



AGENDA

CABINET SCRUTINY COMMITTEE

Wednesday, 23rd January, 2008, at 10.00 am Ask for: **Peter Sass**
Darent Room, Sessions House, County Hall, Telephone **01622 694002**
Maidstone

Refreshments will be available from 9.45 am. County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

Please note that this meeting will be webcast

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A. COMMITTEE BUSINESS

- A1 Substitutes
- A2 Declarations of Interests by Members in Items on the Agenda for this Meeting
- A3 Minutes - 12 December 2007 (Pages 1 - 8)
- A4 Informal Member Group on Community Safety Unit Business Plan - 4 December 2007 (Pages 9 - 14)
- A5 Informal Member Group on Budgetary Issues - 10 January 2008 (Pages 15 - 18)
- A6 Cabinet Scrutiny Committee - Standing Report to January 2008 (Pages 19 - 28)

B. CABINET/CABINET MEMBER DECISIONS AT VARIANCE TO APPROVED BUDGET OR POLICY FRAMEWORK

No items.

C. CABINET DECISIONS

- C1 Audit Commission Inspection of the Kent Supporting People Programme (Pages 29 - 36)
- C2 The Case for Establishing a Credit Union for Kent (Pages 37 - 46)

C3 Other Cabinet Decisions

No other Cabinet decisions have been proposed for call in but any Member of the Committee is entitled to propose discussion and/or postponement of any decision taken by the Cabinet at its meetings on 17 December or 14 January.

(Members who wish to exercise their right under this item are asked to notify the Head of Democratic Services of the decision concerned in advance.)

D. CABINET MEMBER DECISIONS

No items.

E. OFFICER AND COUNCIL COMMITTEE DECISIONS

No Officer or Council Committee decisions have been proposed for call in but the Committee may resolve to consider any decision taken since its last meeting by an Officer or Council Committee exercising functions delegated to it by the Council.

(Members who wish to propose that the Committee should consider any Officer or Council Committee decision are asked to inform the Head of Democratic Services of the decision concerned in advance.)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Tuesday, 15 January 2008

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

CABINET SCRUTINY COMMITTEE

MINUTES of a meeting of the Cabinet Scrutiny Committee held at Sessions House, County Hall, Maidstone on Wednesday, 12 December 2007.

PRESENT: Dr M R Eddy (Chairman), Mr D Smyth (Vice-Chairman), Miss S J Carey, Mr A R Chell, Mr A D Crowther (substitute for Mr A H T Bowles), Mr B R Cope, Mrs T Dean, Mr C Hart, Mr G A Horne MBE, Mr E E C Hotson, Mr P W A Lake, Mr C J Law, Mrs M Newell, Mr M J Northey (substitute for Mr A R Bassam), Mr J D Simmonds (substitute for Mr J R Bullock MBE), Mrs P A V Stockell and Mr R Truelove.

IN ATTENDANCE: Mr J Wale, Assistant to the Chief Executive and Mr S C Ballard, Head of Democratic Services.

UNRESTRICTED ITEMS

30. Minutes
(Item A3)

RESOLVED that the Minutes of the meeting held on 24 October 2007 are correctly recorded and that they be signed by the Chairman.

31. Informal Member Group on Libraries and Archives' Unit Business Plan – 19 November 2007
(Item A4)

RESOLVED that, subject to note 1(18)(c)(i) being amended to read “need to develop a **suitable** Archives facility within the next 5 years”, the notes of the Informal Member Group on the Libraries and Archives' Unit Business Plan held on 19 November 2007 be noted.

32. Informal Member Group on Budgetary Issues – 29 November 2007
(Item A5)

RESOLVED that:-

- (a) The recommendation in note 3(4) be agreed and the future risks of a waste disposal strategy which relies on incineration as a significant element be referred to the Environment and Regeneration Policy Overview Committee for investigation.
- (b) The remaining notes of the Informal Member Group on Budgetary Issues held on 29 November be noted.

33. Cabinet Scrutiny Committee – Standing Report to December 2007
(Item A6 – Report by Assistant to the Chief Executive)

(1) Concern was expressed by some Members that, at its meetings, Cabinet did not appear to be giving any consideration to the Committee's recommendations. Mr Law offered to raise this concern with the Leader of the Council with a view to arranging a discussion between the Leader and the Committee's Chairman and Spokesmen.

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

34. Webcasting of Meetings

(Item A7)

RESOLVED that arrangements be made for all future meetings of the Committee to be webcast.

35. Draft Proposals for a Public Health Observatory in Kent

(Item C1)

(1) Mr G K Gibbens, Cabinet Member for Public Health; Dr D O'Neill, Assistant Director of Public Health, West Kent Primary Care Trust; and Mr M Lemon, Policy Manager, Department of Public Health, Chief Executive's Directorate, attended the meeting. Following an introduction by Mr Gibbens, Members questions covered the following issues:-

Reason for County Council Involvement

(2) In answer to questions from Mr Horne, Mr Simmonds and Mr Truelove, Dr O'Neill and Mr Lemon explained that KCC's involvement in the Observatory proposal was as part of its public health remit. A key part of this remit was to improve the general health of Kent residents in order to reduce the number suffering long-term illnesses, and the information provided by the Observatory would assist in identifying the factors directly or indirectly affecting people's health (eg housing conditions, environmental issues, etc), so that appropriate action could be taken by the County Council and the other partners.

Cost to County Council

(3) In answer to questions from Mr Horne, Mr Simmonds, Mr Chell and Mr Smyth, Mr Gibbens, Dr O'Neill and Mr Lemon explained that much of the information was already being collected by the NHS, KCC, or by the other partners in the Observatory project. The purpose of the Observatory was to bring all the information together so that more effective use could be made of it by all the partners. The Observatory would not therefore, of itself, result in any additional cost to KCC.

Governance and Work Programme

(4) In answer to questions from Mrs Dean, Dr O'Neill said that the Observatory would report to the Kent Public Health Board, which comprised representatives from the NHS, KCC, District Council and other stakeholders. The Kent Public Health Board would determine the work programme for the Observatory so all partners, including KCC, would have a say in the contents of the Observatory's work programme and how these were prioritised.

Conclusions

(5) RESOLVED that:-

- (a) Mr Gibbens, Dr O'Neill and Mr Lemon be thanked for attending the meeting to answer Members' questions;

- (b) Cabinet's decision to agree to the establishment of the Kent Observatory of Public Health be supported subject to:-
 - (i) there being no additional cost to KCC arising from the setting up and operation of the Observatory;
 - (ii) all the partners in the Observatory agreeing to share their data with each other free of charge;
 - (iii) operation of the Observatory being regularly monitored by the Health Overview and Scrutiny Committee to ensure that the Observatory continued to deliver value for money for KCC, and Cabinet be advised accordingly.
- (c) The Director of Public Health be requested to ensure that her Annual Report each year included details of the work of the Observatory.

36. Free Travel for 11-16 Year Olds
(Item C2)

(1) Mr R F Manning, Lead Member for Environment, Highways and Waste; Mr D Hall, County Transportation Manager; and Mr D Joyner, Sustainable Transport Manager, Environment and Regeneration Directorate, attended the meeting to answer Members' questions on this matter.

(2) In introducing the item, Mr Manning said that the pilot scheme had been launched successfully and was proving very popular, but it was a pilot and it had only been running for 5 months out of a planned 12. Experience from the pilot, and the views expressed by interested parties, would all be carefully considered before the scheme was rolled out further.

(3) Members' questions covered the following issues:-

Take-up of Freedom Passes

(4) In answer to a question from Mr Law, Mr Hall said that 4,800 passes had been issued (against an estimate of 3,000), of which approximately 10% had been bought for children who were entitled to free school transport.

Charge for Freedom Pass

(5) In answer to a question from Mr Hart, Mr Manning explained that the £50 charge was to meet the administrative costs of issuing each pass. As the scheme was extended to additional areas it was possible that economies of scale might allow the charge to be reduced.

(6) Mr Joyner said that his team were carrying out surveys throughout schools on barriers (including the cost) to take-up of the passes. In addition, a bid to the Government for Pathfinder status was being prepared. If successful, the funds obtained could be used to waive the £50 charge for low-income households.

Extension of Pilot Scheme

(7) In answer to questions from Mr Truelove, Mr Manning and Mr Hall said that discussions were taking place with bus operators about the next areas to be included in the pilot scheme but no decisions had yet been taken on where these should be.

16-18 Year Olds

(8) In answer to questions from Mr Truelove and Mr Horne, Mr Hall said that extension of the Freedom Pass scheme to 16-18 year olds was included as part of the bid for Pathfinder status.

