



AGENDA

COMMUNITIES POLICY OVERVIEW COMMITTEE

Monday, 2nd June, 2008, at 10.00 am
Darent Room - Sessions House, County
Hall, Maidstone

Ask for: **Christine Singh**
Telephone **(01622) 694334**

Membership (17)

- Conservative (12): Mrs S V Hohler (Chairman), Mr R H C Bliss, Mr A R Chell,
Mr D A Hirst, Mr R E King, Mr C J Law, Mr R L H Long, TD,
Mr M J Northey and Mrs E M Tweed
- Labour (4): Mr T J Birkett, Mr G Cowan and Mrs E D Rowbotham
- Liberal Democrat (1): Mr G Rowe
- Independent (1) Mr B P Wood

UNRESTRICTED ITEMS

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

A. COMMITTEE BUSINESS

A1 Membership

To note that Mr R H C Bliss, Mr R L H Long TD, Mr T J Birkett, Mr G Cowan and Mrs E D Rowbotham have replaced Mrs V J Dagger, Mr P W A Lake, Mr L Christie and Mr T A Maddison respectively.

A2 Substitutes

A3 Election of Vice Chairman

A4 Declarations of Interests by Members in items on the Agenda for this meeting

A5 Minutes of the meeting held on 2 April and 15 May 2008 (Pages 1 - 12)

B. ITEMS FOR CONSIDERATION

- B1 Portfolio Holder and Managing Director's Oral Update
- B2 Financial Monitoring 2007/08 (Pages 13 - 32)
- B3 KCC Annual Plan 2008/09 (Pages 33 - 36)
- B4 Turner Contemporary - Regeneration Impact (Pages 37 - 42)
- B5 National Year of Reading (Pages 43 - 48)
- B6 Adult Education Fee Structure (Pages 49 - 54)

C. SELECT COMMITTEE WORK

- C1 Select Committees - update (Pages 55 - 60)

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

Thursday, 22 May 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

COMMUNITIES POLICY OVERVIEW COMMITTEE

MINUTES of A meeting of the Communities Policy Overview Committee held at Darent Room - Sessions House, County Hall, Maidstone on Wednesday, 2nd April, 2008.

PRESENT: Mr P W A Lake (Chairman), Mr L Christie (Vice Chairman), Mr A R Chell, Mrs V J Dagger, Mr D A Hirst, Mr R E King, Mr C J Law, Mr T A Maddison, Mr M J Northey, Mr G Rowe and Mrs E M Tweed

ALSO PRESENT: Mr M Hill, Cabinet Member for Community Services

IN ATTENDANCE: Ms A Honey, Managing Director, accompanied by Mr D Shipton, Head of Finance and Asset Management; Mrs A Slaven, Director of Youth Offending and Substance Misuse; Ms J Edwards, Director, Policy and Resources; Mr C Hespe, Head of Sports, Leisure and Olympics and Paralympics ; Mrs F Staples, Head of Arts Development; Mrs S Holt, Kent Manager for the 2012 Games, Mr I Treacher, Assistant Head of Trading Standards; Mrs J Doherty, Policy Manager; Mrs M White, Head of Extended Services (CFE) and Mrs C A Singh, Democratic Services Officer (Overview and Scrutiny).

UNRESTRICTED ITEMS

64. Minutes - 24 January 2008
(Item. 2)

RESOLVED that the Minutes of the meeting held on 24 January 2008 are correctly recorded subject to Mrs Dagger's initials being amended to read "V J" and that they be signed by the Chairman.

65. Portfolio Holder and Managing Director's Update
(Item. 1)

(Item B1 – Oral Report by Mr M Hill, Cabinet Member for Community Services and Ms A Honey, Managing Director for Communities)

(1) Mr Hill updated Members on the following issues:-

Kent Library and History Centre

Mr Hill stated that there would be a presentation on the Kent Library and History Centre later in the year in conjunction with an update on the directorate's capital programme.

(2) Mr Hill advised that a site had been identified for the Kent Library and History Centre on James Whatman Way in Maidstone, at the junction with Royal Engineers Road. Invitations for the press launch on 17 April 2008, at which the name of the preferred developers would be announced, would be sent out in the week of 7 April 2008. The plans for the new Centre would be submitted to Maidstone Borough

Council in due course for planning approval and the Committee noted that a report on the Centre and its services would be submitted to a future meeting.

Turner Contemporary

(3) Mr Hill advised that, on the 20 February, planning permission had been granted by the Thanet District Council Planning Committee. A formal application for funding had been submitted to the Arts Council and a bid had also been submitted to SEEDA. Responses to both of these are expected in July 2008. He also advised that the development of the Rendezvous site would be overseen by Gleasons who had just been appointed as preferred developer and Ms Honey advised the Committee that the former Marks and Spencer store in Margate was now being used as gallery space in which successful exhibitions had already taken place.

(4) In response to a question regarding the legal costs incurred in seeking to recoup the monies spent on the original design Turner, reported in other papers to this Committee as a cost of £300k, Mr Hill advised that recovering the money had been a decision by the County Council and money therefore needed to be spent to cover legal costs of doing so. He felt that the County Council had every chance of recouping the money spent on the original design and part of the settlement would cover the costs of achieving this.

(5) Mr Hill advised the Committee of the following formal openings and award ceremonies that had taken place since the POC last met:-

- 3 February: the Try-Angle Awards presentations at the Winter Gardens in Margate
- 15 February: the opening of Thanet Gateway in Margate
- 21 February: the launch of the Ashford Library and Gateway project
- 7 March: the presentation ceremony for the first Communities Directorate Quality Service Awards
- 12 March: the Adult Education Cube Centre opened in Folkestone
- 19 March: the presentation ceremony for participants in the Criminal Justice Progression Awards scheme, 10 of whom were former KDAAT service users
- 21 April: the launch of the National Year of Reading.

Inspections

(6) Ms Honey informed Members that the report on the recent inspection of the Youth Offending Service would be published in May 2008; and that the reports on the Enhanced Youth Inspection, the Joint Area Review of Children's Services, and the Corporate Assessment, would all be published on 3 June 2008. She confirmed that the next step would be the development of improvement action plans arising from the recommendations.

Kent School Games

(7) The inaugural Kent School Games, which had been launched in November 2007, has already involved 450 schools. There will be 515 competitions, leading up to the Finals in June and July 2008. The Opening Ceremony for the Finals, on 14 June 2008, will be attended by Dame Kelly Holmes.

Select Committee: Alcohol

(8) Ms Honey reminded Members that the Alcohol Select Committee report would be discussed at the County Council meeting on 3 April 2008 and that KDAAT would be leading on the subsequent development of an Alcohol Strategy. She also noted that a proposal for a debate on alcohol later in the year, involving the Kent Youth County Council and the County Council, was also being considered.

(10) RESOLVED that:-

- (a) The update and responses to questions be noted
- (b) A report on the Kent Library and History Centre be submitted to the Committee at a future meeting.

66. Financial Monitoring Report : Community Services 2008/09

(Item. 2)

(Item B2 – Report by Mr M Hill, Cabinet Member and Ms A Honey, Managing Director) (Mr D Shipton, Head of Finance and Asset Management was present for this item to answer questions)

(1) Mr Shipton advised that the timing of monitoring reports, to more closely align POCs and the quarterly reports to Cabinet was being addressed corporately. He then highlighted four main areas of concern within the revenue budget for 2007/08 identified in the report, as follows:- ;

- (i) Adult Education is still forecasting a £330k in-year deficit and would not be able to repay the loan of £500k granted to cover part of the 2006/7 deficit. The latest MTP includes provision for this loan to be repaid over two years. Mr Shipton advised that a paper on the Adult Education strategy to increase the yield from tuition feeds included in the MTP would be brought to the next Policy Overview Committee meeting on 2nd June.
- (ii) The Coroner's Service is another area of concern due to the overspend on costs related to investigations. In the latest monitoring the overspend has been reduced to £206k following renegotiations on mortuary fees with hospital trusts and with Medway Council. This is in spite of the Coroners' pay award for this financial year which has added an additional £40k spend. The net overspend of £200k has been covered by underspends elsewhere in the Directorate.
- (iii) Mr Shipton advised that the Arts Unit has undergone a major restructure to deliver a more strategic role. This new structure means the service can manage expenditure within the existing budget following the withdrawal of external grants.
- (iv) Mr Shipton advised that the fourth main area of concern relates to the Library Service and the loans of audio visual materials. The Library Service has developed a new strategy to target its market resulting in

a planned £120k reduction in the income budget. The service is managing this planned reduction through reduced expenditure on consumables.

(2) In order to balance the budget to cover overspends on Coroners, Arts and Youth Offending the Strategic Management Team had agreed a £500k reduction in spending on non essential non staffing budgets. This would balance the overall portfolio budget other than Adult Education.

(3) In response to a question on whether the variances could be shown as an overall percentage, Mr Shipton advised that total variance for each unit and all variances over £100k were reported to Cabinet. He agreed to look into adding a column in the table for each unit identifying the percentage variance.

(4) Mr Shipton explained that the in-year variance in Adult Education was due to the original 24,000 estimated enrolments not being achieved (only 17,000 students enrolled in quarter 2). This appears to be a national trend arising from uncertain financial markets. Members were reassured that the future strategy aims to increase the yield from fees and not the level of fees.

(5) In response to a question on why the County Council paid for the Coroners, Mr Shipton advised that this was a historical arrangement. The County Council has written to Government suggesting the service should be funded by a specific grant.

(6) In response to a question regarding the restructuring of Adult Education, Mr Shipton advised that there had been some delays in implementing the new structure as consultation with staff had led to some changes to the original plans.

(7) In response to a question on the drop in income from the loan of audio visual materials and whether this could be made up, Mr Shipton advised that the service was expecting to be a further £130k down on the revised target. The service had been able to carry out other merchandising in libraries e.g. through selling vouchers to get data from national census to cover the shortfall.

(8) A Member of the Committee suggested that a questionnaire be sent to all Members of the County Council requesting ideas on Adult Education and that members could ask their local communities for their ideas too. This suggestion was acknowledged and will be taken into account during future planning.

(9) In response to a question, Mr Shipton advised that Coroners were employed by the Crown. Although Kent County Council held the budget it has no control over their pay award which is set by the JNC and linked to other members of the judiciary. The Committee was advised that Ms Honey had written to the government regarding the increase in expenditure but to date had received no response. In reply to whether the Youth Service and KDATT budgets were protected Mr Shipton advised that each Unit had its own agreed budget but that, during the year, they had been set an appropriate target to reduce expenditure on non-essential, non-staffing budgets in order to balance the budget at year-end.

