public services change.



5. The current budget

- 5.1 The current budgets for the portfolios under the oversight of this POC as per the budget approved at the start of the year are as follows:

	Gross spend £'000	Income £'000	Net spend £'000
Localism & Partnerships	7,817	359	7,458
Finance	123,641	20,188	103,453
Corporate Support Services & Performance Management	49,840	40,832	9,008
Public Health & Innovation	680		680
Total	181,978	61,379	120,599

Since the start of the year the cash limits used for budget monitoring vary for the allocation of rollover from 2008/09 (these only affect the in-year budget and not the base) and there have been some transfers between portfolios of base budgets to reflect changes in responsibility e.g. during the year it has been agreed to transfer the Children's Social Services Out of Hours Service to the Contact Centre. More detail of the base budgets as approved at the start of the year is outlined in Appendix 1.

5.2 In very brief summary this budget provides for the following outcomes, outputs and/or service improvements:

- Support to service directorates in delivering front-line services
- Public access services including Gateways, Contact Centre and Kent TV
- Corporate and democratic core costs
- Financing of the capital programme
- Commercial trading arm of KCC

Further detail of all the services/activities within CED budgets is outlined in the table in Appendix 2.

5.3 As reported in the quarterly monitoring reports there have been pressures identified on the staffing budgets in democratic services and central policy/performance improvement & engagement which have partially been offset by additional income in legal services. Further detail is outlined in Appendix 3.

6. Chief Executive's Department Priorities for the Medium Term Plan

6.1 The overall direction for the Chief Executive's Department is now well established and enclosed with this report at Appendix 3 is a draft statement of the Medium Term Service Priorities for the portfolios covering the Chief Executive's Department which will shape our contribution to Section 3 of the Medium Term Plan.

6.2 Members will appreciate, from the information in section 4 above, that the financial framework for the medium term will be very tough for all portfolios 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 particularly at times of recession.

6.3 Whilst the units under the remit of this portfolio are implementing modernisation changes that will increase efficiency and effectiveness, this will not avoid altogether the need for some difficult decisions over the medium term.

6.4 Areas of spending priority for which significant additional funding is proposed are as follows:

Pay

There is no provision currently included in cash limits for an annual pay award for Kent Scheme staff in 2010/11 as no proposal has been made. Thereafter cash limits include a provision consistent with the underlying rates of inflation throughout 2009 and the Monetary Policy Committee forecasts for the next two years. Settlements continue to be the subject of local pay bargaining with recognised trade unions on an annual basis.

The majority of staff in the Kent Scheme benefit from incremental progression under the performance progression arrangements. On average incremental progression equates to a 2.7% increase in pay. No funding is provided within the overall cash limit for incremental progression on the grounds that the cost is offset by the effect of staff turnover. Staff turnover levels have marginally declined in the current recession and we now have an average turnover level of around 12% of staff. This will continue to be closely monitored.

In addition to staff turnover, vacancy management continues to be used to both deliver existing budgets and wherever possible to mitigate the impact of restructuring and any necessary downsizing for other employed staff.

Prices

The main price pressures affecting the portfolios covering CED relate to contractual prices on contracts and rents for running the county office estate. By reviewing and resisting some price pressures we have been able to make reduced provision from previous MTP.

Government/Legislative

We have made provision within the Finance portfolio for the anticipated 0.5% increase in employer's national insurance contributions in 2011/12. Once confirmed this budget would need to be redistributed to service portfolios.

Demographic/Demand Led

We have made no new provision from existing MTP.

Service Strategies & Improvement

The main additional pressures can be summarised as follows:

- Reduced requirement for capital financing in 2010/11 of £2.452m but additional pressures of £1.868m in 2011/12 and £9.571m in 2011/12
- Increased provision in the workforce reform reserve adding £2.5m in 2010/11, £0.5m of which is removed in 2012/13
- Rephasing of pressure to increase IT asset maintenance reserve from 20010/11 to 2011/12

6.5 Services with the Chief Executives Department will continue to strive to earn additional income. Commercial Services, Finance, ISG, Legal Services, Personnel & Development, and Property all already earn

significant amounts of income from trading activities with schools, other services within KCC, and other local authorities. Nonetheless, all services will endeavour to find other innovative ways to earn additional income to reduce the cost of overheads on the rest of the authority so that the maximum can be allocated to front line services.

6.6 The Chief Executive and Cabinet Members consider that services within the portfolios must contribute their fair share of £10m overhead efficiency savings and £6m procurement savings agreed to be identified by Chief Officers. Within Chief Executives we have agreed that savings targets should be allocated according to an analysis of relative means between services. All services have met the targets and a summary of the director's proposals are included in the draft MTP sheets attached as appendix 4. In many cases the savings will affect delegated budgets and the details will need to be agreed with Resource Directors representing the service directorates and discussions to that effect are well underway.

6.7 The position can be summarised as follows:

	2010/11 £000	2011/12 £000	2012/13 £000
Existing pressures in published MTP 2009/12			
Pay	792	851	
Prices	357	250	
Legislative	20	30	
Demographic/Demand Led	1,008	3,429	
Service Improvements	18,270	7,031	
New pressures/savings			
Pay	-792	-258	830
Prices	-390	-55	203
Legislative	0	1,400	0
Demographic/Demand Led	0	0	0
Service Improvements	-408	896	9,150
Savings (excl delegated)	-816		

More detail is set out in the attached draft Medium Term Plan Financial Appendix 4.