Looked After Children

(9) In answer to questions from Mr Truelove, Dr Eddy and Mr Horne, Mr Manning said that the Freedom Pass scheme did not currently include Looked After Children. Mr Hall explained that it was an aspiration to include Looked After Children and efforts were being made to find a mechanism for this.

Inclusion of Rail Travel in Freedom Pass Scheme

(10) In answer to questions from Mr Horne and Mr Northey, Mr Hall said that there had been considerable discussions with Southeastern Railway, and these were continuing, but it had not yet proved possible to overcome the rail company's reservations about joining in the Freedom Pass scheme. Their main concern appeared to be policing the use of the Freedom Pass, given that train services typically covered long distances, well beyond the limits of the area covered by the Freedom Pass.

Measuring Impact of Freedom Pass Scheme on Traffic Congestion

(11) In answer to a question from Mrs Dean, Mr Joyner said traffic surveys were being undertaken on various roads in Canterbury, Tonbridge and Tunbridge Wells to measure the impact of the scheme in terms of journey time per km travelled. In Canterbury, the surveys benefited from use of Police number-plate recognition cameras. Survey results from Freedom Pass application forms showed that 27% of applicants travelled to school by car as their main mode of travel.

Conclusions

(12) RESOLVED that:-

- (a) Mr Manning, Mr Hall and Mr Joyner be thanked for attending the meeting to answer Members' questions;
- (b) all involved be congratulated on the successful launch and operation of the Freedom Pass pilot scheme;
- (c) Cabinet be recommended that Freedom Passes should be provided immediately by the County Council, in its role as corporate parent, to all its Looked After Children in the pilot areas, with Looked After Children in other areas being provided with Freedom Passes by the County Council as the scheme was extended to those areas;
- (d) the Cabinet Member for Environment, Highways and Waste be requested to announce as quickly as possible the areas to be covered by the extension to the existing Freedom Pass pilot scheme in June 2008, and by any subsequent extension before full County-wide roll-out was achieved;
- (e) the intention to make a bid for Pathfinder status be welcomed, particularly if approval of such a bid would allow a reduced charge for the Freedom Pass to be made to disadvantaged households;

- (f) regardless of the outcome of the bid for Pathfinder status, the Cabinet Member for Environment, Highways and Waste be urged to consider the possibility of offering a reduced charge, or payment by instalments, to disadvantaged households;
- (g) the Cabinet Member for Environment, Highways and Waste be requested to provide regular reports to the Committee to enable it to monitor the costs, charges and take-up of the Freedom Pass scheme; and
- (h) the Cabinet Member for Environment, Highways and Waste be urged to pursue as strongly as possible the inclusion of rail travel in the Freedom Pass scheme (particularly in those areas where rail, rather than bus, provided the most important local public transport link), both directly and, in the context of the bid for Pathfinder status, by asking Government to put pressure on Southeastern Railway to participate.

37. Future of National Fruit Collections, Brogdale

(Item D3)

The Chairman agreed to take this as an urgent item because it had only recently come to light that the Cabinet Member had submitted comments to DEFRA on this matter on behalf of the County Council, and the Minister's decision was expected to be taken within the next few days.

Mrs P A V Stockell declared a prejudicial interest in this item as a Director of East Malling Research and left the room for the entire discussion.

(1) Mr R W Gough, Cabinet Member for Regeneration and Supporting Independence, and Mr S Gibbons, Head of Rural Regeneration, Environment and Regeneration Directorate, attended the meeting to answer Members' questions on this item. Mr A Hillier, owner of the Brogdale site, and Dr Joan Morgan, representing the Friends of the National Fruit Collections at Brogdale, also gave evidence to the Committee in support of the principle of keeping the National Fruit Collections at the Brogdale site. Dr Morgan also submitted a written statement which was circulated to Members at the meeting.

(2) Mr Gough explained that, in January 2007, the Department for Environment, Food and Rural Affairs (DEFRA) put the future curation of the National Fruit Collections, currently located at Brogdale, Faversham, out to open competition. The original closing date for bids was in May. The published criteria against which the bids were to be judged did not include the views of local authorities, other interested parties or the public. As the closing date for bids approached, few details of any of the bids were available but it appeared that some may have proposed removing the Collections from Kent. Mr Gough was very anxious to try to ensure that the Collections stayed in Kent but felt that simply telling DEFRA this would have no effect whatsoever, and he was concerned that if DEFRA eventually selected a bid that removed the Collections from Kent, the County Council would be criticised for not having done enough to prevent this. He therefore felt that the only way in which KCC could have any influence, and even then it would be very marginal, would be by supporting a particular bid on grounds which related to the published criteria. Mr Gough had details only of one bid. This was the bid submitted jointly by the Brogdale Horticultural Trust, Imperial College and East Malling Research, which proposed relocating the Collections to East Malling. This bid appeared to have a sound scientific basis, thus meeting one of DEFRA's criteria, and Mr Gough therefore wrote to DEFRA on behalf of the County Council supporting this bid on 10 May. Mr Gough was aware that various interested parties wished to retain the

collections at Brogdale but had received no details of any bids which might have proposed this.

(3) Subsequently, in August, DEFRA had re-opened the tendering process but did not inform the County Council of this at the time. Mr Gough said that he only found out that the tendering process had been re-opened some time later. In early November, following discussions with a representative of the Friends of the National Fruit Collections at Brogdale, he considered whether to re-examine the view he had previously expressed to DEFRA. On being contacted, DEFRA made it very clear that, while the County Council was welcome to make further representations, these would not have any effect on DEFRA's choice of bidder. Mr Gough therefore decided not to make any further representations.

(4) Mr Gibbons added that the latest information from DEFRA was that a recommendation as to which bid should be accepted had been passed to the relevant Minister, Lord Rooker, on the previous day.

(5) Mr Hillier, as owner of the Brogdale site, said that he was anxious to preserve the Collections at Brogdale but he had not sought to support any individual bid. He saw keeping the Collections at Brogdale as a key part of the Swale Regeneration Initiative and was baffled that KCC could support moving the Collections away from Swale, particularly when they had not examined the three bids which proposed retaining the Collections at Brogdale.

(6) Dr Morgan, representing the Friends of the National Fruit Collections at Brogdale, explained the international importance of the Collections and that they had originally been located at the Brogdale site some 50 years ago because of its ideal soil and climatic conditions. She explained that moving the Collections in their entirety would be extremely difficult, expensive, could take up to 5 years, and would break the continuity of those records which related specifically to the Brogdale site. There was therefore a danger that, if one of the non-Brogdale bids was accepted, the Collections might be rationalised or dispersed, or some varieties would just be cryo-preserved.

(7) Members' questions covered the following issues:-

Status of Decision

(8) In answer to a question from Mrs Dean, Mr Gough explained that, because this was a matter over which KCC had very little influence, he felt that his decision to write to DEFRA in support of the East Malling bid was a matter of routine business, which did not require a formal Cabinet Member Decision. However, he did accept that he could and should have consulted more with the local Members concerned before he sent his letter of 10 May 2007 to DEFRA.

Scientific Advice

(9) In answer to a question from Mrs Dean, Mr Gough confirmed that he had not sought any expert scientific advice before writing his letter of 10 May 2007 to DEFRA.

Conclusions

(10) RESOLVED that:-

- (a) Mr Gough, Mr Gibbons, Mr Hillier and Dr Morgan be thanked for attending the meeting to answer Members' questions;
- (b) a letter be sent on behalf of Committee to the Minister as a matter of urgency urging that he select a bid which would allow the Collections to remain at Brogdale;
- (c) Cabinet be recommended to urgently reconsider the Council's position on the future location of the National Fruit Collections, with a view to advising the Minister as a matter of urgency that, in the light of further information that had only recently become available, the Council now urged that the Collections should remain at Brogdale;
- (d) a reminder be issued to Cabinet Members and Managing Directors of the constitutional requirement to consult local Members before taking decisions under delegated powers or when preparing a report for consideration by the Council, Cabinet, Cabinet Member or a Committee; and
- (e) in issuing the reminder in (d) above, Cabinet Members and Managing Directors be requested to interpret the term "local Member" widely, so as to include, as appropriate, Members who represented neighbouring divisions, or divisions whose residents made significant use of the facility concerned.

38. KCC International Activities Annual Report 2006/07

(Item C3)

- (1) The Committee noted some further information which had been tabled at the meeting.
- (2) RESOLVED that this matter be referred to the Corporate Policy Overview Committee for consideration of whether the expenditure on Kent/Virginia and Smithsonian represented good value for money

39. KCC Environment Policy

(Item C4)

RESOLVED that that this matter be referred to the Climate Change Select Committee for consideration at its meeting to be held in January to monitor implementation of its recommendations.