(10) Mr Shipton then spoke on the Capital Programme. He advised that the programme published in the recent 2008/09-10/11 MTP was more realistic than in

previous years and that, in order to overcome previous slippage, a feasibility study is carried out on each proposed scheme before it is included in the Capital Programme. He gave the example of the Edenbridge project that had been delayed due to planning issues and was part of the £400k slippage.

(11) In response to a question on whether Directorates worked with each other when engaging in a project Mr Shipton confirmed that this was the case - citing the example of the Ashford Gateway where a number of services across the Authority are represented.

(12) In response to a question on the reduction of calls through Consumer Direct South East in 2007/08 compared to 2006/07, Mr Shipton advised that Consumer Direct operated through the Call Centre under a contract with Trading Standards South East Ltd based on the number of calls received. The number of calls was down this year thus reducing income and he advised that renegotiations had taken place to compensate for the reduction. Furthermore, a reserve had been set up when the service was first established in case of this eventuality and the service had also been awarded a quality bonus. If the reduction in calls continues the Directorate would need to look to other authorities that may wish to join the scheme under the same contract.

(13) RESOLVED that:-

- a) The projected out-turn figures for the Directorate as at the third quarter be noted;
- (b) The questions asked by Members and the responses be noted.
- (c) A report on Adult Education yield from fee income be submitted to a future meeting of the Committee.

67. Cultural Olympiad

(Item. 3)

(Item. 3 Report by Mr M Hill, Cabinet Member and Ms A Honey, Managing Director) (Ms S Staples, Head of Arts Development, Mr C Hespe, Head of Sport, Leisure, Olympics and Ms S Holt, Kent Manager for 2012 Games were present for this item)

(1) The Committee received a report advising of the context of the Cultural Olympiad and of its potential scope. The report also summarised the national position and identified the opportunities for Kent.

(2) In response to a question on how the wealth of history, literature and rich culture mix within Kent could be tapped into, Mr Hespe advised that many organisations and festivals would be taking part and that discussions were taking place with corporate colleagues regarding international marketing of Kent festivals. He added that a successful London tourism campaign had been led by Visit Kent to promote the County as a day trip destination and that Culture was a key component of this.

(3) In response to a question regarding the legacy of the Olympics and Cultural Olympiad Mr Hespe advised that there were discussions taking place with a wide

range of agencies regarding this, because achieving lasting benefit for the county was a key priority.

(4) Members of the Committee queried the constant use of “young” throughout the report and suggested that the older generation would also have a contribution to make to the Olympiad. Mr Hespe advised that there was an emphasis on youth values within the guidelines for the Olympiad, but agreed that it would be important that Kent’s offer was relevant for all ages

(5) A Member recommended that the “re-enactment of Maidstone” could be a means of promotion and Ms Holt confirmed that English Heritage was a represented on the Kent 2012 Arts Sectoral Task Group, which was leading on the Cultural Olympiad offer from Kent.

(6) A Member suggested that, in the context of achieving lasting benefit, it would be important to encourage and incorporate a wide range of diverse events within the Cultural Olympiad to show the rich mix of culture within Kent. In response to a further suggestion that the events leading up to and during the 2012 Olympics should be recorded as part of Kent’s Heritage, Ms Holt advised that Screen South was one of the groups which fed into the Kent 2012 Campaign and that the London 2012 Games would be the first that is fully digitally recorded.

(7) RESOLVED that:-

- a) the scale and range of opportunity arising from the Cultural Olympiad be noted;
- b) the need for a flexible and proactive approach towards maximising the potential of the Cultural Olympiad for communities and creative sectors within Kent, be noted; and
- c) the Members’ questions and responses be noted.

68. Cold-Calling Trial Zones

(Item. 4)

(Item B4 – Report by Mr M Hill, Cabinet Member for Community Services, Ms A Honey, Managing Director) (Mr I Treacher, Assistant Head of Trading Standards was present for this item)

(1) The Committee received a report which gave the background to the experimental establishment of a Controlled Cold Calling Zone in Cranbrook, drew conclusions, and identified the next steps.

(2) Mr Treacher outlined how the Controlled Cold Calling Zones operated and in response to a question confirmed that Age Concern was involved and included the use of the alert messenger.

(3) In response to a number of questions concerning working with other agencies, Mr Treacher outlined good working relationships with Neighbourhood Watch Co-ordinators and Community Wardens.

(4) He also confirmed, that Trading Standards were careful not to alarm the elderly or vulnerable with messages relating to cold calling and that the service had

been using intelligence links with the Kent Police and Community Wardens to target their work.

(5) In response to a question regarding priority for vulnerable people being supplied with door chains, Mr Treacher advised that his team worked closely with the Handy Van and Home Safe service through Mr Stuart Beaumont, Head of Community Safety.

(6) Members of the Committee expressed their appreciation for the work undertaken by the Community Wardens who played an important role in identifying and speaking to the elderly and vulnerable in their local community. Mr Treacher agreed that they provided a key link by acting as the “eyes and ears” of the community and thus providing an important source of intelligence.

(7) RESOLVED that the report and the Members question and the responses be noted

69. Strategy for Supporting Parents in Kent *(Item. 5)*

(Item B5 – Report by Mr M Hill, Cabinet Member for Communities and Ms A Honey, Managing Director) (Ms J Doherty, Policy Manager and Ms M White, Head of Extended Services (CFE) were present for this item)

(1) The Committee received a report which summarised the content and progress of the draft Strategy for Supporting Parents in Kent, with particular reference to the services in the Communities Directorate.

(2) The draft Strategy was subject to a formal consultation through the Kent Children’s Trust Partnership until 25 April 2008. The Children, Families and Education Policy Overview Committee had also been given the opportunity to consider the draft strategy.

(3) Following a presentation from Ms White, members of the Committee were given the opportunity to make comments and ask questions which included the following:-

- In response to a question regarding absenteeism from school and the need for robust monitoring systems, Ms Slaven advised that monitoring systems were in place and that there were established processes for helping to children and young people to return to school.
- In response to concerns regarding school exclusion which were illustrated by a member’s experience of a particular case, Ms White advised that the Parenting Support Strategy was designed to integrate with and influence other key plans and processes. For example, where children experience bullying, a help line is being piloted to offer parents support and advice.
- A comment was made that the full strategy document uses the phrase ‘fathers and mothers’ rather than ‘parents’ to reinforce the importance of

fathers. Ms White acknowledged that the summary report had only used the word 'parents' and apologised for this.

- She also confirmed there would be a commitment to consultation with hard to reach groups and that the 1211 doorstep surveys carried out by BMG to inform the strategy had included wards of high deprivation. This had been complemented by 9 focus groups, 2 of which were fathers. She noted that there would also be engagement with Children's Centres, voluntary groups, Home Start and YMCAs.
- The issue of children who are subject to a Child Protection Plan ("on the risk register") because of parental alcohol or substance misuse was raised. It was suggested that a greater focus be given to these families and Ms Slaven highlighted projects already in train such as 'Hidden Harm', and the Sunlight Project working with primary schools in the Thanet area.
- A member suggested that numeracy and literacy were of particular importance for vulnerable groups.
- Concern was raised about trying to bring together the needs of all parents and vulnerable families in one strategy. It was suggested that this might not achieve a useful balance. It was further suggested that the importance of wider communities for children's development should be reflected in the document. Ms White said she understood that DCSF requires a single strategy, but the strategy in Kent would look at the particular needs of vulnerable parents, including those for whom, the misuse of alcohol and drugs was a factor.
- The emphasis on fathers' roles in children's development was welcomed.

(4) RESOLVED that:-

- (a) The development of the Parenting Support Strategy be noted;
- b) The comments and responses to questions by Members of the Committee be noted.

70. Communities Risk Register 2008/09
(Item. 6)

(Item B6 – Report by Mr M Hill, Cabinet Member for Communities and Ms A Honey, Managing Director. Ms J Edwards presented this item)

- (1) The Committee considered a report which identified the strategic risks that were managed and controlled within the Communities Directorate.

(2) In response to a question on why it was felt there was a higher risk in relation to dependence on external funding than on fee income, Ms Edwards advised the Committee that the Directorate services depended significantly on both, but that there was more control over securing the latter.

(3) RESOLVED that the Communities Directorate Risk Register for 2008/09 be noted.

71. Select Committees - update

(Item. 1)

(Item C1 – Report by Overview, Scrutiny and Localism Manager)

(1) The Committee received a report outlining the progress of the Select Committee on alcohol misuse and the Select Committee Topic Review Work Programme.

(2) In answer to a question, Members were advised that an application for a six month placement from the Graduate Development Programme, for the period April - September 2008, to support the work of Select Committees, had been unsuccessful; and that further application would probably be made for a placement from September – March 2009. Members raised their concerns that the role of Select Committees had proved to be extremely successful but the programme was limited by the resources available.

(3) RESOLVED that:-

a) the progress on the Select Committee on Alcohol Abuse be noted;

b) the update on the Select Committee Topic Review Programme be noted;

c) the update from the Policy Overview Co-ordinating Committee be noted and that the Chairman express the cross-party support of this Committee for the work of the Select Committees and the need for those Committees to be resourced effectively .

This page is intentionally left blank

KENT COUNTY COUNCIL

COMMUNITIES POLICY OVERVIEW COMMITTEE

MINUTES of a meeting of the Communities Policy Overview Committee held at Sessions House, County Hall, Maidstone on Thursday, 15 May 2008.

PRESENT: Mr T J Birkett, Mr R H C Bliss, Mr G Cowan, Mrs V J Dagger (substitute for Mr A R Chell), Mr D A Hirst, Mrs S V Hohler, Mr R E King, Mr C J Law, Mr R L H Long, Mr M J Northey, Mr G Rowe and Mrs E M Tweed.

IN ATTENDANCE: Mr P D Wickenden, Overview, Scrutiny and Localism Manager; and Miss T A Grayell, Democratic Services Officer.

UNRESTRICTED ITEMS

1. Membership

RESOLVED that it be noted that Mr R H C Bliss and Mr R L H Long had joined the Committee in place of Mrs V J Dagger and Mr P W A Lake, and Mr T J Birkett, Mr G Cowan and Mrs E D Rowbotham in place of Mr L Christie and Mr T A Maddison.

(Note: the Committee was advised that the Labour Group had nominated three Members for two places on the current Committee)

2. Election of Chairman

(Item A3)

Mrs V J Dagger proposed and Mr R E King seconded that Mrs S V Hohler be elected Chairman of the Committee.