6.7 As previously indicated the POC is asked to consider the gross spend within the portfolio and identify its priorities should the authority have to make a 10% reduction in spend over the period of the next MTP. For this purpose the POC can ignore the expenditure which is funded by the £20.188m of income in the Finance portfolio and the £112.125m cost of financing the capital programme, reducing gross spend to £49.665m. In

making its recommendations the POC should consider the balance between efficiency savings in front line, procured and support functions, income generation opportunities and policy savings.

7. Recommendation

7.1 Members are asked to

(i) note and comment on the above proposals

(ii) identify and express their relative priorities for services in portfolios covered by the Chief Executives Department giving broad indications of areas or types of savings and efficiencies that they consider could be realistically be achieved.

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Background documents:

2009/10 CED Business Plans

2009/12 Medium Term Plan and 2009/10 Budget Book

Appendix 1 – Existing 2009-10 budgets (as recast to reflect new portfolio responsibilities)

Portfolio Service Budgets (note the budgets exclude expenditure and income from budgets delegated to service directorates)

Portfolio	Unit	Director/ Manager	Gross Exp. £000s	Income £000s	Net Exp. £000s
L&P	Democratic Services	GW	4,354	3	4,351
	Policy & ICT	DC	1,298	356	942
	County Council Elections		255		255
	Consultations		100		100
	Local Grants		1,810		1,810
	Sub Total		7,817	359	7,458
FIN	Finance Group	LM	5,636	3,675	1,961
	Capital Financing	LM	112,125	4,973	107,152
	Other Financing Items		5,880	11,540	-5,660
	Sub Total		123,641	20,188	103,453
CSS&PM	Personnel & Development	AB	6,107	5,004	1,103
	Policy & ISG	DC	11,751	8,970	2,781
	Property Group	DL	5,215	4,131	1,084
	Finance Group	LM	286	30	256
	Legal Services	GW	6,178	7,037	-859
	Corporate Communications	JC	1,554	94	1,460
	Strategic Development Unit	TO	7,867	2,877	4,990
	Strategic Management	PG	651		651
	Centrally Managed Budgets		7,115	1,310	5,805
	Grants			4,919	-4,919
	Financing Items		3,116	6,460	-3,344
	Sub Total		49,840	40,832	9,008
PH	Public Health	MP	680	0	680
	Total		181,978	61,379	120,599

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Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000						
Finance										
Finance Group	LM									
County Finance		985.0	398.2	1,383.2	-216.7		1,166.5		1,166.5	
Insurance & Risk		579.2	27.9	607.1	-682.8		-75.7		-75.7	
Pensions\Treasury\ Investments		1,908.2	620.8	2,529.0	-2,624.0		-95.0		-95.0	
Exchequer Services		984.7	52.9	1,037.6	-24.6	1,013.0	0.0		0.0	
Performance Monitoring		125.1	-70.5	54.6	0.0		54.6		54.6	
Value for Money		85.9	-85.9	0.0	0.0		0.0		0.0	
Finance Support Team		211.6	5.9	217.5	-7.1		210.4		210.4	
Monitoring, Accounting & Taxation Team		504.6	36.0	540.6	-27.1	51.0	462.5		462.5	
Finance Strategy Team		194.5	43.2	237.7	0.0		237.7		237.7	
External Funding Team		101.4	24.6	126.0	0.0	126.0	0.0		0.0	
Finance Systems			649.5	649.5	-90.9	558.6	0.0		0.0	
Total Finance Group		5,680.2	1,702.6	7,382.8	-3,673.2	1,748.6	1,961.0		1,961.0	
Insurance Fund								2,979.0	2,979.0	
Workforce Reduction Fund								1,500.0	1,500.0	
Environment Agency Levy								359.0	359.0	
Kent & Essex Joint Sea Fisheries levy								264.0	264.0	
Interest on Cash Balances								-2,000.0	-2,000.0	

Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000						
		£000	£000	£000	£000	£000	£000	£000	£000	
Debt charges								107,152.0	107,152.0	
Transferred Services Pensions								22.0	22.0	
Performance Reward Grant								-1,977.0	-1,977.0	
Contribution to/from Reserves								-7,191.0	-7,191.0	
ABG Safer Stronger Communities								1,384.0	1,384.0	
Draw down from Kings Hill reserves								-1,000.0	-1,000.0	
TOTAL FINANCE		5,680.2	1,702.6	7,382.8	-3,673.2	3,709.6	1,748.6	1,961.0	101,492.0	103,453.0
Corporate Support Services & Performance Management										
Personnel & Development	AB									
Schools Personnel Service		2,497.1	366.9	2,864.0	-2,942.8	-78.8		-78.8	-78.8	
Communities, E&R, CED Personnel Service		745.7	23.8	769.5	-134.0	635.5	635.5	0.0	0.0	
Employee Relations Unit		110.9	21.1	132.0	0.0	132.0		132.0	132.0	
Pay and Rewards team		281.2	57.0	338.2	-50.0	288.2	288.2	0.0	0.0	
Employee Services		2,213.4	107.2	2,320.6	-357.5	1,963.1	1,963.1	0.0	0.0	

Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000						
		£000	£000	£000	£000	£000	£000	£000	£000	
Personnel & Information Services		512.6	-66.4	446.2	0.0	446.2	0.0		0.0	
Corporate Diversity Team		87.2	29.3	116.5	0.0	116.5	0.0		0.0	
Staff Care Services		0.0	736.5	736.5	-385.7	350.8	0.0		0.0	
Wellbeing Healthchecks		0.0	75.0	75.0	0.0	75.0	75.0		75.0	
P&D Management		586.3	109.0	695.3	-160.0	535.3	535.3		535.3	
Learning & Development		761.2	636.4	1,397.6	-973.7	423.9	31.3	392.6	31.3	
Health & Safety		202.8	31.8	234.6	0.0	234.6	234.6		234.6	
Strategy 4 Staff			190.6	190.6	0.0	190.6	27.3	163.3	27.3	
Rewards Strategy		0.0	146.0	146.0	0.0	146.0	146.0		146.0	
Total P&D		7,998.4	2,464.2	10,462.6	-5,003.7	5,458.9	1,102.7	4,356.2	1,102.7	
Information Services	DC									
Non-service catalogue & projects		5,561.1	1,856.2	7,417.3	-6,004.0	1,413.3	897.9	515.4	897.9	
Desktop		4,587.0	802.5	5,389.5	-1,633.5	3,756.0	112.1	3,643.9	112.1	
Network - data		1,262.1	4,331.9	5,594.0	0.0	5,594.0	50.3	5,543.7	50.3	
Network - voice		275.7	205.7	481.4	-250.2	231.2	0.0	231.2	0.0	
Data centre		257.2	222.6	479.8	-45.0	434.8	0.0	434.8	0.0	
Applications - KSSiP		1,244.5	770.5	2,015.0	-155.0	1,860.0	0.0	1,860.0	0.0	
Applications - Others		2,174.3	831.8	3,006.1	0.0	3,006.1	24.3	2,981.8	24.3	
Targeted Savings				0.0	-801.0	-801.0	0.0	-801.0	0.0	
BS&P Core Team		498.1	158.8	656.9	0.0	656.9	656.9		656.9	
Total ISG		15,860.0	9,180.0	25,040.0	-8,888.7	16,151.3	1,741.5	14,409.8	1,741.5	
Central Policy	DC	684.4	24.4	708.8	-80.6	628.2	628.2		628.2	

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		Employees	Running Costs	Total						
		£000	£000	£000						
		£000	£000	£000	£000	£000	£000	£000	£000	
Performance Improvement & Engagement	DC	621.9	-209.8	412.1	0.0	412.1		412.1		
Property Group	DL									
Brussels Office		27.6	112.4	140.0	-140.0	0.0		0.0		
Meeting Room Lettings		60.6	284.3	344.9	-344.9	0.0		0.0		
Disposals		209.2	-209.2	0.0	0.0	0.0		0.0		
Estates Framework			884.0	884.0	0.0	884.0	884.0	0.0		
Estates Team		452.4	21.5	473.9	0.0	473.9	473.9	0.0		
Landlord Maintenance			208.5	208.5	0.0	208.5	208.5	0.0		
County Wide Offices		58.1	5,537.7	5,595.8	-1,592.4	4,003.4	4,003.4	0.0		
Parking Permits			112.0	112.0	0.0	112.0	112.0	0.0		
BWP Savings Lyons			-67.5	-67.5	0.0	-67.5	-67.5	0.0		
BWP Savings Camb Terrace			-54.0	-54.0	0.0	-54.0	-54.0	0.0		
BWP Savings Castle Street			-40.0	-40.0	0.0	-40.0	-40.0	0.0		
Maintenance & Minor Work		341.4	14.4	355.8	-355.8	0.0		0.0		
Maintenance Contract			589.6	589.6	-44.1	545.5	545.5	0.0		
Environmental Consultancy			279.1	279.1	0.0	279.1	279.1	0.0		
CPFM		213.5	1.2	214.7	-214.7	0.0		0.0		
Capital Projects		1,226.7	51.3	1,278.0	-1,278.0	0.0		0.0		
Betterwork Places		65.0	100.4	165.4	0.0	165.4		165.4	165.4	
Resources		280.5	94.5	375.0	-50.0	325.0		325.0	325.0	

Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000						
		£000	£000	£000	£000	£000	£000	£000	£000	
Terrier Team		146.3	5.9	152.2	0.0		152.2		152.2	
Legionella & Statutory Testing			77.0	77.0	0.0		77.0		77.0	
Director, Policy & Strategy		401.8	72.9	474.7	-110.7		364.0		364.0	
Total Property Group		3,483.1	8,076.0	11,559.1	-4,130.6		7,428.5	6,344.9	1,083.6	
Legal	GW									
Commercial Team		1,744.9	56.1	1,801.0	-2,418.3		-617.3		-617.3	
Community Team		2,335.3	152.4	2,487.7	-3,212.4		-724.7		-724.7	
Disbursements			1,400.0	1,400.0	-1,400.0		0.0		0.0	
Administration		436.5	52.3	488.8	-6.5		482.3		482.3	
Total Legal		4,516.7	1,660.8	6,177.5	-7,037.2		-859.7	0.0	-859.7	
Corporate Communications	JC									
Corporate Communications		974.2	319.0	1,293.2	-38.0		1,255.2		1,255.2	
Kent County Show		0.0	108.0	108.0	-56.2		51.8		51.8	
Around Kent			152.8	152.8	0.0		152.8		152.8	
Total Corporate Comms		974.2	579.8	1,554.0	-94.2		1,459.8	0.0	1,459.8	
Strategic Development Unit	TO									
Strategic Development Unit		327.5	12.8	340.3	0.0		340.3		340.3	
Gateways		255.6	1,294.5	1,550.1	-573.9		976.2		976.2	
Kent TV			700.0	700.0			700.0		700.0	

Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000			£000			
Kent Graduate Programme		308.5	51.4	359.9	-17.0		342.9		342.9	
Contact Centre		2,821.2	643.8	3,465.0	-834.0		2,631.0		2,631.0	
Consumer Direct		1,227.6	224.5	1,452.1	-1,452.1		0.0		0.0	
Total SDU		4,940.4	2,927.0	7,867.4	-2,877.0	0.0	4,990.4		4,990.4	
Finance	LM									
Internal Audit		538.3	246.4	784.7	-30.0	754.7	754.7	0.0	0.0	
Procurement		234.3	21.0	255.3	0.0		255.3		255.3	
Total Finance		772.6	267.4	1,040.0	-30.0	754.7	255.3		255.3	
Strategic Management	PG	639.0	12.4	651.4	0.0		651.4		651.4	
Centrally Managed Budgets		1,036.1	4,952.6	5,988.7	-183.5		5,805.2		5,805.2	
PFI Grant					-630.0		-630.0		-630.0	
Dedicated Schools Grant					-4,289.0		-4,289.0		-4,289.0	
Contribution from Commercial Services								-6,460.0	-6,460.0	
Contribution to/from IT asset maintenance reserve								2,352.0	2,352.0	
Audit Fees & Subscriptions								764.0	764.0	
TOTAL CSS & PM		41,526.8	29,934.8	71,461.6	-33,244.5	25,865.6	12,351.5	-3,344.0	9,007.5	

Portfolio, Unit and Activity	Director/ Manager	Expenditure			Income	Net Total CED	Less Delegated	NET Core CED	Financing Items	Total
		Employees	Running Costs	Total						
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Public Health & Innovation										
Public Health Unit	MP									
Towards 2010 Target 50		230.0	50.0	280.0	0.0	280.0		280.0		280.0
Healthwatch			150.0	150.0	0.0	150.0		150.0		150.0
Public Health Team			250.0	250.0	0.0	250.0		250.0		250.0
Public Health		230.0	450.0	680.0	0.0	680.0	0.0	680.0	0.0	680.0
Total CED Portfolios		50,417.0	37,084.2	87,501.2	-37,277.2	50,224.0	27,774.2	22,449.8	98,148.0	120,597.8

Appendix 3 – Current budget monitoring details

CED Budgets

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Localism & Partnerships portfolio							
<i>Democratic Services:</i>						0	
- core service	4,354	-3	4,351	323	-135	188	Committee manager post & Members allowance
- support to directorates	160	-160	0			0	
TOTAL Democratic Services	4,514	-163	4,351	323	-135	188	
International Affairs Group	587	-35	552	-2	2	0	
Kent Partnerships	763	-321	442	-87	87	0	Reduced LSC income & third party payments
County Council Elections	255		255	0	0	0	
Public Consultation	100		100	0	0	0	
Provision for Member Community Grants	852		852	0	0	0	
Local Scheme Spending recommended by Local Boards	427		427	0	0	0	
District Grants for Local Priorities	625		625	0	0	0	
Budget Managed by this portfolio	8,123	-519	7,604	234	-46	188	
Less delegated Support Costs	-160	160	0	0	0	0	
Total L&P portfolio	7,963	-359	7,604	234	-46	188	
Corporate Support & Performance Management portfolio							
<i>Personnel & Development:</i>						0	
- core service	6,149	-5,004	1,145	3	-25	-22	Additional Income to cover staff costs (see below)
- support to directorates	4,356	-4,356	0	26	-4	22	Additional staff costs for Support to CMY, EH&W & CED
TOTAL P&D	10,505	-9,360	1,145	29	-29	0	
<i>Business Solutions & Policy:</i>							
- core service	10,636	-8,889	1,747	249	-190	59	EIS trading activity with Schools
- support to directorates	14,410	-14,410	0	26	-85	-59	Pay as you go project activity & KPSN adj
TOTAL Business Solutions	25,046	-23,299	1,747	275	-275	0	
<i>Property Group:</i>							
- core service	5,442	-4,080	1,362	0	0	0	
- support to directorates	4,687	-4,687	0	0	0	0	
TOTAL Property Group	10,129	-8,767	1,362	0	0	0	
<i>Internal Audit & Procurement Support to Directorates</i>						0	
- core service	286	-30	256	6	-6	0	
- support to directorates	754	-754	0	5	-5	0	Pay as you go

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	activity
TOTAL Internal Audit & Procure	1,040	-784	256	11	-11	0	
Legal Services	6,189	-7,037	-848	220	-416	-196	Increased trading activity and related costs and -£20k premises saving
Corporate Communications	1,624	-94	1,530	-1	1	0	
Strategic Development Unit	3,853	-1,287	2,566	51	-51	0	Kent Graduate Prog recruitment funded by income from Directorates
Strategic Management	651		651	0	0	0	
Centrally Managed Budgets	1,843	-416	1,427	175	0	175	In year management action savings target
Contact Kent	5,048	-2,091	2,957	0	0	0	
Central Policy	709	-81	628	124	0	124	Strengthening of team
Performance, Improvement & Engagement	412		412	129	-86	43	Consultancy to develop plans for change
Kent Works	895	-895	0	0	0	0	
PFI Grant		-630	-630	0	0	0	
Dedicated Schools Grant		-4,289	-4,289	0	0	0	
Support Services purchased from CED	4,199		4,199	20	0	20	Saving generated in Legal re: Castle St offices
Budget Managed by this portfolio	72,143	-59,030	13,113	1,044	-878	166	
Less delegated Support Costs	-24,207	24,207	0	28	-28	0	Adj for KPSN revised charges
Total CS&PM	47,936	-34,823	13,113	1,072	-906	166	
Finance Portfolio							
<i>Finance Group:</i>							
- core service	6,178	-4,199	1,979	-41	41	0	Insurance vacancies resulting in reduced drawdown from Insurance Fund
- support to directorates	1,749	-1,749	0			0	
TOTAL Finance Group	7,927	-5,948	1,979	-41	41	0	
Less delegated Support Costs	-1,749	1,749	0	0	0	0	
Total Finance portfolio	6,178	-4,199	1,979	-41	41	0	
TOTAL CORPORATE POC	62,077	-39,381	22,696	1,265	-911	354	
Public Health & Innovation portfolio							
Kent Department of Public Health	1,410	-620	790	10	-10	0	
Total Directorate Controllable	63,487	-40,001	23,486	1,275	-921	354	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Assumed Management Action:							
- L&P portfolio					-188	-188	
- CS&PM portfolio				-166		-166	
- Finance portfolio						0	
- PH&I portfolio						0	
Forecast after Mgmt Action				1,109	-1,109	0	