40. Second Homes Money, Thanet (Decision 07/01074)

(Item D1)

The Committee noted some further information which had been tabled at the meeting and decided to take no further action on this item.

41. Borough Green and Platt Bypass (Decision 07/01078)

(Item D2)

RESOLVED that this matter be referred to the Environment and Regeneration Policy Overview Committee for that Committee to monitor implementation of Decision 07/01078.

NOTES of a Meeting of the Cabinet Scrutiny Committee's Informal Member Group on the Community Safety Unit Business Plan held on Tuesday, 4 December 2007.

PRESENT: Mr C Hart (Chairman), Miss S J Carey and Mr G Rowe.

ALSO PRESENT: Mrs E M Tweed, Lead Member for Community Services; Mr Clive Bainbridge, Director of Community Safety and Regulatory Services; and Mr Stuart Beaumont, County Manager, Community Safety.

OFFICER: Mr S C Ballard, Head of Democratic Services.

1. Community Safety Unit Business Plan 2007/08

Terms of Reference

- (1) The Informal Member Group had been established by Cabinet Scrutiny Committee at its meeting on 23 May 2007 to examine the Community Safety Unit Business Plan for 2007/08.

Introduction

- (2) Mr Beaumont and Mr Bainbridge explained the role of the Community Safety Unit and outlined the major changes facing it over the next year, particularly in relation to the crime and disorder agenda with the coming into effect of the Police and Justice Act 2006.
- (3) Members' questions covered the following issues:-

Community Warden Service (paragraph 2.2 of Business Plan)

- (4) In answer to questions from the IMG Members, Mr Beaumont explained that the Unit employed 101 uniformed Community Warden staff, of whom 9 were Area Supervisors and 10 formed the County Response Team. There were therefore 82 Community Wardens actually deployed within communities.
- (5) Mr Beaumont went on to explain that if a community wanted a Community Warden, it had to make a business case against strict eligibility criteria. The request was then subject to approval by the Chairman of the local Crime and Disorder Reduction Partnership (CDRP) and the Area Police Commander.
- (6) Mrs Tweed and Mr Beaumont emphasised that the role of the Community Warden was not to tackle crime. That was a matter for the Police. Instead the role of the Community Warden was to engage with the community (including kick-starting local projects to, for example, provide constructive activities for young people), deal with low-level anti-social behaviour, assist vulnerable residents (eg on rogue traders), act as the eyes and ears of the Police and other agencies (eg Kent Highway Services in the case of obstructions of the footway by traders), all with the aim of reducing the fear of crime.
- (7) Mr Beaumont explained the rolling review of Warden deployment. When a Community Warden had been deployed in a community for three years, the Unit's staff would look again at the eligibility criteria for that community to ensure that it was still met.

They would also look at unmet needs for Community Wardens in other communities. This information would be referred to the Chairman of the local CDRP and might lead to the partial redeployment of the Community Warden (ie sharing the post with another community). Unfortunately, as community safety was a non-statutory service, resources did not permit an increase in the overall complement of Community Wardens.

(8) In answer to questions from Mr Hart and Mr Rowe, Mr Beaumont confirmed that Community Wardens could be contacted via the KCC Contact Centre. A dedicated page would shortly be added to the KCC website (and would also be accessible via Kent Police's website) containing photos, contact details, etc, of all the individual Community Wardens. Community Wardens were also expected to post their contact details in appropriate places throughout their own area (shops, doctor's surgeries, etc) and an important part of their role was to be a highly-visible presence within their community. Mr Rowe suggested that Community Wardens should leave notes at the places they visited during the course of their duties so that local people would know where the Community Warden had been and when. **(Action: Stuart Beaumont)**

(9) Mrs Tweed reported that Marilyn Howell, the Head of Operations for Community Safety Wardens, had recently won the National Award for Best Community Warden Manager, and this highlighted the good performance of the Community Warden service in Kent.

Community Safety Projects (paragraph 2.3)

(10) In answer to a question from Mr Hart, Mr Beaumont said that, between them, Community Wardens initiated a large number of projects and the ones listed in paragraph 2.3 of the Business Plan were just a few examples. This reflected the fact that part of the Community Warden's job was to work with their community to identify and then prioritise issues. The Community Warden's role was then to facilitate ways of tackling those issues, often by being instrumental in starting up a project and then, once started, leaving the community to carry on running it.

CDRPs (paragraph 2.4)

(11) In answer to a question from Mr Rowe, Mr Beaumont explained that his unit organised a series of training and awareness-raising seminars throughout the year for those officers (known as the Focus 48, but in reality numbering about 30) who represented KCC on the 11 District CDRPs. In addition, before each meeting of the Dartford and Gravesham CDRP (the largest), a pre-meeting was organised for the KCC representatives.

Community Safety Partnership Training Centre (paragraph 2.5)

(12) In answer to a question from Mr Hart, Mr Beaumont explained that the Training Centre had originally been set up to train all the Community Wardens and Police Community Support Officers (PCSOs) when they had first been recruited. Now that the full complement of Community Wardens was deployed and the Police College trained PCSOs, the role of the Training Centre had changed and it had broadened its focus as described in paragraph 2.5 of the Business Plan. Amongst other things, the Training Centre would provide Section 17 Crime and Disorder Act awareness training to elected Members (from District Councils as well as KCC).

(13) The Training Centre still held training sessions for existing Community Wardens during the year and 10 attended each course. In addition there was an annual seminar for all Community Wardens. Mr Hart suggested that it might be helpful for Members of the IMG to be invited to the next annual seminar. **(Action: Stuart Beaumont)**

HandyVan and HomeSafe (paragraphs 2.6 and 2.7)

(14) In answer to questions from Mr Hart and Miss Carey, Mr Beaumont said that advertising for the HandyVan service was narrowly focused because otherwise the demand would greatly exceed capacity. The focus was on specific areas where statistics showed that there were particular problems. This included advertising the service in certain hospitals where the carrying out of minor home security and safety works for elderly and/or vulnerable people patients would allow them to return home sooner than would otherwise be possible. Some referrals to the HandyVan service also came from the Police where a vulnerable person had been burgled. The security improvements which the HandyVan service could provide could help to prevent a second burglary.

(15) Mr Beaumont said that the burglary figures for Kent had reduced substantially recently. It was not possible to quantify what contribution the HandyVan service had made to this, but it was certainly clear that the service made vulnerable people feel safer.

Kent Crime View (paragraph 2.8)

(16) In answer to a question from Mr Hart, Mr Beaumont explained that Kent Caddie was a software system containing a huge amount of data about crime, anti-social behaviour and related issues. It was being upgraded to form Kent Crime View and would be overlaid with the MOSAIC system. Because of the sensitivity of much of the data, access was tightly restricted, but it was hoped that in future some of the less sensitive information could be made accessible to local Members and the general public.

Local Community Assessments (paragraph 2.9)

(17) In answer to a question from Mr Hart, Mr Beaumont explained that local community assessments related to crime, fear of crime, etc. They were undertaken by each individual Community Warden and fed into the annual assessments carried out by each District CDRP. In future, the individual District CDRP assessments would in turn feed into the County-wide assessment carried out by the County-wide CDRP. In areas without Community Wardens, the assessments would be undertaken by the local Police team, the local PACT team, or by the Parish Council under its Parish Plan. It was intended that every community should have a local community assessment.

IDeA Review (paragraph 2.15)

(18) In answer to a question from Mr Hart, Mr Beaumont explained that the unit's Business Support arrangements had originally been set up at the time that a large number of Community Wardens were being recruited over a short period of time. Now that the Community Warden service was up and running, the unit's Business Support requirements had changed and the IDeA review was to help identify what Business Support arrangements were now needed. The recommendations of the review had subsequently been implemented. Mr Beaumont agreed to provide copies of the IDeA report to the Members of the IMG. **(Action: Stuart Beaumont)**

Review of Interface between the CDRPs and KCC (paragraph 2.20)

(19) In answer to a question from Mr Rowe, Mr Beaumont said that the four KCC officer representatives on each District CDRP were drawn from Children's Social Services, Education, the Youth Service and the Youth Offending Team. Arrangements could also be made for other departments (eg Kent Highway Services) to attend a District CDRP meeting when necessary. Planning was largely an issue for District Councils but efforts were made to take community safety into account at the design stage of new developments through the "Secure by Design" scheme.

(20) Mr Bainbridge accepted that there were issues about how four officers could represent an organisation as diverse as KCC; whether Kent Adult Social Services should also be represented on District CDRPs; about encouraging fuller participation from the CFE Directorate; and about ensuring good links between District CDRPs and the new local Children's Trusts. To tackle these issues, two new posts were being created (using two currently vacant posts) in order to improve co-ordination between KCC and the District CDRPs.