Agreed without a vote

Mrs Hohler thereupon took the Chair.

3. Election of Vice-Chairman

Mr G Cowan proposed and Mr R E King seconded that Mr T J Birkett be elected Vice-Chairman of the Committee.

Agreed without a vote

4. Minutes

The Overview, Scrutiny and Localism Manager reported that the Minutes of the meeting of the Communities Policy Overview Committee held on 2 April 2008 would be available for approval at the next meeting of the Committee on 2 June 2008.

This page is intentionally left blank

To: Communities Policy Overview Committee – 2nd June 2008
From: Mike Hill, Cabinet Member and Amanda Honey, Managing Director
Subject: **Financial Monitoring 2007/08**
Classification: Unrestricted

FOR INFORMATION

1. Introduction

- 1.1 This is a regular report to this Committee on the forecast outturn against budget for the Communities portfolio.

2. Background

- 2.1 Policy Overview Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports will be presented to the Committee on a regular basis:

a) **Budget Monitoring reports**

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Communities directorate will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POC about current trends, pressures and management actions in advance of the next year's budget setting.

We are trying to address the gaps between these quarterly reports to Cabinet and the timing of POC meetings but this will have to be treated as a corporate issue and cannot be easily be resolved by individual POCs. There has not been a quarterly report to Cabinet since the POC met on 2nd April and Cabinet has only received exception reports on 14th April and 12th May. The content of this report takes account of the exception reports but the attached appendix is the same quarterly report to cabinet on 17th March as reported on 2nd April (albeit we have included a % variation as requested at the last meeting).

b) **Performance data**

This will be reported to this Committee twice a year in January and June, the first report being in January 2008

c) Outturn report

Effectively an amalgam of the above two, the outturn report will summarise both the financial and performance information for the whole of the preceding year. This will be reported to the next POC on 22nd September.

- 2.2 Armed with the above, the POCs will be in a stronger position to question and comment on the future budget and medium term proposals, as they will be asked to do at the November and January meetings.

3 Quarterly monitoring report

- 3.1 Attached is the monitoring report for the third quarter for Communities directorate. The main points (including any issues identified in subsequent exception reports) are highlighted below. The table has been amended to show net variance as an amount and percentage.

3.2 Revenue

- a. The position for the Adult Education service remains the same as the last quarter with the service unable to implement plans to repay the £500k loan that was made available in 2006/07 and an in year deficit of expenditure exceeding income of £330k due to unexpected decline in enrolments and the service's inability to reduce costs in line with the reduced tuition fee income and additional costs associated with staff restructuring and premises reorganisation.

We have developed a strategy to cover the accumulated deficit of £830k in 2008/09 and 2009/10, and identified the changes the service needs to make in order that it can be more responsive to variations in income in future. This strategy is currently being translated into a detailed action plan together with contingencies in 2008/09 and 2009/10 which should enable the service to absorb variations from the plan until such time as it can make structural changes to be in a position to respond to market conditions more rapidly. In the meantime the service remains exposed to market volatility.

Inevitably these changes will mean the service has to take a more business like approach which could have an impact on the employment of permanent staff, where courses are delivered, and the fees paid by students. In particular, the strategy to increase the yield from tuition fees through attracting more students to existing courses, developing new courses where students pay the full cost of courses including contribution to overheads, and developing new markets is the subject of a separate report to the POC later on the agenda.

- b. The budget for the Coroners shows an increased forecast overspend of £106k since the last report, and is now reporting an over spend of £312k. The additional overspend is as a result of claims for the additional cost of long inquests and further unexpected price increases for mortuary provision. We had previously flagged the risk that the costs associated with long inquests are unpredictable. We are continuing to work with Coroners to identify trends in expenditure and variations between the 4 Coroner's districts in an attempt to

make costs more predictable. The additional overspend is offset by additional under spends on non staffing budgets.

Due to the nature of Coroner's work much of the pressure is unavoidable and KCC cannot directly influence their work. We have identified an additional £200k to add to the Coroner's base budget in 2008/09. This should bring the budget back into balance as some of the pressures in 2007/08 are one-offs, although we are still vulnerable if there are any long or major inquests.

- c. We have completed the restructuring of the Cultural Development unit. This restructuring was driven by KCC's need to make the unit more strategic rather than in response to budget issues, and will not address the forecast overspend of £140k in 2007/08 which mainly arises from loss of income from EU grants and trading activity through Kent Superior Pictures based in Dover.

The new structure will ensure that the unit can deliver its more strategic role without any change to the overall net budget for 2008/09 and beyond, as this reflects the reductions in both expenditure and income. We have completed the transfer of Kent Superior Pictures to a local school. There will be some redundancy costs to be absorbed in 2008/09 as only the net reduction in posts can be funded from the Corporate Workforce Reduction Fund. These redundancy costs will be covered through managing vacant posts.

- d. The Library service has faced diminishing income from the rental of audio visual resources due to increased availability of alternative sources. The service has undertaken a review of its marketing strategy and has repositioned itself to recover some of the lost income although it will not be able to fully achieve the original planned budget resulting in a revised budget which is £120k less. The service reviewed the expenditure budgets for AV purchases and other consumables and non staffing budgets to offset this forecast loss of income.

Despite encouraging signs from a pilot study, the rollout of the new strategy is not achieving the revised target of number of issues and we are anticipated and income is forecast to be a further £130k short of the revised budget. The service has been able to make up this shortfall through merchandising other products in libraries.

The Library service has also made a significant contribution of £100k towards the directorate target to generate £500k of savings on non essential non staffing budgets to offset the forecast overspends in Coroners, Cultural Development and YOS.

- e. There are a number of budgets that are held centrally which are not devolved to individual services to manage. This includes day to day revenue building maintenance, directorate wide events and initiatives, internal recharges to Adult Education, rollovers from previous years and income from Dedicated Schools Grant (DSG). Since the last report we have had to incur additional expenditure on the day to day building maintenance budget which is forecast to overspend by £130k over and above that reported in the March report to Cabinet. We are planning to cover this over spend, the deficit rollovers from previous years, and a

number of other one off issues that have arisen during the year affecting this central budget from reviewing reserves.

- f. The number of calls to Consumer Direct South East is less than 2006/07 and the service is forecasting to a net shortfall of £188k on income levels principally due to lower than anticipated call volumes. Within this income the service has been able to earn a quality bonus worth £95k and has earned other income worth £59k. The service has under spent on staffing and other expenditure budgets by £86k. This leaves a net deficit £102k which is planned to be met from reserves set up when the service was first established to cover trading deficits.
- g. As previously reported we have set services targets to deliver under spends on non-essential non-staffing budgets to cover the forecast overspends on Youth Offending Service, Cultural Development and Coroners. It is planned that the over spend on Adult Education will be rolled forward. The over spend on central budgets and Consumer Direct South East will be covered from a draw down from reserves.

3.3 Capital

- a. Although the capital programme shows a significant under spend in 2007/08 (forecast spend of £4.719m against an original budget of £23.661m) the vast majority of this represents slippage into future years rather than under spending. Most of the slippage is on projects that are still in the planning stage and the revised spending forecast represent a more realistic assessment of when building works can commence. These changes are reflected in the revised capital programme published in 2008/11 Medium Term Financial Plan. Since the MTP was published there has been some minor slippage on remaining projects but none in excess of £250k.

4 Recommendations

- 4.1 Members of the POC are asked to note the projected outturn figures for the directorate as per the May exception monitoring report to Cabinet.

Amanda Honey
Managing Director

Contact

Dave Shipton
Head of Finance & Asset Management
Tel: 01622 696136

Appendix: Communities Directorate Summary January 07-08 Full Monitoring Report

Appendix 1

COMMUNITIES DIRECTORATE SUMMARY JANUARY 2007-08 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” i.e. where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget.

1.1.2 **Table 1** on the next page details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance				Comment
	G	I	N	G	I	N	Net as %	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	of Gross	
Communities portfolio								
Turner Contemporary	885	-82	803	234	-234	0	0.0	Increased grant from Arts Council and expenditure on activities
Kent Drug & Alcohol Action Team	15,165	-13,438	1,727	976	-1,004	-28	-0.2	Increased income from NTA and expenditure on Stonehouse PFI
Youth Offending Service	5,613	-1,889	3,724	1,017	-927	90	1.6	Additional income from prevention grant & partners & associated expenditure
Adult Education	12,667	-13,213	-546	1,097	-267	830	6.6	Non delivery of surplus, additional grant and contract income with associated expenditure, and loss of tuition fee income
Cultural Development	1,404	-225	1,179	38	102	140	10.0	Ongoing impact of the loss of EU grants which have supported unit budget since restructuring in 2003/04
Libraries, Information & Archives	26,069	-2,787	23,282	-152	-98	-250	-1.0	Directorate savings & book fund purchases funded from developers contributions.
Dover Discovery Centre	383	-383	0				0.0	
Sports, Leisure & Olympics	1,128	-312	816	1,180	-1,203	-23	-2.0	External grants and directorate savings.
Youth Services	9,092	-1,570	7,522	-23		-23	-0.3	Directorate savings

Budget Book Heading	Cash Limit			Variance				Comment
	G	I	N	G	I	N	Net as %	
Key Training	£'000s 4,000	£'000s -3,865	£'000s 135	£'000s 7	£'000s -134	£'000s -127	of Gross -3.2	Bonuses on European Social Fund projects
Kent Community Safety Partnership	4,706	-134	4,572	-86	75	-11	-0.2	Directorate savings
Contact Centre	4,877	-1,921	2,956	-299	266	-33	-0.7	income shortfall due to reduced CDSE activity & directorate savings
Coroners	2,089	-322	1,767	255	-49	206	9.9	Mortuary & specialist fees, pay award & income from Medway
Emergency Planning	753	-172	581	-41	30	-11	-1.5	Directorate savings
Kent Scientific Services	1,575	-1,578	-3	-81	36	-45	-2.9	Directorate savings
Registration	4,242	-2,452	1,790	123	-188	-65	-1.5	Accommodation expenditure & additional fee income
Trading Standards	4,432	-485	3,947	64	-93	-29	-0.7	Directorate savings
Policy & Resources	1,456	-97	1,359	2	-8	-6	-0.4	Directorate savings
Centrally Managed directorate budgets	75	-1,738	-1,663	-418	633	215	286.7	Deficit rollover, unachieved vacancy savings, DSG and draw down from reserves
Total Communities controllable	100,611	-46,663	53,948	3,893	-3,063	830	0.8	
Original Turner Contemporary				300		300		
Total	100,611	-46,663	53,948	4,193	-3,063	1,130		
Assumed Management Action								
Forecast after Mgmt Action				4,193	-3,063	1,130		

1.1.3 Major Reasons for Variance:

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

1.1.3.1 Turner Contemporary – The latest forecast gross expenditure and income on Turner Contemporary are £234k more than the cash limit. The additional income includes £200k secured from the Arts Council to support activities on Turner Contemporary. The additional expenditure relates to these activities.

