

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 5 February 2018.

PRESENT: Mr P B Carter, CBE, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr E E C Hotson, Mr P J Oakford and Mr M Whiting

ALSO PRESENT: Mrs. M. Crabtree, Deputy Cabinet Member for Finance.

UNRESTRICTED ITEMS

53. Apologies and substitutions

Apologies were received from Mr John Simmonds MBE, Cabinet Member for Finance who was substituted by Mrs Margaret Crabtree, Deputy Cabinet Member for Finance.

54. Minutes of the Meeting held on 15 January 2018

(Item 4)

The minutes of the previous meeting, held on 15 January 2018, were agreed as a correct record and signed by the Chairman accordingly.

55. Capital and Budget Monitoring Report - November 2018

(Item 5)

Cabinet received a report providing the budget monitoring position up to 30 November 2017-18 for both revenue and capital budgets.

Mrs M Crabtree, Deputy Cabinet Member for Finance, introduced the item for members. She reported that the revenue overspend was currently forecast at £8.383million, after roll forward requirements and that this represented a £70,000 increase from the previous month. However, she was able to confirm that the preliminary December figures showed a positive direction of travel and that the next report was likely to forecast a lower overspend of £7.5million.

Mr Andy Wood, Corporate Director of Finance and Procurement spoke to the item and reminded members that the forecast overspend referred to by Mrs Crabtree included the additional cost for asylum which now represented approximately half of the total forecast overspend following management actions that had reduced the non-asylum overspend.

He reported that the Growth, Environment and Transport Directorate forecast was coming back in to line following an increase in the previous report to Cabinet but that predications would, as ever, ultimately depend on the weather and other winter factors. Finally, he confirmed that the small reduction in the asylum forecast was the result of a government grant for the purpose of 'cohesion for care leavers', received

by most local authorities, and now made up approximately £3.7million of the total forecast overspend.

In response to questions from the Chairman, Mr Andy Wood confirmed that he was confident that the non-asylum element of the predicted overspend would be eliminated and as a useful indicator cited the movement that had occurred during these months on previous budgets. The Chairman commented on the asylum element of the predicted overspend and expressed disappointment that it was unlikely that any recompense would be received by from the government before the end of the financial year and that if this was the case the money would be taken from the councils reserves in the interim while continued pressure was applied to Ministers.

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Revenue and Capital Budget Monitoring Report November 2017- 2018	
1.	That the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and the need to eliminate the forecast pressure on the revenue budget as the year progresses be NOTED.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

56. Draft 2018-19 Budget & 2018-20 Medium Term Financial Plan
(Item 6)

Cabinet received a report containing the final draft budget proposals as published on 15th January 2018 to support the scrutiny and democratic process through Cabinet Committees, Cabinet and which would culminate in the annual County Council budget setting meeting on 20th February.

The report provided a summary of the key issues in the draft budget and an opportunity to receive and consider comments and recommendations from Cabinet Committees. The draft budget included a proposed 2.993% council tax increase for 2018-19 (up to the referendum limit) and a further 2% proposed through the Social Care Levy. The draft budget represented the Council’s response to local budget consultation and the impact of the provisional Local Government Finance Settlement, as well as an update to include the latest spending/saving plans and forecasts.

Ms Margaret Crabtree, Deputy Cabinet Member for Finance introduced the report for members. She reminded members that over recent years the council had made savings of approximately £600million with a further £53million identified for 2018-19. The draft budget, once again, proposed a balanced budget but, she warned, it would be harder than ever to achieve as government grant funding continued to be reduced and demand continued to increase. Finally she reported that the draft budget proposed a 2.993% Council Tax increase and 2% Social Care levy.

Mr Andy Wood, Corporate Director of Finance and Procurement spoke to the item. He reported that further changes to the draft would be made before approval was sought from County Council, for example, the balances on collection funds from District Councils were now available as were most of the business rate figures both of which had been slightly higher than the forecast included in the draft. He also drew the attention of members to three other areas where changes may occur or where there was an element of risk to the forecast:

1. Unaccompanied asylum-seeking children (UASC) – the draft budget for 2018-19, as with the 2017-18 report considered in the previous item, assumed that KCC would be fully funded for all of the associated costs of UASC but this had not yet been confirmed.
2. In relation to Basic Need an assumption was included that the government would provide further support to ensure school places could be provided
3. The final government settlement had not yet been released and would be available by the end of the week.

Mr Dave Shipton, Head of Finance, spoke to the item. He concurred with previous speakers that pressures on local government finances continued to grow; he reminded members that those pressures had been estimated at approximately £44million when the Medium Term Financial Plan was published but that the latest forecast was nearer to £67million, largely as a result of higher inflation. Grant reductions, while unwelcome, were as predicted and the two factors combined resulted in a challenge of £113million to find, which had been managed in the draft budget by a combination of savings, additional council tax income and a new power to retain 100% of business rates collected in the County.

Mr M. Dance, Cabinet Member for Economic Development, referred to the matter of business rate retention and welcomed the confirmation received from Mr Shipton that during the pilot in 2018-19 100% of the Business rates received from new businesses collected would be retained locally but following a question from the Leader warned that monies collected would be offset against successful appeals by businesses.