County Response Team (paragraph 2.21)

(21) In answer to a question from Mr Rowe, Mr Beaumont confirmed that the County Response Team was up and running and that it was working well. However there were only 10 members in the team and the demand was greater than this so the team's activities had to be prioritised. Every effort was made to keep communities informed about changes in their Community Warden service, whether temporary or permanent.

Safer Schools (paragraph 4.8)

(22) In answer to a question from Mr Hart, Mr Beaumont explained that his unit's financial contribution provided the core funding for Safer Schools, and this enabled the programme to secure funds from elsewhere. As a result the Community Safety Unit had a representative on the Safer Schools Board.

Staffing (paragraph 8.0)

(23) In answer to a question from Miss Carey, Mr Beaumont said that his unit had two posts which were partially externally-funded;

- County Domestic Abuse Co-ordinator (funding from CSU and a number of partners);
- Police Liaison Officer (a senior Police officer who acted as liaison between KCC and Kent Police and who was jointly funded by those two bodies).

Conclusions

(24) The IMG:-

- (a) thanked Mrs Tweed, Mr Bainbridge and Mr Beaumont for the information they had provided and noted with pleasure the Community Safety Unit's good progress against its Business Plan;

- (b) emphasised the need for the deployment of Community Wardens to be kept under review, given that there were insufficient resources to allow every community which wanted a Community Warden to have one;
- (c) welcomed the steps being taken to improve co-ordination between KCC and the District CDRPs but **suggested that Cabinet Scrutiny Committee should recommend** the Cabinet Member for Community Services that KCC representation on the District CDRPs should be reviewed to ensure fuller participation from the CFE Directorate, participation from the Kent Adult Social Services Directorate, and in general, representation of the right Directorates at the right level of seniority;
- (d) expressed support for the need for community safety to be taken into account in new developments at the design stage and therefore welcomed the “Secure by Design” scheme.

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NOTES of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Thursday, 10 January 2008.

PRESENT: Mr D Smyth (Chairman) and Mr C J Law.

ALSO PRESENT: Mr N J D Chard, Cabinet Member for Finance.

OFFICERS: Mr A Wood, Head of Financial Management; Mr K Abbott, Director of Finance and Corporate Services, Children, Families and Education Directorate (for Item 2); and Mr S C Ballard, Head of Democratic Services.

1. Notes of Previous Meeting

(Item 1)

Noted.

2. Children, Families and Education Directorate Budget Position

(Item 2)

The IMG discussed the following issues:-

School Reserves (paragraph 1.1.3.17 (page 27))

(1) In answer to questions from Mr Smyth and Mr Law, Mr Abbott explained that, in late 2007, the Government made, but subsequently withdrew, tougher proposals for clawing-back school reserves. These proposals were in addition to the Balance Control Mechanism which had been introduced by Government in January 2007. Even though the proposals had been withdrawn, Government had made it clear that LEAs were expected to do more to claw-back 'excessive' school reserves.

(2) Under the Balance Control Mechanism, KCC had agreed with the Schools' Forum that primary schools could hold reserves of up to 8% and secondary schools up to 5%. On top of that, schools were allowed to hold reserves for various specified purposes, although these purposes might need to be refined in the light of the tougher Government line.

(3) When schools closed their accounts in early May, KCC had only 3 weeks in which to analyse the accounts and operate the Balance Control Mechanism if necessary, because any claw-back had to take place before 31 May. Government was being requested to extend this window to 30 June. Any money clawed-back had to be reallocated to schools.

(4) Mr Chard expressed the view that there were two reasons why schools might build up reserves:-

(a) because the allocation of funding to the school was too generous, in which case the Schools' Forum needed to review the allocation; or

(b) because the school managed its budget well. He was concerned that it would create a perverse incentive if reserves built up as a result of good management were clawed-back in order for them to be re-allocated to schools which had been less prudent.

(5) Mr Abbott said that only about 20 schools in Kent had particularly high reserves. A bigger problem was that about 40% of the schools which had reserves within the 8%/5% limit had made no plans for using those reserves. KCC was encouraging those schools to make plans for using their reserves to improve the educational experience for their pupils.

SEN Home to School Transport (paragraph 1.1.3.3 (page 24))

(6) In answer to a question from Mr Law, Mr Chard explained that the pressure shown against the SEN home to school transport budget related only to the difficulty of implementing purchase cards in order to achieve a saving.

Asylum (paragraph 1.1.3.15 (page 26/27))

(7) In answer to a question from Mr Smyth, Mr Abbott explained that 4 councils (KCC, Oxfordshire, Hillingdon and Solihull) had jointly commissioned PwC to carry out an independent audit of the money which the councils claim is owed to them by the Government for the care of unaccompanied asylum seeking children. It was hoped that the report of the independent audit would be available by the first week of February.

Looked After Children (paragraph 2.5 (page 49))

(8) In answer to a question from Mr Smyth, Mr Wood said that he thought that 'affordable level' was used in place of 'target' where there was a fluctuation throughout the year, but he would confirm at the next meeting of the IMG. **(Action: AW)**

Schools with Deficit Budgets (paragraph 2.3 (page 47/48))

(9) In answer to a question from Mr Smyth, Mr Abbott said that one or two schools had suffered repeated deficit budgets, but otherwise the numbers related to different schools each year.

Placements in Kent of Looked After Children by other Authorities (paragraph 2.7 (page 51))

(10) In answer to a question from Mr Smyth, Mr Abbott confirmed that the Government had agreed to restrict the placement in Kent of Looked After Children by London Boroughs. However, there were some 'get-out clauses' and the restrictions did not, of course, mean that existing Looked After Children placed in Kent by other authorities would be removed.

3. Revenue and Capital Budget Monitoring Exception Report *(Item 3)*

(1) Mr Wood introduced the report and pointed out that the two big changes since last month were increases in the projected underspends in Environment, Highways and Waste (£765k – mainly because of the continuing non-operation of the Allington Waste to Energy Plant) and Finance (£2.945m – mainly as a result of re-phasing of capital projects). Mr Chard emphasised that Table 1 of the report showed the true position after management action, but without taking account of the asylum service and schools budgets. Table 1 was predicated on KCC receiving from Government the money it had claimed in respect of asylum.

(2) Mr Law said that he would speak to the Chairman of the Governance and Audit Committee about the possibility of that Committee receiving an item on the governance and audit issues relating to Building Schools for the Future following the recent Cabinet decision to appoint a preferred bidder.

4. Date of March Meeting
(Item 4)

Monday 10 March, 2.00 pm, in the Bewl Room (replacing the meeting originally arranged for 13 March).

08/so/BudlssIMG/011008/Notes

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REPORT TO: CABINET SCRUTINY COMMITTEE 23 January 2008

BY: ASSISTANT TO THE CHIEF EXECUTIVE

CABINET SCRUTINY AND POLICY OVERVIEW
Standing Report to January 2008

Summary

1. The report summarises in Table 1 outcomes of the most recent Cabinet Scrutiny Committee (CSC) meeting held on 12 December 2007. Cabinet Members and Chief Officers were provided with a copy of the action sheet and asked to respond as appropriate. The report includes subsequent responses and actions by Cabinet Members and Senior Officers up to and including the meeting of Cabinet held on 14 January 2008.
2. Additionally, in Table 2 the report provides an updated statement on the current programme for Select Committee Topic Reviews. This programme was reviewed and agreed at Policy Overview Co-ordinating Committee on 5 November 2007.

Recommendations

3. Members are asked to note:
 - (i) progress on actions and outcomes from the meeting of Cabinet Scrutiny Committee held on 12 December as set out in Table 1;
 - (ii) the current position on Select Committee Topic Reviews.
-

Contact Officer: **John Wale 01622 694006**

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
A2 Declarations of Interest	Item D1: Mr Hart declared he was a Member of Thanet Local Board; (non-prejudicial) Item D3: Mrs Dean declared she was the Local Member for the Division in which East Malling Research Station was located (non-prejudicial); also, Mrs Stockell declared that she was a Director of East Malling Research Station.
A3 Minutes of Cabinet Scrutiny Committee 24 October 2007	The notes were noted.
A4 Informal Member Group on Libraries and Archives' Unit Business Plan – 19 November 2007	(a) Subject to note 1 (18) © (i) being amended to read (need to develop a suitable Archives facility within the next 5 years”, the notes of the IMG Meeting were noted. (b) Members requested that briefing notes on both the Kent History Centre/Archives and the Museum of Kent Life issues be prepared and circulated to the Committee. (c) List of libraries for modernization to be circulated to all Members of the Committee. Actions for (b) and (c): Cath Anley/Stuart Ballard
A5 Informal Member Group on Budgetary issues – 19 November 2007.	(i) The notes were noted. (ii) The IMG's request for updated cost figures for the Turner project , including all associated works such as the Fort Hill de-dualling scheme, to be followed up. (iii) Mr Hart asked what the status of the land freed up by Fort Hill de-dualling would be. Actions: Andy Wood/Stuart Ballard
A6 Cabinet Scrutiny Committee: Standing Report to October 2007	(i) The report was noted. (ii) Mrs Dean asked to be advised of the status of the PSHE Group chaired by Mrs Hohler. Action: John Wale/Paul Wickenden
A7 Webcasting of Meetings	The Committee agreed that all future meetings should be webcast from January 2008.