Financing Items

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Corporate Support & Performance Management portfolio							
Contribution to IT Asset Maintenance Reserve	2,352		2,352			0	
Audit Fees & Subscriptions	764		764			0	
Contribution from Commercial Services		-6,460	-6,460			0	
Total Corporate Support & PM	3,116	-6,460	-3,344	0	0	0	
Finance Portfolio							
Insurance Fund	2,979		2,979			0	
Workforce Reduction	1,500		1,500			0	
Environment Agency Levy	359		359			0	
Joint Sea Fisheries	264		264			0	
Interest on Cash Balances / Debt Charges	117,921	-12,769	105,152	-3,209	-422	-3,631	Write down of discount saving from 2008-09 debt restructuring, no new borrowing & increased interest on balances
Transferred Services Pensions	22		22			0	
PRG	83	-2,100	-2,017			0	
Contribution to/from Reserves	-2,392		-2,392	3,471		3,471	transfer of 09-10 write down of discount saving from 08-09 debt restructuring to reserves; provision for recession
Drawdown from Kings Hill reserve	-1,000		-1,000			0	
ABG Safer Stronger Communities	1,277		1,277			0	
Total Finance	121,013	-14,869	106,144	262	-422	-160	
Total Controllable	124,129	-21,329	102,800	262	-422	-160	

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Appendix 4 - Draft for Section 3 of the Medium Term Plan

Localism & Partnerships

1 Overall objectives of the Portfolio

The overall objective of this portfolio is to support the democratic processes within the County Council and to enhance localism and partnership working.

- Supporting the democratic process by providing a comprehensive Member support and secretariat service in all areas of the council's business.
- To develop existing strategic international alliances to enhance Kent's key policy objectives.
- To maximise the benefits to KCC and Kent of being the UK's "Gateway to Europe".
- Securing new levels of enhanced partnership working to deliver corporate objectives, particularly but not exclusively through supporting the Kent Partnership and its working groups;
- Connecting with communities to gain insight into what Kent residents want and think, and to promote awareness of KCC and its role, services and excellent reputation.
- Driving and supporting the Localism agenda.

2 Medium Term Service Priorities

- Bind the work of partners into co-coordinated 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.
- Ensure that the medium- and long-term priorities of the Vision for Kent are clearly set out and used to shape delivery and judge performance across the Kent Partnership, as well as delivering Kent Agreement 2.
- Support work to improve performance and increase efficiency in partners, including in the voluntary and community sector, via Kent Partnership, Kent Public Service Board and local LSPs.
- 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 in accordance with the Kent Commitment.
- Assist with work on "The Kent Agreement" targets.
- Promoting Kent's interests at the EU, national and regional level, providing a focal point in Brussels and actively networking.
- Facilitate the securing of additional resources from the European Union.
- Support the work of the Directorates and a range of other partners within Kent to use strong international partnerships for best practice sharing and benchmarking.
- Co-ordinate our compliance with the Data Protection and Freedom of Information Acts;

3 Risk Assessment

The most significant risks faced by the Portfolio are:

- Funding from KCC/partners/Europe is substantially reduced leading to downsizing of capacity.

Finance

1. Overall Objectives of the Portfolio

The overall objective of the portfolio is to manage the corporate finances of the Authority to support the delivery of KCC's business.

For the Finance Portfolio the key objectives are focussed upon:

- Participation in the development of both service and corporate policy and provide a lead role in the development of medium term planning;
- Developing an excellent finance function through staff development and performance management;
- Review our treasury management strategy in light of the economic conditions we face, while retaining our objective to reduce borrowing costs, and earn investment income from deposits within a risk level acceptable to Members;
- Optimising external funding;
- Improving Kent's share of resources and funding;

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;
- 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;
- 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;

3. Risk Assessment

The following represents our major risks:

- Immediate issues with the Icelandic banks
- Changes to interest rates, affecting the cost of borrowing and investment returns;
- Big fall in stock market values and the impact on the Pension Fund
- Financial and economic deterioration of the UK economy could spill over into the wider fabric of society with consequential pressures across many of KCC services, including Commercial Services.

- Shortfall in new homes being built, leading to reduction in projected levels of Council Tax base
- Government Grant is adversely affected by the deteriorating public finances
- Ability to retain flexibility to respond to both increases and decreases in demand from service directorates without disproportionately increasing costs or exposure to costs;
- Non payment from Government of asylum costs incurred in Kent in addressing this national issue.

