

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 16 July 2007.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr K A Ferrin, MBE, Mr G K Gibbens, Mr R W Gough, Mr A J King, MBE, Mr P M Hill, OBE, Mr K G Lynes and Mr C T Wells

ALSO PRESENT: Mrs E M Tweed

IN ATTENDANCE: Mr P Gilroy (Chief Executive), Mr G Badman (Managing Director of Children, Families and Education), Ms A Honey (Managing Director Communities), Mr O Mills (Managing Director - Adult Social Services), Ms L McMullan (Director of Finance) and Mr R Hardy (Head of Improvement And Engagement)

UNRESTRICTED ITEMS

Kent Show and Tour de France

Before the commencement of business, Mr Carter said that both the Kent Show and the visit of the Tour de France had proved very successful and he congratulated all those who had been involved from KCC for helping to make these two events such a success for Kent.

1. Minutes of the Meeting held on 18 June 2007
(Item. 1)

The Minutes of the meeting held on 18 June 2007 were agreed as a true record.

2. Revenue and Capital Budget Monitoring Exception Report
(Item. 3 - Report by Cabinet Member for Finance and Lynda McMullan, Director of Finance)

(1) This was the first exception report for 2007/08 and it identified a number of pressures that would need to be managed during the year if the Council was to have a balanced revenue position by year end.

(2) Cabinet discussed the position on asylum costs and Mr Carter said that KCC would continue to press for repayment of these both independently and in partnership with other authorities from within the South East and across the country. Meetings were actively being sought with key Ministers and senior officials within government spending departments and concerted and constructive action would continue in order to achieve a level of sustainable funding which repaid the costs currently being met by the County Council.

(3) Following further discussion, Cabinet noted the forecast revenue and capital budget monitoring position for 2007/08.

3. Roll Forward of 2006-07 Revenue Underspend
(Item. 4 - Report by Cabinet Member for Finance and Director of Finance)

(1) Mr Chard placed on record his thanks to his fellow Members and also to officers for the part they had played in achieving a revenue underspend for 2006/07 of £7.7m, excluding schools. He highlighted the key areas of the revenue roll forward proposals, and in particular, the extra £3m which would be going into Highways maintenance.

(2) Cabinet approved the requests for roll forward from 2006/07 as detailed in Appendix 1 of the Cabinet report.

4. Connexions Transition
(Item. 5 - Report by Cabinet Member for Children and Family Services, Cabinet Member for Education and School Improvement and the Director-Commissioning (Specialist Services) (Joanna Wainwright was present for this item).

(1) This report provided the context for decisions which needed to be made by KCC about the future of the Connexions Transition which had to be made by the end of September 2007. The report sought Cabinet's guidance on the planning work and to consider the options for change with the purpose of generating closer alignment with the County Council's Local Area Agreement Targets and objectives, including 2010 targets, 14-24 work and its developing Integrated Youth Support services.

(2) Joanna Wainwright said that the Connexions Service was achieving well against its targets but there was no room for complacency and the service was committed to ensuring and achieving innovative and improved outcomes. In terms of the recommendations set out in paragraph 5 of the report, she commended to Cabinet that the relationship with Connexions should become that of preferred supplier as detailed in paragraph 5(c)(i).

(3) Cabinet discussed the detail of the report and in accepting the recommendations, decided that the preferred way forward for the future relationship between the County Council and Connexions should be that of a preferred supplier with an offer made of a 2 year contract from April 2008.

(4) Cabinet therefore agreed:

- (a) that the transition processes undertaken by the Strategic Group should focus on sustaining existing provision in the short term in the interest of achieving key objectives and targets;
- (b) plans for market testing of services in the medium and longer term should be pursued to ensure close alignment with KCC's priorities, the integrated Youth Support Services Strategy and the Children and Young People's Plan; and
- (c) the relationship within Connexions should become that of a preferred supplier with an offer made of a two year contract from April 2008. This offer to allow change in the first year within existing staffing as

may be agreed and with further planned graduated change in line with KCC's overall policy objectives during the second year.