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
<p>C1: Draft Proposal for a Public Health Observatory for Kent</p>	<p>Mr G Gibbens (Cabinet Member for Public Health, and Mr M Lemon, Policy Manager, Directorate of Public Health, and Dr D O'Neill, Assistant Director for Public Health, West Kent Primary Care Trust, were present for this item and responded to Members' questions. The Committee concluded that:</p> <ul style="list-style-type: none"> (a) Mr Gibbens, Mr Lemon and Dr O'Neill be thanked for attending the meeting and answering Members' questions; (b) Cabinet's Decision to agree to the establishment of the Kent Observatory of Public Health be supported subject to:- <ul style="list-style-type: none"> (i) there being no additional cost to KCC arising from the setting up and operation of the Observatory; (ii) all the partners in the Observatory agreeing to share their data with each other free of charge; (iii) operation of the Observatory being regularly monitored by the Health Overview and Scrutiny Committee to ensure that the Observatory continues to deliver value for money for KCC. <p>Actions: Mr Gibbens, Meradin Peachey, Mark Lemon; Dr O'Neill;/Paul Wickenden.</p> <p>© The Director of Public Health be requested to ensure that her Annual Report each year includes details of the work of the Observatory. Action: Meradin Peachey</p>
<p>C2: Free Travel for 11-16 Year Olds</p>	<p>Mr R F Manning, Lead Member for Environment, Highways and Waste; Mr D Hall, County Transportation Manager, and Mr D Joyner, Sustainable Transport Manager (E and R) attended the meeting and answered Members' questions. After discussion the Committee resolved that:</p> <ul style="list-style-type: none"> (i) Mr Manning, Mr Hall and Mr Joyner be thanked for attending the meeting to answer Members' questions. (ii) All involved be congratulated on the successful launch and operation of the Freedom Pass pilot

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
	<p>scheme.</p> <p>(iii) Cabinet be recommended that Freedom Passes should be provided immediately by the County Council, in its role as corporate parent, to all its Looked After Children in the pilot areas, with Looked After Children in other areas being provided with Freedom Passes by the County Council as the scheme is extended to those areas. Action: Mr Carter/Mr Ferrin/Mr Wells.</p> <p><i>Note: At Cabinet on 14 January 2008 Mr G Badman (Managing Director, CFE) reaffirmed that Foster Carers have allowances which are more than adequate to cover Home-School Transport and other activities. If the Looked After Child lives close to his/her school, the Foster parent may choose not to seek a Pass. On this basis Mr Badman stated there was no discrimination against Looked After Children in relation to the KCC Freedom Pass Scheme.</i></p> <p>(iv) The Cabinet Member for Environment, Highways and Waste be requested to announce as quickly as possible the areas to be covered by the extension to the existing Freedom Pass pilot schemes in June 2008, and by any subsequent extension before full County-wide roll-out is achieved. Action: Mr Ferrin/David Hall.</p> <p>(v) The intention to make a bid for Pathfinder status be welcomed, particularly if approval of such a bid would allow a reduced charge for the Freedom Pass to be made to disadvantaged householders. Action: Mr Ferrin/David Hall.</p> <p>(vi) Regardless of the outcome of the bid for Pathfinder status, the Cabinet Member for Environment, Highways and Waste be urged to consider the possibility of offering a reduced charge, or payment by instalments, to disadvantaged households. Action: Mr Ferrin/David hall.</p> <p>(vii) The Cabinet Member for Environment,</p>

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
	<p>Highways and Waste be requested to provide regular reports to the Committee to enable it to monitor the costs, charges and take-up of the Freedom Pass scheme. Action: Mr Ferrin/David Hall.</p> <p>(viii) The Cabinet Member for Environment, Highways and Waste be urged to pursue as strongly as possible the inclusion of rail travel in the Freedom Pass scheme (particularly in those areas where rail, rather than bus, provides the most important local public transport link), both directly and, in the context of the bid for Pathfinder status, by asking Government to put pressure on Southeastern Railway to participate. Action: Mr Ferrin/David Hall.</p> <p><i>Note: At Cabinet on 14 January 2008 Mr K Ferrin (Cabinet Member for Environment and Waste) stated that an approach had originally been made to South-East Trains to ask the company to consider participating in the Freedom Pass Scheme. No response had been received. Mr Ferrin believed that a further approach to SE Trains now would prejudice and delay KCC's current proposals for a countywide extension of the scheme. However, he did not rule out contacting the company again in the future.</i></p>
<p>C3: KCC International Activities Annual Report 2006/07</p> <p>C4: KCC Environment Policy</p>	<p>Following the request by the Dr Eddy, the Chairman, and by Mr Law and Mrs Dean, Spokespersons, additional information was provided on the costs and benefits of International Activities. Following this, the Committee decided that this matter should be referred to Environment and Regeneration Policy Overview Committee for consideration of whether the expenditure on Kent/Virginia and Smithsonian represented good value for money. Action: Mr King/Mr Pascoe/Adam Wilkinson; Tom Pelham/Christine Singh.</p> <p>Committee decided that this matter should be referred for consideration by the Climate Change Select Committee when it meets in January to monitor implementation of its recommendations.</p>

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
	Action: Mr Ferrin/Carolyn McKenzie/Christine Singh
<p>C5: Other Cabinet Decisions D1: Second Homes Money 2005/06 (Decision 07/01074)</p> <p>D2: Borough Green and Platt Bypass (Decision 07/01078)</p> <p>D3: Future of the National Fruit Collections, Brogdale (Taken as an Urgent Item)</p>	<p>None.</p> <p>Following the request from the Chairman and Spokespersons, additional information has been obtained from Thanet DC on the background to this Decision. Mr Wale reported the detail of this to the Committee, following which the Committee noted the latest information, and concluded that no further action was needed.</p> <p>The Committee decided that this matter should be referred to the Environment and Regeneration Policy Overview Committee for that Committee to monitor implementation of the Decision.</p> <p>Action: Mr Carter/Mr Ferrin/Mr Pascoe/Adam Wilkinson; Geoff Harrison-Mee; Sharon Thompson; Abdus Choudhury; Christine Singh</p> <p><i>Mrs Stockell, having declared an interest as a Director of East Malling Research Station, left the room for the entire discussion.</i></p> <p>Mr R Gough, Cabinet Member for Regeneration and Supporting Independence, and Mr S Gibbons, Head of Rural Regeneration (E and R) attended for this item and answered Members' questions.</p> <p>Mr A Hillier, owner of the Brogdale Site, and Dr Joan Morgan, representing the Friends of the National Fruit Collection at Brogdale, also gave evidence in support of the principle of keeping the National Fruit Collection at the Brogdale Site.</p> <p>After questions and discussion, the Committee concluded that:</p> <p>(i) Mr Gough, Mr Gibbons, Mr Hillier and Dr Morgan be thanked for attending the meeting to answer Members' questions.</p> <p>(ii) Letter to be sent on behalf of Committee to Minister as a matter of urgency urging that the collections remain at Brogdale. Action: Mr Gough/Stuart Gibbons/Stuart Ballard. <i>(Note: This letter was sent under the Chairman's name on 13 December 2007.)</i></p> <p>(iii) Cabinet be recommended to urgently reconsider</p>

