

KENT COUNTY COUNCIL

CABINET SCRUTINY COMMITTEE

MINUTES of a meeting of the Cabinet Scrutiny Committee held at Sessions House, County Hall, Maidstone on Wednesday, 15 February 2006.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Mr A R Bassam, Mr A H T Bowles, Mr J R Bullock MBE, Mr C J Capon, Mr B R Cope, Mr C G Findlay (substitute for Mr R H C Bliss), Mr J B O Fullarton, Mr C Hart, Mr S J G Koowaree (substitute for Mrs T Dean), Mr C J Law, Mrs M Newell, Mr R J E Parker, Mr J E Scholes and Mrs P A V Stockell.

IN ATTENDANCE: Mr J Wale, Assistant to the Chief Executive and Mr P D Wickenden, Overview and Scrutiny Manager.

UNRESTRICTED ITEMS

51. Minutes – 18 January and 1 February 2006

(Item A2)

RESOLVED that the Minutes of the meeting held on 18 January and 1 February 2006 are correctly recorded and they be signed by the Chairman.

52. Informal Member Group on Youth Offending Service Business Plan - 10 January 2006

(Item A3)

RESOLVED that the notes of the meeting of the Informal Member Group on Youth Offending Service Business Plan on 10 January 2006 be noted.

53. Informal Member Group on County Asylum-Seekers and Refugee Service Business Plan - 12 January

(Item A4)

(1) Mrs Newell referred to two specific points in the notes:-

- (a) Safe Case Project (paragraph 10); and
- (b) The forecast outturn for 2005/06.

(2) RESOLVED that the notes of the meeting of the Informal Member Group on County Asylum-Seekers and Refugee Service Business Plan held on 12 January be noted.

54. Informal Member Group on Budgetary Issues – 2 February 2006

(Item A5)

RESOLVED that the notes of the meeting of the Informal Member Group on Budgetary Issues held on 2 February 2006 be noted.

55. Cabinet Scrutiny – Outcomes and Actions to January 2006

(Item A6 – Report by Assistant to the Chief Executive)

(1) The Chairman Dr Eddy, Mr Hart, Mr Capon and Mr Bassam all raised issues of concern relating to the timetabling of the Home to School Transport Select Committee, its Terms of Reference and those who had been invited to give evidence to the Select Committee. Mr Fullarton also raised concerns about the timetabling of the Gypsy and Traveller Sites Select Committee of which he was the Chairman.

(2) Mr Law indicated that the Select Committee on Home to School Transport had now finished gathering its evidence and was preparing its report.

(3) The Overview and Scrutiny Manager acknowledged that the timetabling of Topic Reviews and issues of the Work Programme and resourcing Topic Reviews was key to their success. He said that these were issues that he would raise with the Informal Member Group on the Constitution which was meeting on 16 February 2006.

(4) RESOLVED that the report of the actions taken as a result of the Committee's decisions and previous meetings on progress of the Select Committee Topic Reviews be noted.

56. Review of the Regional Economic Strategy for South East England 2006 to 2016: Consultation Document

(Item C1)

(1) Mr J A Davies, Lead Member for Regeneration and Supporting Independence and Mr P Raine, Director of Strategic Planning attended the meeting to answer Members' questions

(2) Member questions covered the following issues:-

The South East will be a world class region achieving sustainable prosperity

(3) In answer to a question from Mr Smyth relating to one of the key long term targets proposed for the Regional Economic Strategy was to achieve a 5% improvement in the South East's annual productivity growth area by 2026 to reflect the consultation documents 'smart growth' emphasis Mr Raine responded that he was not sure that he understood what was being said about growth in terms of productivity. However, his view was that this was not Gross Domestic Product (GDP) it was about doing more with less. Mr Davies added that there was lower productivity in the South East area and in Kent in particular.