5. The Bridge Development, Dartford

(Item. 6 - Report by Cabinet Member for Education and School Improvement, Cabinet Member for Regeneration and Supporting Independence, the Managing Director for Children, Families and Education and the Acting Managing Director for Environment and Regeneration)

(1) The Bridge Development is a partnership between Dartford Borough Council, (the landowners) together with developers Pro Logis Developments (Ltd). The project would transform a 264 acre brownfield site (formerly the site of Dartford's Joyce Green Hospital and Little Brook Lakes) into an advanced sustainable community. The project would see the development of a new primary school, together with facilities for health; adult education; a multi-agency social care facility; an adult social care community resources centre; community meeting room; youth centre; library and archives access point; facilities for the police, and a café. The County Council had secured a developers contribution, which, with index linking, equated to approximately £8.5m to meet the capital costs of this innovative development.

(2) Cabinet:-

- (a) approved the continuing development of the Bridge Development;
- (b) agreed the scheme, valued at £8.5m, at this point in time, being formally added to the Education and School Improvement Capital Programme and to be shown as being fully funded by Developer Contributions. In the event that the contribution was at a different level, the programme would be amended accordingly;
- (c) granted approval to spend and gave authority to negotiate and enter into such agreements as are necessary to give effect to the scheme to the Director, Resources (Children, Families and Education) and the Head of Corporate Property. This to be in consultation with the other Managing Directors and Cabinet Members and subject to the Director of Finance and Cabinet Member for Finance being satisfied with all the financial arrangements, both revenue and capital; and
- (d) noted that the new Bridge Primary School would open in September 2009.

6. IIP - Presentation by Kevin Newman

(Item. 7 - Presentation by Mr Kevin Newman (External Assessor))

(1) Mr Newman gave Cabinet feedback on the Investors in People Standard Internal Review which had been undertaken within the Council at the end of 2006 and into the early part of 2007.

(2) The presentation highlighted the key strengths of the Council and this included it achieving a four star rating for services in 2005 and top marks for

direction of travel. The Assessor found that there was a culture of collaboration and trust and learning and development was strong with a considerable array of options available. However, there was work which remained to be done and in particular there was a need to make sure that learning and development programmes had been effective and had met the perceived needs. Also work place induction whilst strong was being applied inconsistently in some areas. The Council was already addressing some of these issues and had decided to train its internal reviewers to use Profile for its next review. Mr Newman said that this decision was to be commended as he believed that such an action would deliver considerable added value.

(3) Mr Carter said that he welcomed the feedback on the Investors in People Standard Internal Review and whilst greatly encouraged by the strengths which Mr Newman had highlighted, he said the Council was not complacent and a report would be put to a future meeting of the Personnel Committee looking at areas where the Council can learn and improve further.

7. Cabinet Scrutiny and Policy Overview

(Item. 8 -Report by Chief Executive)

This report provided a summary of the outcomes and progress on matters arising from the meeting of the Cabinet Scrutiny Committee held on 27 June 2007. The report also set out the work programme for Select Committee Topic Reviews as agreed by the Policy Overview Co-ordinating Committee and provided an update on the current status of each Topic Review.

8. International Rail Services at Ashford International Station

(Item. 9 - Report by Deputy Leader and Cabinet Member for Policy and Performance and Cabinet Member for Regeneration and Supporting Independence)

(The Chairman declared consideration of the item to be urgent so that Members could be made aware in particular of the outcomes of a meeting which had taken place at the European Commission in Brussels on 4 July 2007 involving the County Council and other key parties. Members also needed to be briefed on the actions the Council was taking and these were set out in the report for consideration and approval).

(Mrs Edith Robson, a local resident and campaigner, was present for this item. Mr Ian Nunn (Finance Director) and Mr Seth Williams were present on behalf of Eurostar).

(1) Eurostar's plan to end direct train services from Ashford International Station to Brussels in November 2007 was first debated by Cabinet on 16 October 2006. Since knowing of Eurostar's intentions, the County Council had played a major role in campaigning to retain the Ashford-Brussels service and had worked with passengers, the business sector, public sector bodies, MP's and MEP's to question Eurostar and Government on the decision. On 6 July 2007 a petition was presented to Downing Street by local campaigner, Mrs Edith Robson, accompanied by Damien Green MP, Euro MP's Peter Skinner and Sharon Bowles, and other passengers and rail lobby groups. The petition numbered over 15,000 signatures.

(2) Kent County Council, Ashford Borough Council and the South East England Development Agency attended a meeting at the European Commission in Brussels on 4 July 2007. This meeting brought together Eurostar, London and Continental Railways, Mrs Edith Robson, Passenger Groups, local authorities from Northern France and rail operators and infrastructure managers from the UK, France and Belgium. The aim of the meeting was to allow all parties to state to the Commission their position and explore possibilities to bring these positions together. As an outcome of this meeting, a commitment was given by all organisations present to hold further talks and there was a proposal by the Commission to host a follow up meeting in Brussels at the end of 2008 where progress could be monitored.