ACTIONS FOR CABINET/DIRECTORATES FROM CABINET SCRUTINY COMMITTEE 12 December 2007

Item/Issue	Actions and Outcomes from Cabinet Scrutiny Committee
	<p>the Council's position on the future location of the National Fruit Collections, with a view to advising the Minister as a matter of urgency that, in the light of further information that has only recently become available, the Council now urges that the Collections should remain at Brogdale. Action: Mr Gough/Stuart Gibbons/Stuart Ballard.</p> <p>Note: In the light of additional information regarding the tendering process, and following discussion with KCC Cabinet colleagues, Mr Gough has written again to the Minister, Lord Rooker (letter dated 17/12/2007), expressing strong support for the retention of the collections in Kent.</p> <p>(iv) A reminder be issued to Cabinet Members and Managing Directors of the constitutional requirement to consult local Members before taking decisions under delegated powers or when preparing a report for consideration by the Council, Cabinet, Cabinet Member or a Committee. Action: Stuart Ballard.</p> <p>(v) In issuing the reminder in (d) above, Cabinet Members and Managing Directors be requested to interpret the term "local Member" widely, so as to include, as appropriate, Members who represent neighbouring divisions, or divisions whose residents make significant use of the facility concerned. Action: Stuart Ballard.</p>

**Select Committee Topic Review Programme
Reviewed at Policy Overview Co-ordinating Committee 5 November 2007.**

Policy Overview Committee/ Topic Review/Chair	Current Topic Review status and other topics agreed for the period July 2007 to July 2008 * Updated to January 2008.
<p>Children Families and Education :</p> <p>PSHE-Children's Health: Chair Ms CJ CRIBBON</p> <p>Developing the Creative Curriculum#</p> <p>Young People's Spiritual, Moral, Social and Cultural Development#</p> <p>Vulnerable Children</p>	<p>The Select Committee's report was accepted by Cabinet on 16 April 2007, and was debated at full County Council on 24 July 2007. Annual review scheduled for April 2008. (Research Officer: Gaetano Romagnuolo).</p> <p>#POCC agreed 5/11/2007 that this should be re-bid with other potential topics in February 2008.</p> <p>#POCC agreed 5/11/2007 that this topic should also be re-bid with other potential topics in February 2008.</p> <p>POCC agreed 5/11/2007 this Topic Review should commence in early 2008 when resources become available.</p>
<p>Corporate: Accessing Democracy</p>	<p>POCC agreed 5/11/2007 this Topic Review should commence in late 2007/early 2008 when resources become available.</p>
<p>Communities</p> <p>Student Voice –Consultation and Participation with Young People#</p> <p>Provision of Activities for Young People</p>	<p>#POCC agreed 5/11/2007 that this should be re-bid with other potential topics in February 2008.</p> <p>POCC asked 5/11/2007 for an updated scoping exercise for this work, which POCC will consider in February 2008.</p>

<p>Communities</p> <p>Alcohol Misuse Chairman: MR D HIRST</p>	<p>Inaugural meeting held on 16 May 2007; Hearings were held mid June to the end of July. In view of the importance and complexity of this topic Members of POCC agreed unanimously on 5/11/2007 to an extension of the reporting phase. The Draft Report will be completed in December 2007 and presented to Cabinet in the first quarter of 2008. (Research Officer: Gaetano Romagnuolo)</p>
<p>Adult Services</p> <p>Carers in Kent: MR L CHRISTIE</p>	<p>Inaugural meeting of the Select Committee was held on 5 June 2007, with hearings being held in July/August 2007. The report was presented to, and agreed by, Cabinet on 3 December 2007 and County Council on 13 December 2007. (Research Officer: Pippa Cracknell)</p>
<p>Environment and Regeneration</p> <p>Flood Risk MRS S HOHLER</p>	<p>POCC having agreed that this topic review should proceed as soon as possible, hearings were held during July and August. The report was presented to, and accepted by, Cabinet on 26 November 2007. (Research Officer: Susan Frampton)</p>

jhw/sc 14 January 2008

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CABINET SCRUTINY COMMITTEE – 23 JANUARY 2008

Report Title:	Audit Commission Inspection of the Kent Supporting People Programme
Document Attached:	Report to Cabinet, 14 January (Item 10) <i>Cabinet was invited to note the contents of the report, and did so.</i>
Purpose of Consideration:	To examine how it is intended to address the Audit Commission's recommendations, and in particular:- (a) how it is intended to improve the governance arrangements for the Supporting People partnership; (b) how it is intended to involve the wider body of elected Members in the development of the Supporting People programme; (c) how it is intended to improve service-user involvement; (d) how it is intended to improve access and information in relation to the Supporting People programme, particularly for Members of the participating councils, service-users and hard-to-reach groups.
Possible Decisions:	As this report was simply for noting by Cabinet, the Committee may either:- (a) make no comments; or (b) make suggestions to the Cabinet Member about how the Audit Commission's recommendations should be addressed.
Previous Consideration:	None.
Background Documents:	None.

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By: Kevin Lynes, Cabinet Member for Adult Social Services
Oliver Mills, Managing Director, Kent Adult Social Services

To: Cabinet – 14 January 2008

Subject: **AUDIT COMMISSION INSPECTION OF THE KENT SUPPORTING PEOPLE PROGRAMME**

Classification: Unrestricted

Summary: This paper gives information on the outcome of the Audit Commission Inspection of the Supporting People Programme in Kent

Introduction

1. (1) The Audit Commission undertook a full inspection of the Kent Supporting People Programme in September 2007. The report of this inspection was published on 29 November 2007, and judged the service to be 'good with promising prospects for improvement'.

(2) Appendix One to this report shows the result graphically, Appendix Two reproduces the Audit Commission's summary, and Appendix Three shows their recommendations.

Proposed next steps

2. (1) The Audit Commission have given us the opportunity to respond to the recommendations, by 29 January 2008. This formal response must be limited to 2 sides of A4, but it will need to be informed by more detailed work and action plans.

(2) It is therefore proposed to convene a special meeting of the Core Strategy Development Group in January to help to construct the response. The invitation to this meeting will also be open to any members of the Commissioning Body who would like to attend. This will be signed off by Kevin Lynes in his dual role as Cabinet Member for KASS, and Chair of the Commissioning Body. It will then be reported to the next meetings of the Commissioning Body and the Adult Social Services Policy Overview Committee (ASSPOC).

Service User Consultation

3. (1) The Audit Commission's recommendations in relation to service user involvement and consultation are entirely in keeping with the Programme's aspirations.

Equality Impact Assessment

4. (1) Equality Impact Assessments will be carried out as appropriate throughout the process of implementing the recommendations.

Financial Impact Assessment

5. (1) The Audit Commission does not believe that there will be any financial impact relating to the inspection recommendations. This will be considered in greater detail as the response is developed.

Conclusion

6. (1) We welcome the positive outcome achieved by this inspection, while recognising that there are still improvements to be made. The proposed special meeting of the Core Strategy Development Group will enable us to start shaping an action plan in response. This will be formally reported to the next meeting of the Commissioning Body and ASSPOC, and will also become a part of the Programme's annual plan.

Recommendation

7. (1) Cabinet is asked to NOTE the contents of this report


Caroline Highwood
Director Resources, KASS
01622 694873

and Claire Martin
Head of Supporting People
01622 221179

Background Information:

Supporting People Inspection Report for Kent County Council, November 2007 (Published by the Audit Commission) available on the Audit Commission website (www.audit-commission.gov.uk), or from either officer named above

Appendix One

	Prospects for improvement?					'a good programme that has promising prospects for improvement'
Excellent					A good programme?	
Promising						
Uncertain						
Poor						
	Poor	Fair ★	Good ★★	Excellent ★★★		

Audit Commission Result

Audit Commission Inspection Report: Summary

1. Kent County Council delivers a good Supporting People Programme with promising prospects for improvement.
2. Governance bodies are well established and effectively run. There is strong input to the Programme from key partners which helps to drive the Programme forward. The Programme is delivered through a well-managed, skilled team supported by clear work plans. Contracting arrangements are robust and understood by providers. The service review process was managed systematically and a continued focus on improvement planning is leading to better quality services. Information about Supporting People is clear and easily accessible and the Programme is well promoted. Service users have been engaged in shaping aspects of the Programme and steps have been taken to strengthen this area further. The Programme supports some high quality services for a broad range of client groups and a Programme of strategic reviews has led to some new provision for some traditionally excluded groups.
3. There are some areas that require further development. Until recently, health has not been consistently involved in the Programme at a strategic level and there are weaknesses in performance management of the Programme. Despite realignment of services across the county, there are still long waiting times for floating support in some districts and some providers are continuing to apply restrictive practices and referral arrangements. Some groups do not yet benefit directly from the Programme and a county-wide approach to move-on arrangements is under-developed. Understanding of the needs of BME groups and other hard to reach groups is still developing.
4. Prospects for improvement are promising. There is a strong track record of managing change within the Council and the directorate and the early stages of the Supporting People Programme were successfully implemented. Service reviews have delivered improvements and challenging standards are set for new contracts. The Programme has clear direction and there are shared objectives and ambitions with partners. Plans are in place to address identified weaknesses. There is a strong approach to financial and risk management and capacity is enhanced through a modern approach to procurement. Partnership and cross-authority working contributes to the effectiveness of the Programme.
6. There are some barriers to improvement. Until recently there has been little progress in developing new services to meet service priorities identified in the five-year strategy and customer-focused outcomes from the recent raft of strategic reviews are limited. There is insufficient focus on performance management of the Programme by the governance bodies and strategic understanding of the Programme among some district and county Councillors requires further development.