(4) Responding to a question about the consultation document map which suggests three economic areas in the South East overlaid by ODPM growth areas, i.e. the Inner South East, the Outer South East and the Coastal South East Mr Smyth asked whether this was a redefinition in the way we do things. Mr Raine replied that Area Investment Frameworks would remain and not be dismantled but some of the funding currently within Area Investment Frameworks would be redistributed to the coastal town framework. He added that most of the South East

England Development Agency (SEEDA) funding in capital schemes would continue.

- (5) In response to questions relating to:-
- (a) bringing 250,000 additional South East residents of working age into employment by 2026 so as to make better use of existing labour resources rather than relying on drawing workers from outside of the region which would increase housing and infrastructure pressures; and
 - (b) concerns that there was no mention from a Kent perspective about Education and Higher Education.

Mr Raine stated that it was correct to say that the current skills base would not provide the workforce needed. He referred Members to page 6 of the consultation response where the education and skills development needs had been reflected as well as paragraph 4 on page 10 in terms of which other objectives, measures and key tasks the County Council would prioritise. Therefore, Education and Higher Education was reflected in the document but maybe not so 'up front' as some Members would like.

(6) The Committee then discussed how pockets of deprivation were dealt with especially in those areas where the perception was you would not expect deprivation e.g. Tunbridge Wells. Mr Raine responded that whilst the issue of pockets of deprivation could be raised with SEEDA it was more of an issue for the County Council to address. Mr Davies referred to the Supporting Independence programme but one or two Members of the Committee said that they lacked the confidence in the programme as it was difficult to see where the Supporting Independence programme was actually making a difference. Mr Bowles suggested that one way of picking up the issue of pockets of deprivation would be through the criteria SEEDA has for 'Rural industrial'. Mr Raine agreed.

(7) Responding to a Member's question about SEEDA relying upon transport nodes which all needed to be integrated and the need for investment at a sub-regional level Mr Raine stated that with regard to the SEEDA map he felt it was too narrow and simplistic to describe it as Coastal South East, Outer South East and Inner South East with centres of excellence concentrated on Gatwick and Heathrow, Outer South East where there was 'quality of life' and the Coastal South East the less prosperous areas.

(8) Dr Eddy asked why there was no recognition of Dover which was a transport node also a hub and a centre for excellence taking into account Dover as a port, the Channel Tunnel, the retail outlets, Lydd, Thanet and Manston. Mr Raine referred the Committee to the transport infrastructure section of the response on page 6 and the top of page 7. This identified the need to focus on major schemes which enable regeneration opportunities including improvements to the Kent ports, Channel Tunnel Rail Link, Domestic Services through to Dover and Thanet, the upgrading of the M2/A2 corridor and the role of Manston and Lydd airports in supporting local economic development opportunities. Dr Eddy asked whether this could be reinforced in the response to SEEDA and Mr Davies acknowledged that the covering letter to SEEDA formally enclosing the County Council response would highlight this point. Dr Eddy asked for a copy of this letter.

(9) The Committee then turned to examples of how the County Council can contribute to the achievement of objectives and key tasks and specific questions were asked relating to “Encouraging better designed buildings, through Kent design and direct build projects”. In answer Mr Raine and Mr Davies responded that public buildings needed to show that you care e.g. schools. Public buildings needed to be sustainable in terms of ecological and environmental needs e.g. water and energy use but fit for purpose. Both Mr Raine and Mr Davies referred to the Kent Design guide and the advice that it provided for Kent Planning Authorities. Mr Raine also referred to the importance of the Kent Design Awards in terms of the ‘best buildings’ both in the private and public sector. He made direct reference to the need to build inspirational buildings and cited the Shorne Country Park Visitor Centre which was a beautiful design and environmentally friendly in terms of sustainable energy and water. Mr Raine stressed the need for building regulations to be enhanced and for Government to be lobbied to ensure that energy and water standards within the building regulations are improved.

(10) Dr Eddy asked a question about Turner Contemporary at Margate and Dover Pride and where that left the role of culture as an economic development and regeneration driver of change. Mr Raine responded that it leaves it where it was before, with Mr Hill and Mr Evans. He went on to say that the Turner Contemporary, Margate is essential to the regeneration of Margate. However, it was also important not to overlook housing, culture, regeneration and education which all fit together and contribute to the regeneration of the town. Mr Davies added that ever since the announcement of the Turner Contemporary being built at Margate evidence of some regeneration within the town could be seen.