1.1.3.2 Kent Drug and Alcohol Action Team – The latest forecast gross expenditure is £976k more than the cash limit and income is £1004k more than cash limit giving a net under spend of £28k. The net under spend represents the service's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends in other services within the directorate.

The main reason for the variation in expenditure and income is £900k received from the National Treatment Agency to support the Stonehouse PFI project which provides 16 in patient de-toxification beds in a dedicated facility in Dartford.

1.1.3.3 Youth Offending Service – The latest forecast gross expenditure on YOS is £1.017m more than the cash limit and income is £927k more than cash limit giving a net overspend of £90k. Earlier forecasts identified that the net pressure was due to anticipated placement of offenders in secure accommodation following decisions by the courts. As the year has progressed there have been fewer placements in secure accommodation than we had forecast and this pressure has been resolved. Nonetheless, decisions by courts remain an unavoidable pressure for the service requiring a contingency in future year's budgets. However, a net £90k overspend is still being reported as since the last quarter's report we have identified unbudgeted office accommodation charges that have to be paid.

The main reason for the variation in expenditure and income is £566k Prevention Grant secured from the Youth Justice Board that was not included in the original budget. The remainder of the variances arise from expenditure on the head office and area teams and specific projects, which is offset by increased contributions from partners and funding for specific projects that were not included when the original budget was set. The staff element is £300k as when budgets have been set in the past the element of staff costs funded from partners has not been included as partner's additional contributions had not been finalised in time.

1.1.3.4 Adult Education – The latest forecast gross expenditure on the AE service is £1,097k more than cash limit, income is £267k more than the cash limit giving a net over spend of £830k which can be attributed to the difficulty the service has faced to deliver the challenging target to generate a £500k surplus in 2007/08 to fully repay the loan from Finance portfolio used to cover the deficit in 2006/07, the significant loss of tuition fee income due to lower than anticipated take-up of courses which cannot be fully offset by reducing expenditure on course provision, and the additional costs associated with restructuring and premises reorganisation. All the other variances represent matching income and expenditure and have no impact on the net costs.

The major reasons for the variances are by and large as previously reported and include:

- *Immigration Service* – The budget included the removal of the previous contract for the prisons service which came to end in July 2006 and transferred to the voluntary sector. Following a review the service has retained the provision of education services to the Immigration Service effective from April 2007. The revised forecast includes planned income of £381k and expenditure of £340k under this contract.
- *Business Development* – since the budget was agreed the AE service has adopted a new strategy towards business development and has employed a business development manager with a remit to generate more than twice as much income (£260k) than the annual salary and running costs (£120k).
- *LSC Formula Grants* – The service has received £230k more in its final settlement from the LSC for Adult and Community Learning (ACL) and Further Education (FE) than expected when the budget was set. Some of this additional funding has to be spent on particular activities e.g. £161k additional guided learning hours for Family Language, Literacy and Numeracy (FLLN) and Family Learning (FL) programmes. The service is facing the loss of Information and

Guidance grant and clawback on LSC grants for 2005/06 and 2006/07 which collectively reduce grant income by £117k.

- *Tuition Fees* – The budget included proposed changes to the fee and concession structures which would have increased total fee income by £133k but these have not been fully implemented as they were deemed not necessary in light of the other changes in income and expenditure. The budget also included an increase in the yield from tuition fees due to increased enrolments and charges. We are forecasting a further shortfall on tuition fees of £568k due to lower than anticipated take-up of courses in September. Enrolments in January are also slightly lower than planned but the impact is minimal as the majority of enrolments happen at the start of the academic year in September.
- *Staff Restructure & Redundancies* – The restructuring of the service in response to reductions in LSC funding has resulted in significant redundancies in 2006/07 and 2007/08. It was agreed that up to £240k would be funded from a corporate reserve. In 2007/08 the service is estimating redundancy costs of £176k of which only £95k can be funded out of the remainder of the £240k available leaving a net pressure of £81k. There is also a pressure of £15k resulting from delays in implementing the new arrangements resulting in an overall net pressure in 2007/08 of £96k.
- *Projects* – these include a number of projects that were not finalised at the time the budget was set that attract external funding increasing income (£161k) and expenditure (£104k).
- *Neighbourhood Learning and SIP* – The original budget included contributions of £135k towards the cost of these programmes which we no longer expect to receive. There has been a one-off contribution from the roll forward of Finance Portfolio under spend from 2006/07 towards the deficit carried forward from the 2006/07 programme but the service has to cover the ongoing cost of the programme within its overall income from 2007/08 and beyond without receiving these additional contributions.

1.1.3.5 Cultural Development Unit – The latest forecast spending is £38k more than cash limit, income is £102k less than cash limit, giving a net overspend of £140k. We had previously identified a shortfall of £100k on the Arts Unit budget due to the loss of income from EU grants. This will be addressed through a staff restructuring which will take effect in 2008/09. It was agreed to exclude the small team that produces audio visual resources for schools on a trading basis from the restructuring even though it was identified that the team is not fully recovering its costs from sales of audio visual materials to schools. The additional £40k overspend reflects this deficit on trading activities. We are seeking to outsource this venture and we have had some encouraging expressions of interest.

1.1.3.6 Libraries and Archives – The latest forecast spending is £152k less than the cash limit, income is £98k more than the cash limit giving a net under spend of £250k. The main contributing factor to the under spend is £100k savings being achieved by slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends in other services within Communities.

The service has faced diminishing income from the rental of audio visual materials. The service undertook a thorough review and concluded that they could significantly increase issues if they focussed on the more specialist areas, offered loans for longer periods and reduced the cost of loans. This review resulted in a revised income projection of £701k against a budget of £821k. Although the graph and statistics in section 2.3 indicate we are falling short of this revised projection, the income for quarter 3 is incomplete as a number of districts missed the deadline for banking December income over the Christmas period which meant it was not

included in January reports. This income has now been banked and will be reflected in February reports. The service is confident they will still deliver the revised income projection resulting in £120k overspend. This will be offset by a combination of additional income from other sources not included in the original budget and a further reduction in spending on consumables. The income forecast also includes £60k of developer contributions which will be used to fund the cost of new library stock purchases in response to housing developments.

- 1.1.3.7 Sports, Leisure and Olympics – The latest forecast spending is £1.180m more than the cash limit and income £1.203m leaving a net under spend of £23k representing the unit's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends elsewhere within Communities.

The main sources of the additional income are grants from Sport England £300k, Regional Sports Board (RSB) of £250k, and the balance from a range of other bodies. Additional expenditure includes £113k on community sports coaches and £250k on staff and running costs associated with RSB grants.

- 1.1.3.8 KEY Training – The service has secured an additional £127k grant from the European Social Fund which was not included in the original income budgets. This relates to bonuses received on closure of ESF funded projects through the LSC where expenditure has already been incurred resulting in a net under spend in 2007/08.

- 1.1.3.9 Contact Centre – The latest forecast expenditure is £299k less than the cash limit and a shortfall in income of £266k leaving a net under spend of £33k representing the unit's contribution from slowing down expenditure on non essential non staffing budgets as part of the directorate's response to over spends elsewhere within Communities.

The main reason for the reduced income is due to lower than anticipated activity for Consumer Direct South East (CDSE), as demonstrated by the graph and statistics in section 2.1. This service is provided under a contract with Trading Standards South East Ltd (TSSL) which receives grant from the Office for Fair Trading. Under the contract CDSE receives funding according to the number of calls received. The income received is £249k less than budgeted. The service has made some savings on staff and other running costs but to achieve a balanced budget is drawing down £172k from reserves established to cover trading fluctuations.

- 1.1.3.10 Coroners Service – The latest forecast spending is £255k more than the cash limit, income is £49k more than cash limit giving a net overspend of £206k. The single major reason for this over spend is the increased cost of mortuary fees (£107k). This pressure arises from a number of factors including more referrals by doctors following the Shipman report, above inflation fees being charged by NHS hospital trusts for post mortems, and the cost of the transfer of bodies from Maidstone to Medway following the closure of the mortuary at Maidstone hospital. We have renegotiated these fees reducing the pressure from earlier forecasts. The service is also facing a pressure of £60k for other specialist fees due to increased referrals.

The Coroners pay award for 2007-08 (finally settled in November 2007) worked out to a 10.775% increase. This quarter's forecast includes the impact of the award which results in a £40k additional pressure on staff costs. We have negotiated an increase in contributions from Medway Council to reflect their share of the pressures and intend to draw up a more formal agreement to cover inflationary and demand increases. This will generate an extra £49k income.

1.1.3.11 Registration Service – The latest forecast spending is £123k more than the cash limit and income £188k leaving a net under spend of £65k.

The main reason for the additional spending is £126k on premises as a result of property acquisitions/lease renewals in previous years not reflected in the budget. The service is also spending £67k on the new Ceremonies and Registration Appointment system (CARA) that was not included in the budget and is saving on planned expenditure on enhancements to records storage facilities at the Tunbridge Wells office of £70k which needs to be included in the modernisation of assets programme in the capital budget for 2008/09.

The additional £188k income arises from a higher yield from charges for wedding and citizenship ceremonies than budgeted.

1.1.3.12 Centrally Managed Budgets – The centrally retained budget includes day to day buildings maintenance, income from DSG and recharges to AE, deficit rollovers on Coroners and Policy from 2006/07 and other issues that arise during the year. The deficits rolled forward amount to £221k and a number of one-off issues of £82k have arisen. To balance these we have undertaken a review of all the reserves and have identified £303k in reserves that could be drawn down if other savings cannot be achieved.

The Dedicated Schools Grant includes the allocation of £562k of income for services provided to schools in Libraries, Community Safety, Youth Service and Contact Centre which can be funded from the grant. The total income budget identified through the MTP is £782k. We have investigated our ability to charge individual schools for services but concluded this is not feasible. This leaves a residual pressure of £220k on the central budget which we have resolved from under spends in other services within Communities.