Corporate Support Services and Performance Management

1. Overall Objectives of the Portfolio

The overall objective of this Portfolio is the continued provision of efficient support to front-line service portfolios and the strategic capacity to ensure the County Council continues to be a high performing organisation with a relentless focus on using resources wisely to improve life for the people of Kent. The key objectives of the Corporate Support Services and Performance Management Portfolio are:

- Ensure high quality public access is available through the Gateways, Contact Centre and the Internet.
- Providing the strategic policy framework to deliver long-term change, ensuring there is a clear and consistent vision within which operational policies can be developed.
- Proactively co-coordinating and influencing policy development within the Authority and between its local, District, County, Regional and national partners.
- 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 excellent status of KCC in service delivery.
- Developing a strategic approach to demonstrating value for money in the delivery of the council's services. To work in partnership with all public services to deliver value for money ICT products and services that improve service outcomes for the people of Kent.
- Supporting service delivery by providing an independent and objective evaluation of our clients' ability to accomplish their business objectives and manage their risks effectively.
- Promoting proactive approaches to risk management across the Council.
- To offer advice and guidance on the use of ICT to maximise the service benefits obtained.
- 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.
- Strategically manage Kent's property portfolio.
- To support the research and delivery of new products and services that provides opportunities to modernize and innovate.
- Through Commercial Services, generating new money and continuing 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.

- Continued effective market regulation, moving into new markets as necessary to improve value and choice for KCC;

2. Medium Term Service Priorities

- Co-ordinate critical performance monitoring reports and publish the KCC Annual Plan;
- Contribute to the organisation retaining its 4 star CPA rating;
- Embed into the organisation valued management development programmes;
- Provide high level intelligence-led 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;
- Lead specific cross-cutting projects and programmes;
- Embed processes within the council to demonstrate value for money and achievement of Government and local efficiency targets;
- Develop systematic KCC-wide approaches to gathering and acting on customer impact;
- Turn performance information and other data into proposals for improvement;
- Respond to the outcomes of the Comprehensive Performance Assessment and help the Authority to position itself in relation to the Comprehensive Area Assessment;
- Develop audit services that will contribute towards the council's ability to stay excellent, including value for money reviews and fraud awareness training;
- Ensure appropriate equality and diversity standards are met in developing and delivering services;
- Provide a robust, agile and modern ICT environment across Kent Public Services to meet directorate and service modernization demands.
- Assist service functions and partners to realise the potential of available ICT systems and infrastructure to support modern flexible working practices such as wireless networking, remote access and home working.
- Delivery of access to the most cost effective technology that provides maximum service benefits.
- Provide proactive legal advice and representation to staff in all directorates;
- Develop HR systems and procedures that enhance and support directorate priorities;
- Integrate the Payroll and Shared Services processes to enhance personnel services and achieve savings targets;
- Deliver the workforce development strategy that will identify future leadership potential and meet the business needs of the future;
 - Property Asset Management strategy aimed at maximising the value of the portfolio through intelligent investment and usage policies;
 - Development of our 'Better Workplaces' Strategy aimed at releasing value and maximizing flexible workspace opportunities;
 - Support the delivery of a large and varied Capital Programme including key regeneration driven investments such as Turner Contemporary;
- Review the future of Kent TV.

- Sustaining and re-invigorating Commercial Services' core businesses and rigorously exploiting opportunities for new business will be major drivers for the next three years;

3. Risk Assessment

The most significant risks faced by the Portfolio are:

- Increased reliance and demand on technology in the delivery of direct service.
- Attack on ICT infrastructure, or inappropriate action by a user, leading to a loss of data.
- Reduction in Kent's ability to influence and direct policy and to attract its fair share of resources.
- KCC receives negative Audit criticism of its data collection procedures leading to greater external scrutiny and inspection
- Potential implications of the Comprehensive Area Agreement
- Imposed corporate responsibilities as an outcome of new government legislation

Public Health & Innovation

1 Overall objectives of the Portfolio

Excellent progress has been made on addressing existing objectives which remain as ongoing. Some objectives, such as the work with District Councils, have been highlighted as areas for further development by the IDeA.

- Provide strategic leadership in tackling the public health issues in the county, in partnership with the NHS;
- Influence the strategies and plans of Kent County Council, all Local Government, Central Government, NHS, Public Sector and Voluntary Health Sector Organisations to contribute to the improvement of health and reduce health inequalities;
- 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;
- Highlight and mainstream good practice across all organisations and agencies throughout Kent.

2 Medium Term Service Priorities

The level of progress has been such that a range of new priorities have been drawn up to reflect the IDeA review findings on recommending Medium Term Priorities:

- Health Impact Assessments should be used throughout KCC in partnership with the PCTs and district councils;
- Health inequalities across Kent County Council, based on the KCC Health Inequalities Action Plan and partnership with the PCTs and District Councils will be identified;
- The HO&SC forward agenda will include an agreed programme of key public health issues;
- Business case analysis will demonstrate the economic benefits of public health interventions and should be applied to planning and commissioning decisions across sectors;
- Partnerships with district councils should be clearly demonstrated in all new plans, strategies, proposals and initiatives;
- The use of Joint Strategic Needs Assessments to be extended to more priority areas in agreement with PCTs and districts to inform planning decisions;
- Work with major employers in the County, and representatives of smaller companies, to promote a Healthy Employers Network for Kent.

3 Risk Assessment

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

- The establishment of a Public Health Directorate enables clarity of functions between KCC and PCT's. The Directorate is working at the cutting edge with much of its activity;
- The raising of public expectations which needs to be handled very carefully about what can be achieved and within what timescales;
- Different styles of management and administration between the three partners;
- The Directorate has extremely limited funds and thus encourages and initiates rather than arranges and funds. 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 any of the three partners which could affect the delivery of joint plans;
- Loss of focus on outcomes.