(3) Mrs Robson said that with Ashford being a growth area, a number of businesses had located to the area because they could readily gain access to three European Cities within two hours. Mrs Robson believed the loss of services to Brussels would have a detrimental affect on Ashford's growth potential and lead to an increase in air travel. She said that Eurostar was strongly marketing St Pancras and Ebbsfleet but if Ashford was similarly marketed, then what she asked could it not achieve if given the same level of exposure. Mrs Robson said Ashford was being described by Eurostar as an intermediate stop, but she said on that basis, Ebbsfleet was also an intermediate stop. It was said by Eurostar that the decisions about services at Ashford were being taken on a commercial basis. However, being commercial was about making profits and profits come from passengers who had been saying what a great station Ashford was to use. Ashford was also a rail hub and was easily accessible from other areas and this contributed it to having a low carbon footprint. Eurostar had said that it believed when Ebbsfleet opened there would only be 14 passengers wishing to use the Brussels service from Ashford whereas 36 was the break-even number. Mrs Robson challenged this statistic and said she believed that with the proper marketing of Ashford the break-even figure and more could be achieved. Mrs Robson said that many people were unaware of these proposals and she posed the question why destroy something which had never been properly promoted for something which was untried. The Javelin Service was due to be introduced in 2009 and if those services had been timed to synchronise with the opening of Ebbsfleet, then said Mrs Robson she thought Ashford passengers would have been prepared to use that service. But with the Javelin not being ready until 2009 then Eurostar should retain a mix of services until that time. Mrs Robson concluded by saying that she believed Eurostar would lose the trust of its customers if it cut services from Ashford and that trust would not easily be regained.

(4) Mr Ian Nunn of Eurostar said that the company had some 12½ years experience of operating high speed passenger services and in that time had carried some 75m passengers. It had operated from the International Station at Ashford for the past 10 years and with its partner SNCF had in total some 25 years operations experience. Therefore the company was very experienced in the running of high speed train services.

(5) Mr Nunn said that at the meeting at the European Commission, Eurostar had said that the high speed model was not entirely compatible with having intermediate stops. Also whilst Eurostar had recognised the growth potential of areas such as Ashford, the company was not of itself responsible for economic regeneration. High speed domestic services would start in 2009 and Mr Nunn

believed that would be the time when there would be a drive for economic regeneration both at Ebbsfleet and Ashford. However, because of its location, it was Ebbsfleet which was at the heart of Europe's biggest area of regeneration.

(6) Eurostars figures showed that 92.4% of its travellers depart or arrive at Waterloo. Ashford customers represented 7.6% of the total Eurostar volume. The Ashford-Brussels service represented 1.4% of Eurostar volume. Eurostar's data also showed that 86% of Ashford users were UK residents against 53% of users at Waterloo. Eurostar's data also showed that continental and EU visitors did not want to use Ashford and in running its services, the company had to take account of where its continental travellers wished to stop. 60% of UK customers using the Ashford line lived more than 30km away and some 69% of current customers using Ashford lived nearer to Ebbsfleet. Mr Nunn said Eurostar's figures also showed that 80% of customers using Ashford accessed the station by car and 90% had used Eurostar services only once in the last four years. Only some 2,435 people had travelled to Brussels from Ashford more than four times in the last four years and of those, 820 lived nearer to Ashford than Ebbsfleet. Eurostar also said that if it were to maintain an Ashford stop on its Brussels route in addition to a stop at Ebbsfleet, then the estimated Ashford demand post 19 November 2007 dropped from 41 to 14 passengers per train, whereas the breakeven for a Ashford stop was 36 passengers per train.

(7) Eurostar currently operated 12 services, 7 Ashford to Paris, 4 Ashford to Brussels and 1 Ashford to Disney. From the introduction of its new services on 19 November 2007 there would be 16 services per day, an increase of 33%. Of these services there would be 7 from Ebbsfleet to Paris, 5 from Ebbsfleet to Brussels, 3 from Ashford to Paris and 1 from Ashford to Disney. Eurostar would in addition be retaining the seasonal services that it currently operates. Mr Nunn said Eurostar was looking to the County Council to help market and promote Ebbsfleet and to put it on the map. Ebbsfleet International Station was a success story in the making being as it was a vital station in the middle of Europe's biggest regeneration project.