1.1.3.13 Mediation and Litigation on Original Turner Gallery – The directorate is forecasting expenditure in 2007/08 of £300k on legal and other professional fees related to the claim against the architects and their professional advisers responsible for the original design of the Turner Gallery in Margate. The basis of KCC's claim is that the architect and their advisers were negligent in substantially under estimating the costs of constructing a steel structure to be based in the sea. If we are successful the £300k costs involved in preparing our case would be recovered but it is unlikely this will now be resolved this year.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	KDAAT Costs associated with Stonehouse PFI supported by additional NTA funding	+900	CMY	KDAAT NTA income for Stonehouse PFI	-900
CMY	AE loss of Tuition Fees	+568	CMY	YOS Prevention Grant Income	-566
CMY	YOS Prevention Grant Expenditure	+566	CMY	AE Income for Immigration Contract	-381
CMY	AE Immigration Contract Expenditure covered by increased income	+340	CMY	Central draw down from reserves	-303
CMY	Expenditure on mediation and litigation on original Turner Gallery	+300	CMY	Sports - Grant income from Sports England	-300
CMY	YOS share of staff costs funded from Partner contributions	+300	CMY	Increased partner contributions for YOS	-300
CMY	Sports - RSB activity expenditure supported by income	+250	CMY	AE Business Development Income	-260
CMY	CDSE income shortfall due to reduced calls	+249	CMY	Sports - RSB income to support activities	-250
CMY	Rolled forward deficits form 2006/07	+221	CMY	Additional LSC AE Formula Grants	-230
CMY	Services chargeable to Dedicated Schools Grant	+220	CMY	Turner ACE Grants to support activities	-200

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Expenditure on Turner Contemporary Activities supported by ACE Grant	+200	CMY	Registration Fees from weddings and citizenship ceremonies	-188
CMY	Increased guided learning hours for Family and Lifelong Learning in AE	+161	CMY	CDSE draw-down from reserves	-172
CMY	Neighbourhood Learning & SIP	+135	CMY	AE Project grants	-161
CMY	AE fee and concessions policy revisions not implemented	+133	CMY	Key Training bonuses on European Social Fund grant	-127
CMY	Registration premises leases	+126	CMY	Libraries & Archives savings from reduced expenditure on non staffing budgets	-100
CMY	AE Business Development Expenditure covered by increased income	+120			
CMY	Libraries & Archives underachievement of AV income	+120			
CMY	AE loss of Information & guidance grant and clawback of LSC grants from 2005-06 and 2006-07	+117			
CMY	Sports - project expenditure on community sports coaches	+113			
CMY	Coroners Mortuary fees	+107			
CMY	AE project expenditure covered by increased income	+104			
CMY	Arts unit reduction in grant income	+100			
		+5,450			-4,438

1.1.4 **Actions required to achieve this position:**

We have reviewed the YOS budget and tackled a number of issues relating to staffing and premises budgets, and income from partners. We have identified some unbudgeted expenditure for accommodation recharges which can be covered by under spends in other services within Communities. The Youth Offending Service will make provisions for these recharges within 2008/09 budget through reductions elsewhere. The budget for secure accommodation for young offenders sentenced by courts remains the only area for outstanding concern although the 2008-11 MTP includes provision for a £100k contingency for this.

The Adult Education service has undertaken a major restructuring in response to a 16% reduction in LSC funding allocations and made changes to its tuition fee structure. This has resulted in the loss of nearly 70 permanent staff posts and a reduction in sessional tutor hours of over 30%. Some unforeseen one-off costs associated with the restructuring and loss of tuition fee income means the service cannot return to a balanced budget position this year and generate the necessary surplus to repay the £500k loan from the Finance portfolio allocated to cover previous year's overspends without resulting in irreparable damage to the service's reputation. Without the loss of tuition fee income due to lower than expected enrolments, the service would not have incurred the additional £330k deficit. The actions proposed to address the £500k and £330k are detailed in paragraph 1.1.7.

We have embarked on a restructuring of the Cultural Development unit. Consultation with staff and unions has taken place on the proposed structure. Four members of staff have opted for voluntary redundancy and we are currently completing recruitment to the new structure affecting the remaining 9 members of staff at risk. The savings accruing from the restructuring are needed to deliver the current MTP and will not deliver any additional savings. The cost of voluntary redundancies will be funded from the workforce reduction fund.

We have reviewed all budgets to identified areas where services can slow down expenditure on non essential non staffing budgets. Actions plans have been agreed with divisional directors and Heads of Services and £388k of savings are being delivered to offset the significant overspends in Coroners, Cultural Development and YOS identified in previous monitoring returns. These savings will not have any impact on front line services. We have also reviewed balances held in reserves and will be using some of these to offset against overspends rolled forward from 2006-07 and unachieved staffing savings.

The budget for the Policy Unit has an underlying pressure of £300k. This mainly relates to £165k for the Asset Management Team, which when funding was disaggregated was funded from the capital programme, but latest advice from external auditors is that this can no longer be treated as capital expenditure. We have been able to contain this pressure during 2007-08 by a number of factors including revising the amount of overheads recharged to externally funded services, holding vacancies longer than planned and identifying other revenue expenditure which can be charged to capital.

1.1.5 Implications for MTP:

The pressures on Coroners and YOS for secure accommodation are imposed outside the direct control of the authority and are reflected in the MTP as additional pressures.

The restructuring of the Cultural Development Unit is also reflected in the MTP through reduced income and expenditure following restructuring. The cost of ongoing early retirement payments arising from this restructuring have also been included in the MTP.

The repayment of the £500k loan to cover the 2006/07 deficit on the AE service is proposed to be rolled forward and is reflected in the MTP as £250k surplus in each of 2008/09 and 2009/10. The additional pressure to restore the AE base budget to a net zero to offset the £500k taken out of the base in 2007/08 is also reflected.

The underlying pressure in the Policy Unit mainly relates to costs that can no longer be charged to capital. We will resolve this by identifying revenue expenditure on IT upgrades and other asset enhancements which can be charged to capital and transfer the revenue funding into the policy unit. We will report the implications for the capital programme once we have identified the upgrade element that is integral within existing IT contracts.

The unallocated vacancy saving will be delivered through a range of further efficiency savings to be reflected as budget adjustments during the year. During 2007/08 we have achieved £388k of in year efficiency savings through slowing down expenditure on non essential non staffing budgets. We intend to make these savings base budget savings although it was not possible to include firm proposals in the MTP.

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details & impact of proposals for residual variance:

We will be seeking to rollover the £830k accumulated deficit on the AE service. As detailed in paragraph 1.1.5 above, the £500k loan from the Finance portfolio is now planned to be repaid across 2008-09 and 2009-10. Plans to reduce costs in order to repay this are already in place through £100k reduction in management and administration costs, £105k additional income from reviewing concessions policies and £295k additional income from tuition fees and developing new markets. Plans for the remaining £330k which represents the 2007-08 in year deficit of expenditure against income are currently being developed as part of a fundamental review of the AE service. This review will look at reducing the proportion of AE costs that are fixed in the short term (principally staff and buildings) so that the service can be more responsive to changes in student numbers (and thus fee income) and LSC funding in future.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader or relevant delegated authority.

Cash limits have been adjusted since the last full monitoring report to reflect:

	2007-08	2008-09	2009-10	Future Years
	£000s	£000s	£000s	£000s
▪ Re-phasing per 2008-11 MTP	-18,280	-3,095	+12,849	+5,894

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	Future Yrs £000s	TOTAL £000s
Communities						
Revised budget per Dec Cabinet	20,768	23,661	14,073	5,259	5,820	69,581
Adjustments:						
- re-phasing per 2008-11 MTP		-18,280	-3,095	12,849	5,894	-2,632
Revised Budget	20,768	5,381	10,978	18,108	11,714	66,949
Variance		-563	+499			-64
split:						
- real variance		-64			0	-64
- re-phasing		-499	+499		0	0
Real Variance		-64	0	0	0	-64
Re-phasing		-499	+499	0	0	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2007-08 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary planning stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary planning stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Now that the capital cash limits have been adjusted for the re-phasing which has been reflected in the 2008-11 MTP, there are no variances in excess of £250k.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Planning Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
	None					
			0	0	0	0
Underspends/Projects behind schedule						
	None					
			0	0	0	0
			0	0	0	0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

- Mortuaries Refurbishment – The cost of work at Medway Maritime Hospital is now confirmed and will result in a saving of £64k this year.

The true underlying variance is therefore an underspend of £64k.

1.2.6 General Overview of capital programme:

(a) Risks

- Adult Education at Canterbury High School – we may need to make provision for a part of any potential overspend on this project (a) if the school will not contribute the additional £160k spent last year on the project, and/or (b) if there is an over spend attributable to the adult education facility.
- Edenbridge – if the planning approval is not forthcoming this project cannot proceed. If the costs of the facility are higher than expected they will have to be met from the capital receipt. However, it is possible the capital receipt may be insufficient, particularly as £1m has been agreed to meet CFE costs in which case we will have to make provision for any overspend.

- (b) Details of action being taken to alleviate risks
- Adult Education at Canterbury High School – the school are taking legal action against their professional advisors to recover the overspend and further detailed work is in hand to identify how the additional costs should, if appropriate, be shared between the school and AE.
 - Edenbridge – the proposals are being developed in close co-operation with Sevenoaks planners, planning advisors and property valuers.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

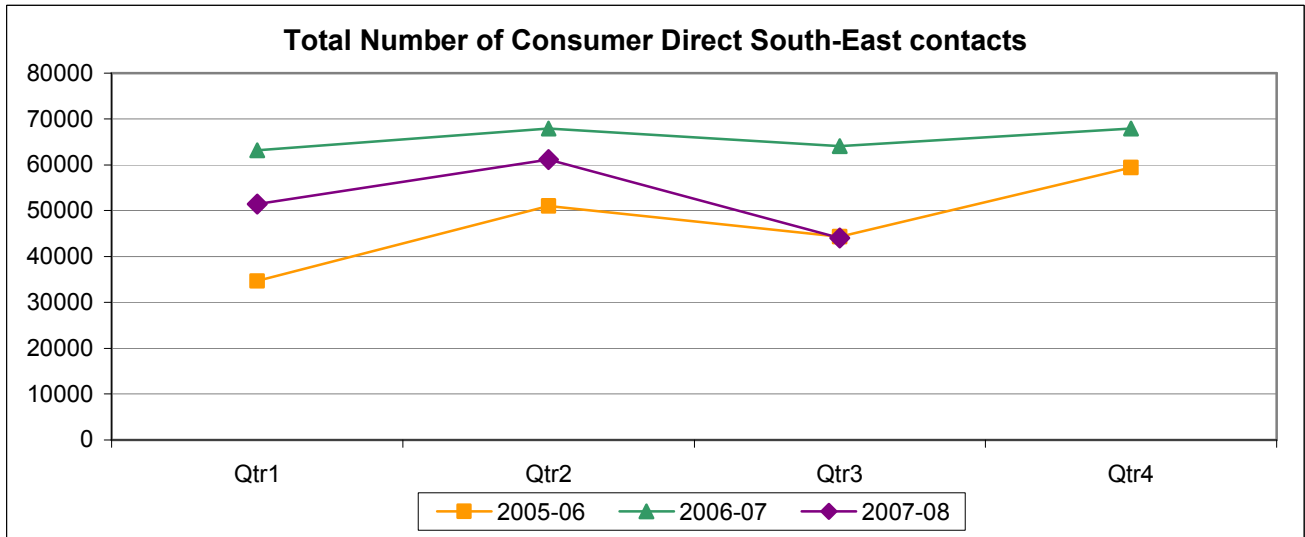
2.1 Number of Consumer Direct South-East contacts, by local authority area:

	2005-06	2006-07	2007-08				TOTAL
			Qtr1	Qtr2	Qtr3	Qtr4	
	<i>Total for the year</i>	<i>Total for the year</i>	01/04/07 to 30/06/07	01/07/07 to 30/09/07	01/10/07 to 31/12/07	01/01/08 to 31/03/08	<i>Total for the year</i>
Bracknell Forest	715	330	209	271	188		
Brighton & Hove	7,116	5,834	987	899	662		
Buckinghamshire	9,006	4,012	614	708	690		
East Sussex	9,717	9,893	1,843	2,047	1,705		
Hampshire	19,105	12,520	2,237	2,167	1,554		
Isle of Wight	2,129	2,106	346	446	349		
Kent	29,074	21,500	3,571	4,028	3,115		
Medway	1,671	1,249	267	358	248		
Milton Keynes	1,037	671	85	91	101		
Oxfordshire			No immediate plans to switch				
Portsmouth	5,524	4,332	571	547	548		
Reading	2,582	2,952	534	564	536		
Royal Borough of Windsor & Maidenhead ²	809		Callers to RBWM are asked to redial CDSE direct				
Slough	1,826	1,717	346	380	288		
Southampton	4,680	3,780	24	374	454		
Surrey	21,660	19,278	2,846	3,480	2,808		
West Berkshire	1,503	1,831	278	261	179		
West Sussex ³		2,334	1,441	1,257	991		
Wokingham	758	648	176	170	171		
Main English Landline ^{*1}	60,248	127,064	26,852	33,479	20,998		
Main English Mobile ^{*1}	7,712	25,073	5,398	6,677	5,520		
Calls handled for other regions	2,532	6,373	407	63	432		
Call-backs handled for other regions		1,017	0	407	56		
E-Mails		8,546	2,405	2,496	2,448		
2007-08 TOTAL			51,437	61,170	44,041		
2006-07 TOTAL by Qtr		263,060	63,185	67,865	64,080	67,930	
2005-06 TOTAL by Qtr	189,404		34,616	51,015	44,334	59,439	

*1 – These are calls received directly on the 0845 number which, although known to be from one of the local authorities in the CDSE area, cannot be identified by individual local authority.

*2 – since 01/01/06 callers to RBWM Trading Standards are asked to redial CDSE direct

*3 – since January 2007, West Sussex calls and e-mails have been diverted to CDSE.



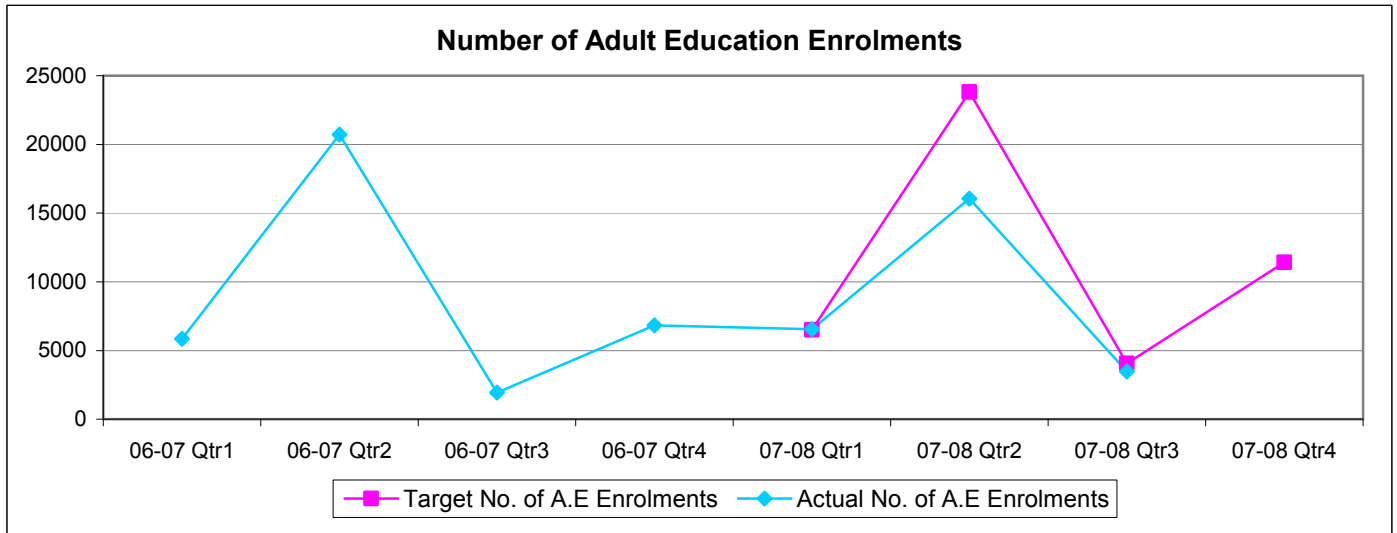
Comments

- Consumer Direct South East is funded according to the number of calls it receives. When it was established a reserve of £172k was set up to cover trading deficits. The impact of reduced call volumes means all this reserve needs to be drawn down in the current year.
- We are negotiating with Trading Standards South East Ltd (TSSL) and with partner authorities the extent to which they will cover potential trading deficits on CDSE in future. We are also working on decreasing the time taken to respond to calls

2.2 Number of Adult Education Enrolments:

	Financial Year		
	2006-07	2007-08	
	A.E Enrolments	Target	A.E Enrolments
April – June	5,849	6,501	6,567
July – Sept	20,713	23,803	16,052
Oct – Dec	1,925	4,071	3,473
Jan - March	6,829	11,416	
TOTAL	35,316	45,791	22,619

In previous years we have shown the number of Adult Education learners. This year we have revised the data to show the number of enrolments as this gives a better picture, as some learners enrol on more than one course. Enrolments is a better indicator of income levels than student numbers as both LSC Further Education (FE) formula grants and tuition fees are based on enrolments.



Comments:

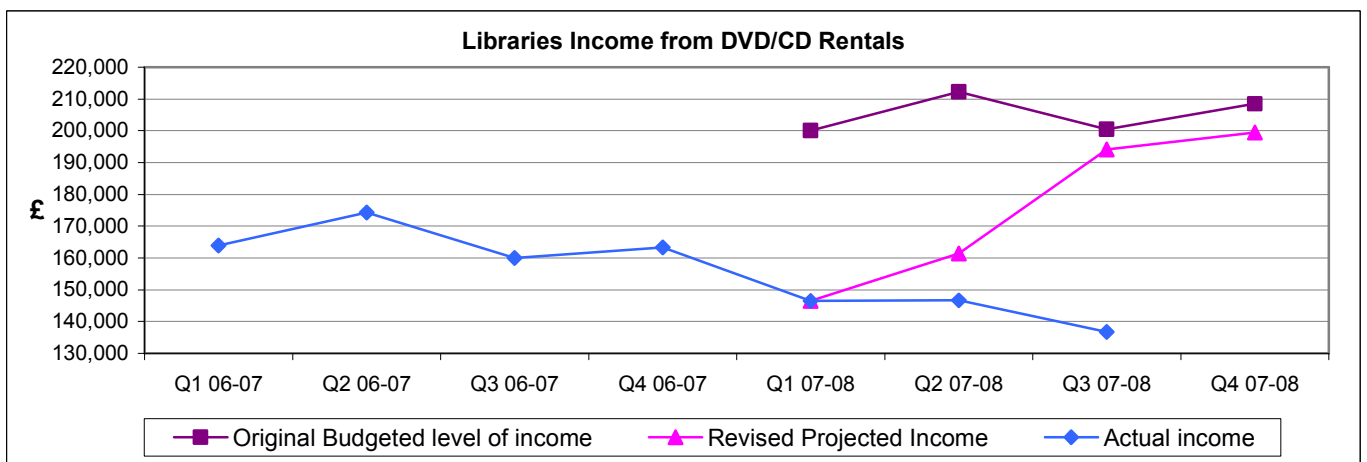
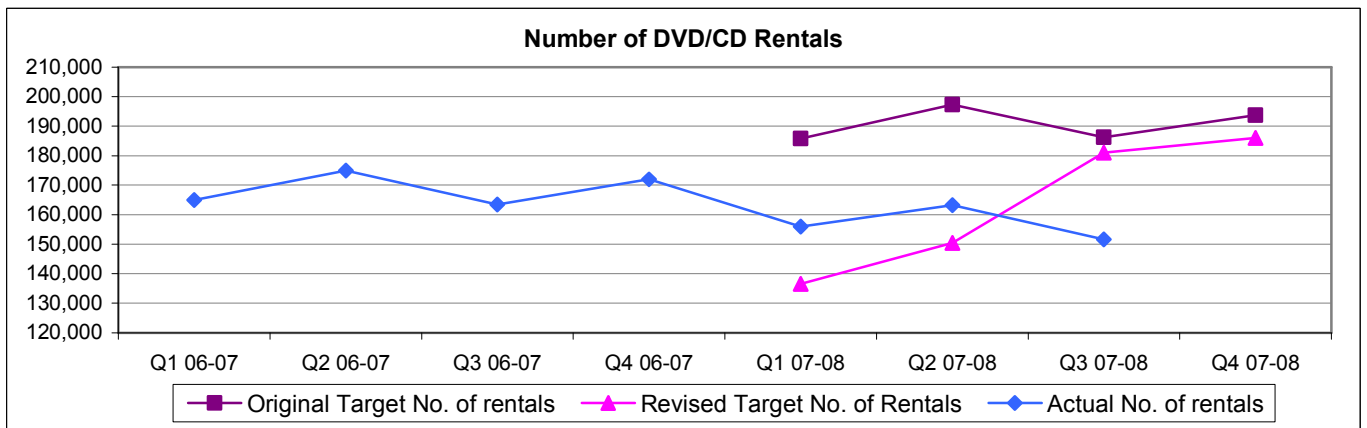
- The LSC formula grants depend partly on enrolments to courses. Students taking courses leading to a qualification are funded via Further Education (FE) grant based upon the course type and qualification. However, students taking non-vocational courses not leading to a formal qualification are funded via a block allocation not related to enrolments, referred to as Adult and Community Learning Grant (ACL) grant. Student enrolments are gathered via a census at three points during the academic year.

Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life Courses.

The AE service has reduced expenditure on course provision as a result of lower than anticipated enrolments, however there remains a residual pressure on the AE budget which is largely as a result of a reduction in tuition fee income due to the reduced enrolments.

2.3 Number of Library Audio Visual rentals together with income raised:

	2006-07		2007-08					
	No of rentals	Income (£)	No of rentals			Income (£)		
	actual	Actual	Budgeted target	revised target	actual	budget	revised projected income	actual
April – June	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437
July – Sept	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690
Oct – Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698
Jan – March	171,979	163,269	193,700	186,000		208,500	199,458	
TOTAL	675,367	661,415	763,000	654,056	470,838	821,200	701,381	429,825



Comments:

- Target figures for 2006/07 have not been shown as this data was not presented in monitoring reports last year
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for spoken word materials and DVDs has remained.
- Research undertaken by the service indicates issues can be increased if loans are offered for longer periods at a reduced fee. The service has also identified that it has a niche market for certain genres where demand can be sustained and there is little competition e.g. old TV shows.
- The service has reviewed its marketing strategy and set more realistic levels of rentals both in terms of volume and value. The service has increased income from other sources not included in the original budget and reduced expenditure on consumables to offset the estimated loss of £120k income.
- There was an increase in the rentals in quarter 2 but the income did not increase due to the reduced cost of rentals, as detailed in section 1.1.3.6 of this annex. Although rentals appear to have declined in quarter 3 this is partly due to incomplete data from some districts due to the Christmas break and missed deadlines for returns. A compensatory increase should be seen in the final quarter's data.
- In previous reports the actual number of rentals only included those from visits to lending libraries, the rentals now also include postal loans and reference materials.

This page is intentionally left blank

To: Communities Policy Overview Committee – 2nd June 2008

From: Paul Carter, Leader of the County Council
Peter Gilroy, Chief Executive

Subject: **Consideration of the draft KCC Annual Plan 2008/09 and process for publishing the final approved version**

Classification: Unrestricted

Summary:

This report sets out the background and process for publishing the KCC Annual Plan 2008/09. A copy of the latest draft is attached, to enable Members to make comment prior to its approval at County Council on 19 June 2008.

FOR INFORMATION AND COMMENT

1. INTRODUCTION

1.1 The Local Government Act 1999 introduced the statutory requirement for authorities to produce an annual Best Value Performance Plan (BVPP) by 30 June each year and the contents were at that time tightly prescriptive. In subsequent years these requirements have been steadily reduced and this will be the last year that authorities will be required to prepare and approve a BVPP.

1.2 Kent's BVPP is known as the KCC Annual Plan and it has, over the years, continued to go further than the reducing statutory minimum BVPP content requirements by bringing together all KCC priorities together in one document. As such it is an important mechanism for incorporating elements of Towards 2010, the Kent Agreement, Supporting Independence Programme, Vision for Kent and other priorities and thus acts as a bridge between KCC's strategic objectives and corporate priorities and its service and financial plans. It also reports upon progress made against many priorities for the previous financial year as well as setting new targets for the current year and beyond. It is a central part of the Authority's performance management processes bringing together performance information and comparing KCC with other authorities.

1.3 The Annual Plan follows the Towards 2010 format with Directorate and Portfolio information being allocated under Towards 2010 headings. The principal audiences are KCC's staff and Members as well as groups and organisations with an interest in our activities. It is also a public document and potentially an important means of communicating with local people directly.

2. ROLE OF POLICY OVERVIEW COMMITTEES

2.1 For the last four years the draft Annual Plan has been presented to the Policy Overview Co-ordinating Committee (POCC) to enable Members to make any comments they think are appropriate prior to its approval at County Council. This year the process has

been amended and the draft Annual Plan is being submitted to individual Policy Overview Committees (POCs) before the County Council approval meeting. This will enable each committee to focus specifically on areas which are the responsibility of their committee in relation to the policy objectives and targets set.

2.2 It is recommended that Members send their comments and questions in advance of the Communities POC meeting in 2 June 2008. This will allow responses to be provided to Members on the day, wherever possible, and these should be sent to Mark Scrivener, Business Information Manager, preferably by email to mark.scrivener@kent.gov.uk. There will still, however, be an opportunity for Members to make additional comments at the POC meeting.

3. COMPLETION, APPROVAL AND PUBLICATION PROCESS

3.1 The KCC Annual Plan 2008/09 is fairly close to completion. There are some small gaps within the performance indicator (PI) tables but these will be completed shortly.

3.2 The Constitution states that the Leader shall submit a draft Annual Plan to County Council. The date of this meeting is 19 June. This date is fixed to allow Members to see as full a draft as possible prior to its publication at the end of June.

3.3 The terms of reference of Governance and Audit Committee require it to check compliance of the KCC Annual Plan with the remaining statutory requirements prior to its publication. Authority to do this has been delegated to a small, cross-party group of Governance & Audit Committee members in early June, (as there is no suitable date for this to be undertaken by the full committee prior to the end of June). County Council will be orally informed of their view.

3.4 The document will be proof read and 'Plain English' check undertaken prior to publication. This year the Annual Plan will again be published on CD. The CD will also include information relating to the Vision for Kent, Towards 2010, the new Kent Agreement, Supporting Independence documents, the County Council's Medium Term Plan. A published (hard copy) version of the Annual Plan will also be available.

3.5 Copies of the KCC Annual Plan are sent to all Members of the County Council, the Authority's principal partners and relevant voluntary organisations, senior KCC managers and our external auditors, amongst others. Copies will be sent to all libraries and KCC offices open to the public as in previous years. A copy will also be publicly available on KCC's web-site and on KNET to allow access to all our staff.

4. EXTERNAL AUDIT

4.1 The requirement for BVPPs to be externally audited currently remains. KCC's previous external auditor's reports on the plans in have been unqualified with no statutory recommendations made in the last seven years. An early draft of the Plan will have been made available to our new appointed external auditors, The Audit Commission, in order to ensure KCC meets statutory requirements prior to publication.

5. COMMUNITIES SECTIONS IN THE ANNUAL PLAN

5.1 The sections of particular relevance to this Committee are in Chapter 6 (Enjoying Life) and Chapter 11 (Safer and Stronger Communities). Members will be aware that the services in Communities also contribute to a number of other areas of KCC business, as

reported on in other Chapters in the Plan, and these are highlighted in the text. Appendix 3 notes the Policy Framework documents that are formally within the remit of this Committee

6. RECOMMENDATION

Members are asked to

- (i) NOTE the arrangements for publishing the KCC Annual Plan 2008/09.
- (ii) COMMENT on the sections that are relevant to the services within the Communities portfolio

Contact details:

Judy Edwards
Director, Policy and Resources, Communities Directorate
Judy.edwards@kent.gov.uk
01622-694176

Mark Scrivener
Business Information Manager, Communities
Mark.scrivener@kent.gov.uk
01622-696055

This page is intentionally left blank

To: Communities Policy Overview Committee – 2nd June 2008

From: Mike Hill, Portfolio Holder, Amanda Honey, Managing Director, Communities

Subject: **Turner Contemporary – Regeneration Impact**

Classification: Unrestricted

Summary: This report outlines the expected regeneration impact of Turner Contemporary

FOR INFORMATION

1. Background

(1) Priority 2 of Kent Prospects 2007 – 2012, KCC's Economic Development Strategy, is to promote sustainable growth and regeneration. When employment levels and other deprivation indices are considered, it is not surprising that, within this, the coastal towns of East Kent feature prominently. Margate, in particular is identified as one of a number of towns where concerted public sector intervention is required. Similarly, within SEEDA's Regional Economic Strategy, the Coastal South East Framework identifies Margate as one of just four coastal regional priorities. Its framework for action places much emphasis in transforming these ailing economies on the establishment of a creative and inspirational coast offering high quality places to live, work, learn and invest.

(2) Thanet's need for public sector intervention has been recognised for many years and, having benefited from ERDF Objective 2 status, Assisted Area Status and several rounds of Single Regeneration Budget funding, major strides have been made. But Margate continues to be a priority for Thanet District Council. In particular, the wards of Margate Central and Cliftonville West continue to be highly deprived, the housing market there is unbalanced and, with 1000 jobs lost between 2003 and 2006, unemployment in those wards is three times the Thanet average.

2. Margate's regeneration

(3) A concerted public sector approach has been required to address Margate's ills and thus it was that in 2006 major public sector players (KCC, SEEDA, Thanet District Council, English Partnerships, English Heritage, The Arts Council, The Heritage Lottery Fund and the Government Office for the South East) came together as the Margate Regeneration Partnership (MRP) around an implementation plan to deliver its vision that:

“By 2015, Margate will become a dynamic, thriving and successful town. It will be a major hub and driving force for creativity and culture that excites and inspires

residents and visitors alike. It will embrace and celebrate its traditions as a place of relaxation, leisure and seaside fun.”

(4) The implementation plan recognised a variety of key drivers of Margate’s regeneration, all of which would need to be addressed. These included improved connectivity, housing improvements (involving Neighborhood Renewal and KCC’s No Use Empty initiative), improving the quality of life and social regeneration (particularly around the Government’s Safer, Stronger Communities Fund Programme), the need to address skills issues, and a reduction in the town’s reliance on public sector employment. A concentration on the creative and cultural sector based upon establishing a new creative quarter in the Old Town has been a key element in diversifying the economy and Turner Contemporary has been very much the inspiration and anchor of these developments.

3. Turner Contemporary

(5) Turner Contemporary’s vision *“is to celebrate JMW Turner’s association with Margate and to promote an understanding and enjoyment of his historical and contemporary art as a vital and accessible means of expression that enriches everyone’s lives. And by so doing, be a positive force in the social, economic and environmental regeneration of Thanet and East Kent.”*

(6) Although the build will not start until later this year, the Turner effect on investment and the property market is already being experienced. For example, in a recent survey, it has been shown that at least 25 businesses are operating either as a result of the original Turner initiative or the current one.