Appendix 5 – Draft of MTP financial appendices for portfolios covering the Chief Executive’s Department

Localism & Partnerships

	2010-11 £'000	2011-12 £'000	2012-13 £'000
Base budget	0	7,372	7,437
Base Budget Adjustments - Internal:			
Transfer of Democratic Services from CS&PM	4,351	0	0
Transfer of International Affairs Group from CS&PM	500	0	0
Transfer of Kent Partnerships from P&P	442	0	0
Transfer of County Council Elections from FIN	255	0	0
Transfer of Public Consultation from FIN	100	0	0
Transfer of Provision for Member Community Grants from FIN	840	0	0
Transfer of Local Scheme spending recommended by Local Boards from FIN	400	0	0
Transfer of District Grants for Local Priorities from FIN	570	0	0
Total Base Adjustments	7,458	0	0
Revised Base Budget	7,458	7,372	7,437
<u>PRESSURES:</u>			
Pay:			
All Kent Scheme	0	65	68
Total Pay	0	65	68
Service Strategies & Improvements:			
Dem. Serv. Members Allowances	110	0	0
Total Service Strategies & Improvements	110	0	0
Total Pressures	110	65	68

	2010-11 £'000	2011-12 £'000	2012-13 £'000
<u>SAVINGS AND INCOME:</u>			
RAA (Overheads/Staff Efficiency):			
Directorate Controllable			
Strategy	Re-focus core activity in light of review of county-wide delivery	-39	0
Dem. Servs	Review of staff officers, business support, and delivery of core democracy support	-137	
Total RAA Savings	-176	0	0
Procurement:			
Dem. Serv.	Re-tender Webcasting Service	-20	
Total Procurement Savings	-20	0	0
Total Savings and Income	-196	0	0
Budget controlled by this portfolio	7,372	7,437	7,505

Finance

	2010-11	2011-12	2012-13	
	£'000	£'000	£'000	
Base budget	101,913	117,350	127,945	
Base Budget Adjustments - Internal:				
All	Virements	50	0	0
	Transfer of County Council Elections to L&P	-255	0	0
	Transfer of Public Consultation to L&P	-100	0	0
	Transfer of Provision for Member Community Grants to L&P	-840	0	0
	Transfer of Local Scheme spending recommended by Local Boards to L&P	-400	0	0
	Transfer of District Grants for Local Priorities to L&P	-570	0	0
	Transfer of Procurement & Audit to CS&PM	-256		
	Transfer Property Group to CS&PM	-1,084	0	0
	Transfer of Strategic Management Unit to CS&PM	-651	0	0
	Transfer of Audit Fees & Subscriptions to CS&PM	-764		
	Transfer of Contribution from Commercial Services to CS&PM	6,460		
	Two-year energy contract smoothing	-589	589	
	Revised Prudential Borrowing for Ashford Gateway Plus	-115	63	7
	Extended Services SLA	-75		
		811	652	7
Base Budget adjustments- External:				
Fin.Items	Area Based Grant - Stronger Safer Communities	-1	0	0
		-1	0	0
Total Base Adjustments		810	652	7
Revised Base Budget	102,723	118,002	127,902	
<u>PRESSURES:</u>				
Pay:				
Fin. Grp	Kent Scheme	0	133	188

	2010-11	2011-12	2012-13
	£'000	£'000	£'000
Total Pay	0	133	188
Unavoidable Government/Legislative Pressures:			
Fin.Items Employers NI 0.5% increase	0	1,400	0
Total Unavoidable Government/Legislative Pressures	0	1,400	0
Demand/Demographic Led:			
Fin.Items Increase in Employer's Pension Contribution	0	4,000	0
Total Demand/Demographic Led	0	4,000	0
Service Strategies & Improvements:			
Commitments From Previous MTP:			
Fin.Items PRG Income committed to other portfolio spend	1,977	0	0
Finance.Grp Support, testing & implementation for Oracle Release 12	0	-25	0
Fin.Items Borrowing costs of PEF2	708	318	0
Fin.Items Workforce reform	1,500	0	0
Fin.Items Financing capital programme	1,870	3,014	0
Fin.Items Fall-out of one year savings from use of 2008/09 underspend	4,069	0	0
Fin.Items Fall-out of temporary saving on minimum revenue provision	1,663	478	0
Fin.Items Drawdown from Prudential Equalisation Reserve	-708	-318	0
	11,079	3,467	0
New Proposals:			
Fin.Items Workforce reform	1,000	0	-500
Fin.Items Financing capital programme	0	0	9,571
	1,000	0	9,071
Total Service Strategies & Improvements	12,079	3,467	9,071
Total Pressures	12,079	9,000	9,259
<u>SAVINGS AND INCOME:</u>			
Savings committed from Previous MTP:			
Fin.Items Fall-out of debt rephasing saving	2,700	0	0
Fin.Items Fall-out of one-off saving from Insurance	0	1,000	0

	2010-11	2011-12	2012-13
	£'000	£'000	£'000
review			
Total Savings committed from Previous MTP	2,700	1,000	0
RAA (Overheads/Staff Efficiency):			
Directorate Controllable			
Fin. Grp Restructure of teams and rationalisation of "units" to deliver efficiencies	-191	-57	
	-191	-57	0
CED Delegated			
Net Delegated	39		0
	39	0	0
Total RAA Savings	-152	-57	0
Total Savings and Income	2,548	943	0
Budget controlled by this portfolio	117,350	127,945	137,111