(8) During the course of discussion, Members of Cabinet challenged Eurostar's belief that Ebbsfleet would be easily accessible to passengers, especially those coming from the east of the County. There was already traffic congestion in the area and whilst highway infrastructure proposals, once completed, would help alleviate that, nonetheless passengers heading for Ebbsfleet would need to take into account possible traffic delays when planning their journey. It was also said that Eurostar was ignoring the passenger potential arising from the significant planned housing and business growth planned for East Kent and the coastal fringe over the next 20 to 25 years. Eurostar had said passengers wanting to go from Ashford to Brussels could change at Lille but that of itself would be a disincentive.

(9) The County Council was and would continue to give support to Eurostar and the development of Ebbsfleet. However, Eurostar should in return give its continued support to Ashford by retaining a service to Brussels. Mr Nunn said that Eurostar took seriously the views of those opposed to the timetable changes but its research showed that there was more demand for services to be concentrated on Ebbsfleet than at Ashford. Eurostar was therefore introducing its new timetable based on current data and circumstances. That timetable, said Mr Nunn, was designed to run for 2 to 3 years and he said Eurostar would continue to undertake research in order to ensure that the company continued to meet the requirements

and needs of its passengers. Therefore, Mr Nunn did not rule out the possibility of some service changes in the future provided there was a demonstration of need.

(10) Mr Carter said taking away the Ashford/Brussels service was a major concern because that would have a negative impact on the efforts being made to try and bring quality investment and jobs into East Kent. He asked if it could be clearly demonstrated that 36 passengers would use an Ashford/Brussels service on a daily basis – would Eurostar retain the service? In response Mr Nunn said that it was too late to make any changes to the timetable which was to be introduced on 19 November 2007. However he reiterated that as and when demand at Ashford increased, then Eurostar would look at the provision of services. Also the company had to take into account the economic cost of stopping trains to accommodate a small number of passengers. Mr Nunn confirmed that the Government held a special share in Eurostar but it was a silent partner and could only use its share in very special circumstances.

(11) Mr King said he hoped Eurostar would consider its position with regard to reducing services through Ashford. Following the meeting at the European Commission, the County Council remained concerned about the long term future use of Ashford International Station. In 2005 the Department of Transport had said in a statement to the Public Accounts Committee that the justification for the high speed rail link was very much about the economic regeneration and the benefits that it would bring. In support of this campaign, Mr Damien Green, MP had written to Ruth Kelly emphasising the importance of Ashford being a point of access into Europe and that role would be greatly diminished by the proposed timetable changes. Mr King also said that Eurostar had challenged the County Council to give its support for Ebbsfleet. He said the County Council did support Ebbsfleet and all what Eurostar was trying to achieve. Equally though there had to be support from Eurostar for Ashford continuing as an international station and everyone involved in this matter should be looking for an opportunity to have a meeting of minds to achieve just that.

(12) Mrs Robson said that she was very disappointed that Eurostar would not agree even at this stage to retain a daily service from Ashford to Brussels. She also reiterated her point that if Ashford was seen by Eurostar as being an intermediate stop, then that was also true of Ebbsfleet.

(13) In thanking Mrs Robson and Mr Nunn for attending the meeting, Mr Carter said that notwithstanding what had been said on behalf of Eurostar the County Council would robustly continue its campaign for Ashford to continue to operate fully as an international station with the retention of a daily service to Brussels,

(14) Cabinet then :

- (a) Welcomed the commitment to continued dialogue by all parties that attended the 4 July meeting in Brussels
- (b) agreed to continue to work in partnership with passengers and passenger organisations, MPs, MEPs, District Councils, SEEDA, French local and regional Government, and all other relevant stakeholders to press for the retention of an appropriate service between Ashford and Brussels

(c) agreed it would continue to seek clarification from Eurostar, London and Continental Railways and the Department for Transport on the operating costs of Ashford International Station and the financial and contractual obligations of the companies involved in building and operating the Channel Tunnel Rail Link and Ashford International Station

(d) agreed to continue to support the development of international high-speed rail services in Kent in so far as they are consistent with passenger aspirations, the economic and social needs of the growth areas, their catchment areas and the principles of sustainable development.