Audit Commission Inspection Recommendations

Recommendation One

Strengthen the strategic approach to Supporting People by:

- undertaking further assessments of needs of Gypsies and Travellers, BME groups, refugees and people with HIV/AIDS;
- refreshing the five-year strategy to identify future priorities and show how the needs of BME and other hard to reach groups will be met;
- ensuring that the revised five-year strategy fully reflects the priorities and needs of partners and key stakeholders, including the new PCTs and service users; and
- developing a countywide move-on strategy in partnership with service providers and other partners.

Recommendation Two

Improve performance management and governance of the Programme by:

- establishing a suite of performance indicators which allow managers and governance bodies to measure the impact of the Programme in terms of benefits for service users and the wider community;
- giving performance management a higher profile within governance meeting agendas;
- ensuring that all members of the governance bodies are provided with comprehensive guidance and induction;
- continuing to involve the wider body of elected members in the development of the Programme; and
- ensuring that all plans clearly set out the expected impact and outcome of each proposed action.

Recommendation Three

Improve the approach to value for money by:

- working with other Supporting People partnerships to develop further benchmarking and ensure more in-depth and meaningful comparative analysis;

- ensuring that the financial impact of all decisions taken in relation to the Programme is clearly set out in Commissioning Body reports; and
- developing robust performance reports which clearly draw attention to costs and efficiency savings.

Recommendation Four

Improve service user involvement by:

- developing a service user involvement strategy which includes clear measurable outcomes in consultation with users and advocates;
- carefully planning all major public consultation exercises; and
- ensuring that service users have an opportunity to influence decision making and participate in governance, performance management and procurement.

Recommendation Five

Improve access and information in relation to the Supporting People Programme by:

- ensuring that no providers apply restrictive access and referral arrangements and that all comply with the Programme's agreed reconnection policy;
- ensuring that front-line staff employed by the partners provide a consistent and informed approach to the Programme;
- undertaking mystery shopping of all telephone and front-line access points to the Programme across the county and taking steps to address any shortfalls in performance;
- ensuring that all documents are printed with relevant translation strap-lines;
- providing clear information to providers about financial incentives available to encourage improvement; and
- making hard copies of the local services directory available at all key access points.

All recommendations should be implemented by April 2008.

CABINET SCRUTINY COMMITTEE – 23 JANUARY 2008

Report Title: **The Case for Establishing a Credit Union for Kent**

Document Attached: Report to Cabinet, 14 January (Item 7)

Cabinet accepted the recommendation in the report.

Purpose of Consideration: To explore the proposals in the Cabinet report in order to establish:-

- (a) whether Kent is the right-sized area for a Credit Union;
- (b) whether the experience with Credit Unions of Canterbury City Council and Thanet District Council has been taken into account;
- (c) how the knowledge and expertise of Credit Unions which various Members of the Council have could be tapped;
- (d) why the feasibility study needs to cost as much as £100,000.

Possible Decisions: The Constitution (*Appendix 4 Part 8*) requires the Committee to take one of the following decisions:-

- (a) make no comments; or
- (b) express comments but not require reconsideration of the decision; or
- (c) require implementation of the decision to be postponed pending reconsideration of the matter by the Cabinet in the light of the Committee's comments; or
- (d) require implementation of the decision to be postponed pending reconsideration of the matter by full Council.

Previous Consideration: None.

Background Documents: None.

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By: Keith Ferrin, Cabinet Member for Environment, Highways, and Waste

Roger Gough, Cabinet Member for Regeneration and Supporting Independence,

Adam Wilkinson, Managing Director of Environment & Regeneration

To: Cabinet - 14 January 2008

Subject: **The Case for establishing a Credit Union for Kent**

Classification: Unrestricted

Summary:

This report outlines an action plan to investigate the potential and develop a proposal to take forward establishment of a Kent credit union, further to an earlier paper that provided some background and research into credit unions both in Kent and elsewhere

For Information

1. What is financial exclusion.

1.1 Financial exclusion represents a significant social challenge: overcoming it is crucial to the County Council's aims, especially those of the Supporting Independence Programme. The financially excluded can be typically shown to share common characteristics such as lack of access to affordable credit, savings, insurance, access to a bank account, assets and access to financial advice.

1.2 There is now a large body of evidence linking financial exclusion to other forms of social exclusion which affect the most deprived neighbourhoods including unemployment, crime and poor levels of education and health.

1.3 Lack of access to even basic financial services can undermine peoples' efforts to take jobs or secure reasonably priced credit. Many people, particularly those living on low incomes, cannot access mainstream financial products such as bank accounts and low cost loans. One in twelve households (or around 2.8m adults - HM Treasury 2004) in the UK lacks access to a bank account. For these households costs of transactions, such as cashing cheques or paying bills are high.

1.4 Families can be locked in a cycle of poverty and exclusion, or turn to high cost credit or even illegal lenders, resulting in greater financial strain and unmanageable debt. There are 3m regular users of the alternative credit market including:

Home Credit or Doorstep lenders *E.g. a loan of £500 repaid at £25 a week over 31 weeks – total amount repaid is £775 at an APR of 365%*
Pawnbrokers - *APRs of around 70% and over*

Telebank - APRs of 40% and over

Buyback Stores - APRs in excess of 1,000%

Weekly Repayment Shops - Often more than double the cash cost

1.5 The impact of financial exclusion is tremendous. Citizens Advice Bureaux consumer credit and debt enquiries increased by 46% over the 5 years up to 2005. They are coping with more than a million cases of serious indebtedness each year – 1 in 45 adults (Guardian November 5 2005).

1.6 The case for creating credit unions is inextricably linked to addressing the problem of financial exclusion. Whilst credit unions are aimed at those on low to middle incomes and not exclusively at the poor, in practice in any given area where they operate they are the major provider to those on low incomes – i.e. a core proportion of their membership are the financially excluded.

2. What are Credit Unions?

2.1 Credit unions are co-operative mutual financial institutions. They are totally owned and controlled by their members through volunteer boards of directors. As such, if organised and managed to appropriate professional standards, credit unions have the potential to offer a much more efficient and cost-effective financial service to middle and low-income groups than either banks or other financial institutions. However it must be noted that the key to achieving a successful Credit Union is ensuring that volunteers and staff have the appropriate knowledge and expertise to effectively manage the complex financial requirements of a Credit Union. Credit Unions can offer the following to combat financial exclusion:

- Practical financial education and advice, particularly to vulnerable adults and children.
- Practical assistance to those on benefits by ensuring that priority payments are paid (e.g. Housing).
- Provide access to affordable credit and encouragement to save and build personal assets.
- Provide a bank account for the financially excluded to have wages paid into so that they don't lose out on job offers because of not having a bank account.

2.2 However, to be strong and thriving organisations credit unions need to offer services and to appeal to a wide range of consumers, not just the poorest in society. They need to be credible and earn their communities' confidence as providers of financial services and they must be run by experienced professional people. In order to ensure sustainability it is important to attract savers as well as borrowers.

2.3 Recent research and learning from successful credit unions overseas suggest the need for and the nature of a new model credit union. New model credit unions are characterised by a focus on financial viability, professional management and competitive financial services. Perhaps most important, new model credit unions have more open definitions of their common bond, making them more accessible to the general public who are interested in the financial services provided but not necessarily in the co-operative social and management aspects of old model credit unions.

2.4 Credit unions do NOT fund their loans by borrowing in the money market. Furthermore since 2002 all credit unions have been members of the Financial Services Compensation Scheme; and they have a statutory requirement to be insured against losses due to fraud or dishonest conduct by officers or staff.

2.5 Apart from banks and building societies, credit unions are the only other deposit taking institutions legally able to operate in Britain. They are organisations run not-for-profit, but for service.

2.6 It has always been assumed that Kent is not vulnerable to financial exclusion to the same level as other places. However in certain areas there are significant problems of debt and financial stress. Analysis has revealed a number of hot spots of financial stress in Kent; these are particularly centred around the towns of Ashford, Dover, Ramsgate and Margate. 2 small credit unions exist in Kent covering Canterbury and Thanet.

2.7 In addition the Government's Financial Inclusion Task Force have identified, in a recent report 3 areas of Kent (Dover, Swale and Gravesham) as 'amber' priority areas where financial exclusion must be tackled. Government support on this issue includes a 'Growth Fund' to assist in setting up of Credit Unions.