RESOLVED that:-

- (a) Mr Davies and Mr Raine be thanked for attending the meeting to answer Members questions;
- (b) welcome the offer of Mr Davies to make SEEDA aware of the County Council’s transportation infrastructure issues by reinforcing that already set out in the consultation response on pages 6 and 7 and in particular the importance of Dover;
- (c) to explore what could be done to strengthen building regulations where they relate to safeguarding of the environment and sustainable water/energy management and that this be referred to the forthcoming Select Committee looking at Climate Change; and
- (d) suggest that Supporting Independence may be a useful topic for debate at a future meeting of the County Council.

57. Medium Term Plan 2006-2009 (incorporating the Budget and Council Tax Setting for 2006/07 – Update

The Committee noted that Chairman and Spokesman of the Committee had decided that there was not a need to consider this item after all and, therefore, it had been withdrawn from the agenda.

58. Urgent Business

The Chairman sought and gained the agreement of the Committee to take the following item as a piece of urgent business as it was in the public interest that the

decision by the Leader of the Council and the Cabinet Member for Community Services was reviewed at the earliest opportunity.

59. Turner Contemporary

(Item D1)

(1) Mr P M Hill, Cabinet Member for Community Services and Mr M Evans, Turner Contemporary Project Director, attended the meeting to answer Members questions.

(2) The Committee had before them the Cabinet Member Decision paper and Record of Decision taken by the Leader of the Council and endorsed by the Cabinet Member for Community Services agreeing that the County Council should cease work on the current design of the Turner Contemporary at Margate and formally:-

- (a) advising Edmund Nuttall Limited that it did not wish to proceed with the contract;
- (b) authorising the Project Director and the County Secretary to conclude the terms of the termination of the contract with this company; and
- (c) confirming the County Council's commitment to the project on the Rendezvous site Margate, development of the design and construction for this new venue to be commenced immediately.

(3) Members questions covered the following issues:-

Questions relating to the escalations of costs of the Project

In answer to a question from Mr Smyth as to why the costs of the project had risen from £20 million in October 2005 to nearer £48 million in February 2006 Mr Hill replied that the cost of £48 million equated to £13,000 per square metre which was not tenable. Mr Evans spoke about the indicative budget for the project in October 2005 *{Cabinet}* and stressed the importance of making comparisons with the correct figures which was not always the case. Mr Hill added that the decision to terminate the existing contract and relocate the construction of the venue at the Rendezvous site, Margate did not mean that the County Council would be starting from the same base as five years ago as much of the preparatory work had been completed. The County Council owned the Rendezvous site on which the gallery would be located.

(4) In response to a question asking for the reasons why there had been a substantial increase in costs which had lead to the decision to abort the existing contract Mr Hill said there was ongoing negotiations between the County Council and the contractor relating to costs and prices. The increase to £48 million came as a complete surprise having risen from £29½m in October 2005 (as presented at Cabinet). With such a dramatic increase in cost this made the decision for the Leader and himself very easy to make.

(5) Asked by Mr Capon what benefits if any could be gained in view of what had happened Mr Hill responded that the project was not dead. A new design would be sought and would be consulted upon with Margate residents. It was planned that the project at the new site should be completed close to the original timetable.

(6) Asked what lessons had been learnt Mr Hill responded that clearly the County Council did not want to be in the same situation as it currently is. He added it was difficult to identify any reason why the circumstances the County Council now found itself in had arisen after five years.

He went on to explain the tendering process and how the contractor had been appointed. One of the important issues he felt was no-one is prepared to take the risk. The issue of potential future risks to the County Council would be carefully taken into account by the County Council.

(7) Asked again by Mr Parker what reasons the contractors had given for the increase in their price Mr Hill responded that no reasons had yet been given. Mr Evans explained the sequence of events which lead to the County Council being made aware of the increased cost and gave an interpretation of why there may have been an increase in cost, but a detailed analysis of the figures is ongoing.