Corporate Support Services & Performance Management

		2010-11	2011-12	2012-13
		£'000	£'000	£'000
Base budget		16,665	12,553	15,997
Base Budget Adjustments - Internal:				
All	Virements	-156	-63	0
	Transfer of Democratic Services to L&P	-4,351	0	0
	Transfer of International Affairs Group to L&P	-500	0	0
	Transfer 1fte from Film Office in R&ED	40	0	0
	Transfer of Central Policy from P&P	628	0	0
	Transfer of Performance, Improvement & Engagement from P&P	412	0	0
	Transfer of Procurement & Audit from FIN	256	0	0
	Transfer of Property Group from FIN	1,084	0	0
	Transfer of Strategic Management Unit from FIN	651	0	0
	Transfer Audit Fees & Subscriptions from FIN	764	0	0
	Transfer of Contribution from Commercial Services from FIN	-6,460	0	0
Total Base Adjustments		-7,632	-63	0
Revised Base Budget		9,033	12,490	15,997
<u>PRESSURES:</u>				
Pay:				
All	Kent Scheme	0	393	571
Total Pay		0	393	571
Prices:				
<i>Gas & Electricity:</i>				
Property	Energy & FM Contracts	-48	135	203
		-48	135	203
<i>Rent:</i>				
Property	Rent Reviews	15	60	0
		15	60	0
Total Prices		-33	195	203
Unavoidable Government/Legislative Pressures:				
Property	Change of accounting treatment for some of the staff of Corporate Property Unit	20	30	0

		2010-11 £'000	2011-12 £'000	2012-13 £'000
Total Unavoidable Government/Legislative Pressures		20	30	0
Demand/Demographic Led:				
Property	Dilapidations	1,008	-571	0
Total Demand/Demographic Led		1,008	-571	0
Service Strategies & Improvements:				
Commitments From Previous MTP:				
SDU	Gateway	300	300	0
Contact Centre	Replacement of reserve to cover additional accommodation in Brenchley House due to establishment of Contact Centre	154	0	0
ICT	Increase contribution to IT/Asset Maintenance Reserve	75	0	0
P&D	Support, testing & implementation for oracle Release 12	0	-50	0
P&D	Health & Safety Training	-10	0	0
P&D	KCC Staff Survey	25	-25	0
ICT	Revenue contribution to extend asset maintenance reserve to server environment supporting business systems	-147	1,853	0
ICT	Prudential borrowing costs for Connecting with Kent	5	32	0
P&D	Prudential borrowing cost for extension of Oracle Self Service Development	30	25	0
ICT	Prudential/revenue borrowing for Maintaining the Infrastructure capital programme	787	443	38
Corp Comms	Borrowing costs for development of Web Platform capital programme	141	0	0
ICT	Prudential borrowing costs for connecting Kent	0	7	41
Policy	Kent agreement 3 - need for detailed analysis of performance data	50	0	0
Property	Office Trans - Borrowing Cost for capital bids plus new running costs	463	925	0
		1,873	3,510	79
New Proposals:				
ICT	ISG base budget pressure from directorates	600	0	0
ICT	Improved eMail resilience	250	0	0
P&D	Self-Service Functionality (to come out in 2014/15)	0	200	0

		2010-11 £'000	2011-12 £'000	2012-13 £'000
P&D	Change to TCP system to deliver savings	250	-250	0
		1,100	-50	0
Total Service Strategies & Improvements		2,973	3,460	79
Total Pressures		3,968	3,507	853
<u>SAVINGS AND INCOME:</u>				
RAA (Overheads/Staff Efficiency):				
Directorate Controllable				
P&D	Staff efficiency savings & income generation	-305		
Strategy & ICT	Staff restructure & downsizing unit in line with Directorate savings	-48		
Legal	Efficiency from increased external income at no detriment to Directorate support	-83		
Corp Comms	Regradings of posts & increased advertising income	-15		
Audit & Proc	Staff reduction	-20		
SDU	Savings on Graduate programme & recruitment	-90		
Contact Centre	Efficiency savings from integrating call centres & income generation	-54		
Chief Executive	Review of support functions	-74		
Property	Staff restructuring	-129		
		-818	0	0
CED Delegated:				
Directorates	Share of savings delegated to Directorates	455		0
		455	0	0
Total RAA Savings		-363	0	0
Procurement:				
All	Purchasing Gross Saving	-131		
Directorates	Share of Savings Delegated to Directorates	46		
Total Procurement Savings		-85	0	0
Total Savings and Income		-448	0	0
Budget controlled by this portfolio		12,553	15,997	16,850

Public Health & Innovation

	2010-11 £'000	2011-12 £'000	2012-13 £'000
Base budget	680	661	663
Base Budget adjustments- External:			
Area Based Grant - Local Involvement	1	0	0
Total Base Adjustments	1	0	0
Revised Base Budget	681	661	663
<u>PRESSURES:</u>			
Pay:			
Pub Health Kent Scheme	0	2	3
Total Pay	0	2	3
Total Pressures	0	2	3
<u>SAVINGS AND INCOME:</u>			
RAA (Overheads/Staff Efficiency):			
Directorate Controllable:			
Pub Health Efficiencies on Public Health Campaigns	-18		0
	-18	0	0
Total RAA Savings	-18	0	0
Procurement:			
Pub Health Purchasing	-2		
	-2	0	0
Total Savings and Income	-20	0	0
Budget controlled by this portfolio	661	663	666