3. Building a successful credit union

3.1 ABCUL - the Association of British Credit Unions Ltd - takes an active role in supporting the establishment of Credit Unions through advice, regulation and training. ABCUL is the primary trade association for credit unions in Britain representing 85% of the members and assets of the British movement, through a democratic structure owned and controlled by credit unions themselves.

3.2 ABCUL has taken the lead role in setting standards for credit union development and in representing credit unions to Government, the Financial Services Authority and the public. Within the co-operative sector ABCUL represents credit unions on the United Kingdom Co-operative Council (UKCC) and is recognised as the only representative of British credit unions internationally by the World Council of Credit Unions (WOCCU).

3.3 In order to assist credit unions to develop into financial institutions that are able to serve a large membership and to offer a wider range of services, ABCUL has drawn up a set of pre-requisites that any new credit union needs to have in place before it begins operation.

3.4 It is now considered that for any credit union to have a high chance of success, it must have all, or nearly all, the following elements in place: -

- A **common bond** area that is large and diverse, is attractive to savers as well as borrowers
- a solid **business plan**, which targets growth, service to members and success.
- effective **leadership** of a volunteer board and committees, consisting of individuals who are well regarded in the community and have the skills, vision and experience to develop the credit union and make it grow. Learning from case studies has highlighted the importance of having highly skilled, trained and experienced individuals to effectively manage and drive forward the Credit Union.

- **support and sponsorship from respected local institutions**, to promote the credit union and give it credibility. (a key role for KCC)
- **initial funding** or in-kind support to provide the credit union with:
 - attractive premises, conveniently located to people in its community,
 - computerised accounting facilities and
 - trained experienced professional staff to operate the credit union.
- an effective **marketing and promotion programme** capable of attracting between 500 and 1000 members during the first few months of operation

3.5 None of the above elements compromises the basic commitment of credit unions to co-operative, mutual and social goals. However, wherever credit unions have grown significantly, they have all been established as professional financial institutions able to operate effectively within an increasingly competitive financial market place.

4. **Action Plan and timescales**

4.1 As agreed at previous cabinet discussions, a member level Steering Group has been established to be chaired by Roger Gough with the initial meeting in early January. An officer will support the work of the group. This Steering Group will provide the drive and direction to the feasibility and planning.

4.2 The Steering Group will oversee a plan that will consist of the following key steps with a view to launching the credit union in December 08. ABCUL can provide a package of advice and recommendations for groups to use in planning establishing a Credit Union.

4.3 It must be noted that developments will need to include discussions with the existing Credit Unions to ensure that they are involved with new developments.

- **Feasibility Study**

An external expert should be commissioned to carry out research in order to assess whether there is sufficient funding, support and resources to set up a sustainable credit union. In particular to show where the considerable funding needed to underpin the budget for 3-4 years will come from (this can be £300 - £500,000 in total) It will be important to investigate whether there is sufficient demand and potential usage to support a Credit Union and which areas should be considered for initial pilots. The report will also consider how to best to develop further links with Kent's existing credit unions so as to add value and avoid duplication. Initial scoping work and contacts have been made to feed into this stage of the report. Indications have already been received from potential partners interesting in working with KCC on this initiative.

- **Appointment of Credit Union Development Manager.**

The project will need someone to drive it forward, it is essential that the appointed manager possesses the relevant financial skills and experience to drive the complex financial management needed to ensure that the Credit Union is run efficiently.

Early research has highlighted the importance that trained and experienced individuals are appointed to manage a Credit Union and that the volunteers also have relevant skills base, backed up with relevant training. During this process the Steering Group will work with the manager to fully plan the project as a sustainable not for profit enterprise by identifying funding streams. This phase will produce a detailed business plan based on the results of the feasibility study. At this stage it would be necessary to begin to engage local communities and key local partners as their support will be vital to ensure that the Credit Union can reach its target market.

- **Initial Set Up.**

This phase will put in place key rules and procedures and processes of operation including appropriate governance structures. This will include preparing to meet regulations, which are part of FSA application process. Through this phase Directors of the board and volunteers will be engaged and begin undertaking the appropriate training.

- **The Application Process**

Final details of all aspects of the application pack are agreed before submitting the application to the FSA. There are 2 parts to the application; Part A has forms about the credit union (including registration details, business plan, systems and control policies and procedures) and Form B has forms about the officers and staff who will be running it. A period of up to 6 months can elapse while the FSA examines and decides on the credit union's application. On-going issues and activities for the volunteers and staff must be considered until formal authorisation. This time will be used to continue to raise awareness in the community and to allow volunteers and staff to complete their training and to fully prepare for the launch

- **Initial Operating Phase.**

The first few months after authorisation sees the official launch of the credit union, all the systems and controls being bedded in and the implementation of the plans to achieve agreed targets. Best practice and experience by financial institutions generally shows that Credit Unions should be allowed to grow steadily over time.

4.3 The timescales and milestones are expected to be as follows, however the feasibility study and business planning process is expected to provide updated milestones:

Feasibility study completed	end April 08
Credit Union development manager appointed and full business plan developed	end June 08
FSA Application Pack completed	end June 08
Authorisation (can take up to 6 months)	end Nov 08
Launch credit union (phase 1 area)	December 08

5. Costs

5.1 The costs of starting up a credit union and running a sustainable organisation will be drawn up and presented within the Feasibility Study as a set of 5-year financial projections. The model will include an assessment of the resource needs of a County-wide credit union, eg. Offices, Sub offices, collection points, staff, premises, security, training, volunteers, IT solutions, office set up and other start up costs.

5.2 It is estimated based on initial research and case studies that approximately £500k is required for a 3-4 year operation period.

6. Recommendations

6.1 A feasibility study be commissioned to provide full detail including key elements, based on guidance from ABCUL.

6.2 The key outputs would be:

- ❑ An assessment of the options for COMMON BONDS within Kent with appropriate recommendations.
- ❑ An assessment of the STAFFING AND RESOURCE implications of the proposed options.
- ❑ FINANCIAL PROJECTIONS drawn up, based on the above, that can be used as a basis for aiding the decision-making for credit union development in the area
- ❑ Production of a written REPORT which will assist any subsequent development of a REGULATORY BUSINESS PLAN needed for authorisation by the FSA.

Based on initial discussions the feasibility study could be expected to cost approximately £20K.

6.3 Following the feasibility stage, production of a full regulatory business plan would require appointment of key, experienced staff to drive this process, therefore the appointment of a Credit Union Development Manager could be expected to cost approximately £50K for one year.

6.4 Support staff and operation budget to fund to full business planning completion would be estimated at £30K. This would be expected to include recruitment costs, professional / regulatory fees, advertising and promotion and initial volunteer and staff training costs.

6.5 It should be noted that this level of finance would provide only initial feasibility and business planning and that the full costs to set up a Credit Union for Kent are expected to be in the region of £500K consideration would need to be given as part of feasibility and planning to how these funds will be raised to ensure the Credit Union will have sufficient initial capital to ensure future sustainability.

6.6 It is recommended that cabinet allocate £100K for a full feasibility study to be commissioned, under the guidance of the cabinet members steering group, and to allow development of a complete and full business plan for the establishment of a Credit Union for Kent via the appointment of a Credit Union Development Manager and supporting staff for one year.

Contact Officers
Caroline Toher/Emily Haswell
Tel: 01622 221996/01622 696895

Risks

1.1 Credit unions do offer a way of providing the financially excluded with access to finance facilities but there are risks associated:

1.2 Raising capital can be very difficult and without capital there is no finance for loans. It will be important to engage and involve the private sector such as Kent Reliance early to encourage a collaborative approach.

1.3 In an area like Kent with a well developed financial services industry it could be difficult to recruit the staff with the professional acumen to make this project work.

1.4 The balance on lending policies is very hard to achieve. A relatively generous approach to lending will lead to high levels of default which will financially undermine the credit union. A highly risk averse approach will not actually get the money to clients. It cannot be overestimated how hard it is to address this issue. Default rates are likely to be high and recovery of debts will be difficult. There needs to be a debate as to whether this is how public money should be used and the public criticism that could result.

1.5 Whilst the concept of the credit union is a very sound one there are very significant practical issues which will have to be overcome. KCC needs to be absolutely clear about what governance relationship it will have with the credit union as there are significant reputation risks should the credit unions fail.

1.6 The national credit union association (ABCUL) estimates costs of £50-100k to establish a credit union. If KCC were to invest in setting up a credit union for Kent it would need to be clear on what it will be spent on. For example: project management costs, staff costs, system costs, and to actually fund.

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