(8) In answer to a question from Mr Parker about the Group which the County Council had established to assist with fundraising for the project and whether they were still supporting the project Mr Hill replied that there were currently six trustees and this was about to be increased to eight. £½m pounds had been secured as a firm pledge from a Foundation, and early indications were that the Arts Council and SEEDA, who proposed to commit £4 million each to the project, had indicated that they would continue to support the project. Mr Parker asked for a breakdown of the spend on fundraising consultants which Mr Evans promised to let the Committee have.

(9) Asked whether the Cabinet Member for Community Services or the Project Director had any direct property project management experience Mr Hill responded that he had been a civil engineer and a Royal Engineer in the army prior to becoming an elected politician. Mr Evans said that he had no direct property project management experience, however he had been the Council's lead officer on the Kings Hill project for 8 years.

(10) Asked by Mr Bullock about the tendering and contract process and the ability for a contractor to potentially change their minds and raise their prices as a way of withdrawing from the contract Mr Hill responded that this was speculation but was a possibility.

(11) Asked about why the design was for an iconic building, which for that Member was not as important as the quality of the exhibitions in the building, both Mr Evans and Mr Hill responded that in their view a design of architectural merit was important as a catalyst for regeneration.

(12) Asked about whether the County Council could recoup some of its costs for default on the contract Mr Hill responded that this was unlikely but apart from some costs relating to design work during the last month.

Public consultation

(13) A number of questions were then asked relating to the views of the public in Margate being sought. The press release indicated that there would be an eight week consultation period and the Cabinet Scrutiny Committee sought

further details from the Cabinet Member on the process for consulting the local people. Mr Hill replied that a period of consultation with the public would take place and that this would be at a public meeting where the County Council would explain to the public its proposals for the future.

- (14) Mr Hart, as the local Member for Central Margate, stated that he was pleased that the project was back on course but asked how the views of the local people would be taken into account because he felt that up until now the views of local people had been ignored. He went on to ask specific questions about the new Rendezvous car park site and the impact on the Royal National Lifeboat Institution (RNLI) and the public convenience facilities that were located at the car park during the summer months. He urged the Cabinet Member for a full consultation with local, District and County Members in Thanet on the proposals for the new design and future of Turner Contemporary. He also referred to a cross-party group which had been established prior to the District Council elections in 2003. Mr Hill stated that he had no knowledge of the cross-party group to which Mr Hart referred. He gave an assurance that he would keep local people involved. There was no issue relating to the RNLI that was safe. He acknowledged that there may be a need to do some re-engineering of the Rendezvous site. He added that in addition to the use of the Rendezvous site the Leader had referred to the possible refurbishment of the Winter Gardens and a site for a new hotel. He anticipated that these regeneration issues may form part of the press conference that was to take place in eight weeks time. Mr Hill made it clear to the Cabinet Scrutiny Committee that his remit was for Turner Contemporary only.
- (15) Asked when the other elements were added to the concept in terms of the new Turner Contemporary and what would be acceptable and to whom Mr Hill responded that the culture, business and leisure facilities was a matter for the Leader of the County Council. He reaffirmed his earlier response that he was only responsible for Turner Contemporary. In terms of a 'ball park' figure he felt that £12 million might be appropriate for a 4,000 square metre site. Mr Evans added that these figures were construction costs and he asked the Committee to treat these with caution because of the potential misunderstanding between gross figures.

RESOLVED that:-

- (a) that Mr Hill and Mr Evans be thanked for attending and for answering Members questions;
- (b) that the new Communities Policy Overview Committee should monitor the project on a six monthly basis ensuring that Members are kept appropriately informed;
- (c) that Mr Hill and Mr Evans provide a Communications Strategy setting out how the consultation for the new Turner Contemporary will be concluded including identifying how Kent County Council and Thanet District Council members would be kept informed and Thanet Local Board would be involved.