Mr G. Gibbens, Cabinet Member for Adult Social Care, referred to the 2% social care levy on council tax and the strict criteria that applied to its use which Mr Andy Wood confirmed that, despite the complex nature of the calculations, the draft budget was fully compliant with the requirements of the levy and the spend would be closely monitored to ensure that this was the case throughout the financial year.

It was RESOLVED that

CABINET 2 FEBRUARY 2018	
Revenue and Capital Budget Monitoring Report November 2017- 2018	
1.	That the draft budget, taking into account any proposed amendments from Cabinet Committees and any other final changes to the draft Budget and MTFP published on 15th January 2018 be endorsed
2.	That final decision on council tax precept will be presented at the County Council meeting on 20th February be noted.
Reasons	

1.	To ensure that county council are aware of the endorsement of the draft budget by Cabinet on consideration of the matter in February.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

57. Update on the progress in reporting and managing Delayed Transfers of Care.
(Item 7)

Cabinet received a report providing an update on Delayed Transfers of Care (DToC) since the December 2017 Cabinet report which looked at the work to improve reporting and management of DToC; as well as providing an update on the national position and assurance that agreed interventions are working.

Mr G. Gibbens, Cabinet Member for Adult Social Care, introduced the item for members. He acknowledged the importance of the matter of DToC and assured members that the relevant government Minister was equally interested in the matter and had put a Written Statement to the House of Commons on 3 July 2017, confirming that emphasis and the necessity of the NHS and local government working together to make faster and more significant progress on Delayed Transfer of Care (DToC).

He confirmed that robust monitoring continued to take place weekly with an opportunity for daily updates. Although some complexities of recording and comparing data between the Council and the NHS remained, he was pleased to report a positive improvement in DToC figures which was a reflection of the hard work between agencies and the resulting reduction in DToC through social care considerations was particularly welcomed.

He offered members a further update report in the spring / early summer.

Ms Anu Singh, Director of Adult Social Care, reported that 3 major shifts had occurred in relation to DToC, as follows:

1. Different leadership behaviours had been put in place across the system with Chief Executives and other senior officers taking daily calls to look at patients on a case by case basis where problems had occurred and the identifying factors which needed to be addressed in order to move those patients on. Where new approaches were most needed the NHS has directed specific officer support as had occurred in East Kent.
2. Data was being recorded and used differently; there was now a robust, joined up, system for recording and utilising data in the acute setting and work continued to replicate this success in the area of mental health where different challenges existed.
3. Investment in the reduction of DToC had been facilitated by access to national funding and directing local resources differently and in a very targeted way.

She was pleased to report significant reductions in DToC from this time last year as a result.

In response to comments from the Leader regarding the poor performance in East Kent, Ms Singh reported that NHS England had appointed Dr Anne Rainsberry, who had previously been the regional director of NHS London, to oversee the hospitals run by the East Kent University Hospitals Trust and an Integrated Programme Management Office had also been created. Joint diagnostics had been undertaken, agreement reached on the problems at hand and joined up work had begun on resolutions which were already starting to yield improvements in the DToC figures.

Me E. Hotson, Cabinet Member for Corporate and Democratic Services, welcomed the improved figures reported and in response to his question Ms Singh explained that integrated discharge teams had received investment and now spent time in and out of hospitals as part of a wider team, investment in the market had allowed more flexible step-down provision and the improved use of data had all been effective interventions that had helped staff to work differently and improve DToC figures accordingly.

It was RESOLVED that

1. the robust performance dashboard that continues to be used to report and to manage performance locally be NOTED;
2. the impact of the interventions on social care delays and in some health delays and the ongoing and escalated pressures that are being managed be NOTED;
3. the issues with the National and local reporting and the work to reduce this through local teams and adopting a regional position be NOTED.
4. A further report be received on the matter in the spring / summer, as appropriate.

58. Business Services Centre Trading Company
(Item 8)

PUBLIC minute of an EXEMPT item.

Cabinet received a report providing an update on the progress made toward the formation of a new service delivery model for the Business Services Centre.

The matter was introduced for members by Mr. E. Hotson, Cabinet Member for Corporate and Democratic Services during which introduction he assured members that there had been cross-party involvement in the development of the proposals brought before them in the exempt report.

The report and relevant business case were discussed at some length by Members and the progress made was welcomed.

It was RESOLVED that:

1. The business case for the proposed creation of a trading structure for the Business Services Centre be APPROVED;
2. The creation of a trading structure for the Business Services Centre, in line with the approved business case and review points as set out in the report, and agreement to enter into such contractual arrangements as are appropriate to facilitate that creation be APPROVED
3. Delegation of authority to the Monitoring Officer to agree the final details of the company structure, and contractual and commissioning arrangements in consultation with the Head of Paid Service, Cabinet Member for Corporate and Democratic Services, the Cabinet Member for Traded Services and Health Reform, the Director of Infrastructure and the Corporate Director of Finance and Procurement be APPROVED
4. The implementation of a shadow governance structure be APPROVED.