(7) There are a number of important ways in which Turner Contemporary is shaping and impacting on the regeneration of Margate. The main strands of this will be achieved through:

- major physical improvements to the Eastern Seafront of Margate, from the Harbour Arm, through the Rendezvous site to the Winter Gardens and Lido
- strengthening Margate’s (and East Kent and Kent’s) cultural and creative offer, and in particular supporting the planned future development of the Old Town as a Creative Quarter
- the creation of new jobs, businesses and generating confidence to invest
- strengthening education, community and civic pride
- its contribution to and alongside the development of other key sites in Margate

These are considered in more detail on the next page.

3.1 The Eastern Seafront Proposal

(8) Turner Contemporary is being designed by David Chipperfield Architects, the winner of the Stirling Prize for Architecture in 2007. The design of the new gallery has been widely applauded and the completed gallery is expected to achieve international recognition for both its artistic and architectural merits. As well as uplifting the cultural offer for Kent and the region, the impact of the initiative on Margate will be profound.

The greatest physical impact will be expressed through the transformation of the Eastern Seafront from the Harbour Arm to the Lido.

(9) Most significantly, the site immediately adjoining Turner Contemporary, is to be developed by KCC with its development partner Gleeson and is provisionally expected to include high quality residential accommodation, a four star hotel and commercial outlets. Along with Turner Contemporary, the scheme will create new linkages to the Old Town and will lead to the complete transformation of the Rendezvous site. Significant improvements are also currently being implemented to the Harbour Arm, which will improve its attractiveness and include a number of commercial outlets. Comprehensive plans are expected to come forward shortly from the owners of the Lido site with mixed use residential and leisure proposals. Thanet District Council is currently giving consideration as to how the Winter Gardens can be improved in light of these existing initiatives.

(10) Major enhancements to the public realm are a key feature of the Eastern Seafront proposals. The narrowing of Fort Hill to a single carriageway and linked improvements to King Street, The Parade and the harbour front, will not only improve the quality of the public realm but will ensure significantly improved connectivity between the seafront and Old Town.

3.2 Strengthening the cultural strategy

(11) Establishing Turner Contemporary will, alongside other cultural initiatives such as The Marlowe and The Beaney Institute in Canterbury, The Creative Foundation in Folkestone and other developments like the Whitstable Biennial, ensure Kent and East Kent's cultural offer can compete with other major cultural destinations in the South East. Whilst the initiative is important for Kent and the region, it is crucial for Margate.

(12) A critically important feature of Margate's plans is to diversify its economy and to build on its developing reputation as a centre for the arts. Turner Contemporary underpins these plans. The Old Town, in particular, designated as Margate's Cultural Quarter, will be a major beneficiary as new visitors, art-related businesses and other support businesses become established. The gallery is expected to generate around 130,000 visitors a year.

(13) Margate now features in Sharpie's Index as one of the country's top twenty creative towns with potential to be one of the top ten (Future Laboratory for Sharpies Creative Index 2007). The Sharpie's analysis draws much from the contribution of Turner Contemporary.

3.3 New Jobs, businesses and confidence

(14) Although it is difficult to be precise about the number of jobs likely to be created, it is estimated there will be something in the order of 180 - 200 new or safeguarded permanent jobs as a result of Turner Contemporary. A number of these jobs arise directly from Turner Contemporary including jobs required to run the new gallery, jobs generated as a result of additional spend by visitors to the gallery, the twenty five existing businesses arising because of Turner and the eighteen new businesses that are

expected to be created in the next two or three years. Others will be generated by the new hotel, commercial outlets and the spend of residents new to the Rendezvous site. It should be noted the job figures quoted above conform to rigorous SEEDA conventions.

(15) A distinguishing feature of the Turner initiative is that it will attract higher spending tourists. It will also serve to enhance Margate's tourism offer by balancing its current more popular beach based and amusement focused offer. The new higher quality accommodation that will be offered on the Rendezvous site is similarly expected to help rebalance the resident demographic by attracting higher spending residents. This combination of a strong cultural and accommodation offer is expected to be positively influential in shaping the quality of other key development sites in Margate.

(16) There is already evidence that the planned creation of Turner Contemporary has had an impact on both confidence to invest in Margate and the area and on actual property prices (The Turner Effect). In Margate, there has been an increase of 116% in residential property prices since 2001. This coincides with the raised profile of Turner Contemporary and it is reasonable to infer a link between Turner Contemporary and the confidence in the local property market. This is supported by evidence that over the same period, whilst residential property prices have risen by 116% in Margate, they have only risen by 87.3% and 59.6% in Thanet and the rest of the South East respectively. Developers in Margate openly underscore the vital role Turner Contemporary and its associated developments played in their decision to invest in the town. Below is a typical statement from a local developer which is representative of key business opinion:

"I have been investing in Margate for just over 3 years and in that time over £15m has been allocated by my group of companies to a mixture of properties in the town. Substantial further investment may follow.

One of the principal reasons for investing in Margate over that period has been the much publicised Turner Centre which I see as the defining project for the regeneration of the town. It has encouraged the creation of many local businesses, anticipating tourist growth, and other investment in residential and commercial property". (Wade Barker, Thanet Development Group; May 2007)

3.4 Strengthening education, community and civic pride

(17) Margate and in particular the two wards of Cliftonville West and Margate Central, feature amongst the highest levels of social deprivation in Kent. Turner Contemporary will play a key role in contributing to mitigating the high level of social need not only through its broader economic contribution, but also through its commitment to providing education and outreach services, to social cohesion and to the enhancement of civic pride in Margate. The new gallery will have a strong education component and expand the number of existing programmes which focus on groups with high levels of social need. The gallery will have a strong community focus and attract local community support in addition to its regional, national and international ambitions. The gallery will continue to work closely with local artistic groups such as Crate and Limbo Arts as well as wider community interest groups.

3.5 Turner Contemporary and wider developments

(18) Turner Contemporary is central to the town's regeneration plans and complements development on other sites. These other key development sites include Dreamland, Arlington, the Marks and Spencer site, a variety of Old Town improvements and further a field the development of Manston airport.

(19) The developments to the transport infrastructure for Margate will also underpin future economic expansion. In the short term the Parking Access and Movement (PAM) proposals will improve local accessibility and redefine parking resources. New signage, walking routes and connections will enhance the quality of the visitor experience. The introduction of CTRL Domestic Services from London to Ramsgate in 2009 will see a reduction in travel time from London to Margate. The designation of Manston as a regional airport is also very significant. The improved access to Kent and East Kent is likely to lead to major additional numbers of tourists and visitors. With the improved cultural and tourist offers planned for East Kent it is anticipated Margate and Thanet will be important beneficiaries. Turner Contemporary will be a key element in a concerted programmed.

(20) Whilst the Turner effect has been shown to exist, the work of the team at Turner Contemporary to provide arts activities has already done much to support the regeneration. As a result of working with artists such as Mike Nelson, Jeremy Duller and Laura Ford, significant new audiences have been attracted to Margate and media attention is already contributing to overturning long held assumptions about the town. The team is currently programming a new project space on Margate High Street and in the first two months of operation there have been 7800 visitors.

4. Conclusion

(21) Turner Contemporary and the developments linked with it will clearly have a major catalytic effect to help change Margate and build confidence. The developments on the eastern seafront alone will have a huge impact on the Town's image and tourism offer and lead to significant jobs. However, the scale of change on the eastern seafront, when combined with the other key major projects planned for Margate, is anticipated to contribute to a 'tipping point' for Margate's future economic and social prosperity.

5. Recommendation

(22) The Policy Overview Committee are invited to note the contents of this report.

Contact officer
Keith MacKenney
Regeneration Officer
Tel: 01622 221912
Keith.mackenney@kent.gov.uk

Contact officer
Phillip Round
Senior Projects Manager
Tel: 01622 694169
Phillip.Round@kent.gov.uk

This page is intentionally left blank

To Communities Policy Overview Committee – 2nd June 2008

From: Mike Hill, Portfolio Holder and Amanda Honey, Managing Director,
Communities

Subject: **National Year of Reading 2008**

Classification: Unrestricted

Summary:

This report aims to:

- Raise awareness of the National Year of Reading (NYR) 2008 and its significance to Communities Directorate.
 - Highlight progress in planning for NYR in Kent.
 - Engage Policy Overview Committee in championing NYR; in particular the importance of literacy skills to Kent's economy and community well-being.
-

1. Background

1.1 2008 has been designated National Year of Reading (NYR). Public activity began in April and runs through to December. The National Literacy Trust and The Reading Agency are leading a consortium of national organisations to manage NYR on behalf of the DCSF. See <http://www.yearofreading.org.uk> for further details.

1.2 The Vision for NYR is to create a powerful focus of opportunities and activities, so that children, families and adult learners understand the benefits that reading – for pleasure and for purpose – can bring to change their lives for the better, now and in the future.

1.3 The objectives of NYR are to:

- encourage more people to read
- demonstrate the importance of literacy skills for educational attainment, work and life
- encourage boys to feel more enthusiastic about reading
- encourage and enable young people to understand the importance of reading
- encourage adult literacy.

1.4 Anticipated outcomes of NYR include:

- parents feeling more confident to share books with their children at the earliest age
- children feeling more interested in reading
- increased aspiration among boys
- parents more confident in their own abilities and increased hopefulness about their children's future families and wider community involved with schools
- closer community links through literacy activity.

1.5 NYR will enable the building blocks to be put in place and establish momentum for a systematic change in the reading culture in this country. It will establish sustainable partnerships to promote reading at local, regional and national levels. It will achieve increased support from industry for reading and literacy and embed reading in strategic plans. There is an expectation that there will be an on-going legacy beyond NYR. This could be achieved via the Cultural Olympics.

1.6 NYR may demonstrate a need for a more strategic cross-sectoral approach to literacy. This is something that we will consider when we evaluate NYR.

2. Policy Context

2.1 Literacy skills are fundamental to the achievement of most Towards 2010 targets, Vision for Kent, the Kent Area Agreement, the Children and Young People's Plan, Putting Kent First and the Directorate Vision. They support just about every local and national strategy including health and social care.

2.2 Literacy is vital to community cohesion and empowering citizens. It builds confidence and enables people to take responsibility and make informed choices. It can contribute to a reduction in crime and disorder which is why Kent's Prison Service is engaged. In a computer age the ability to read and write remains fundamental to quality of life and the economy. Computers are far from being a threat to reading; they are a powerful tool to engage new readers across the globe.

3. Process

3.1 Gill Bromley (Communities Libraries and Archives) and Martin Turner (CFE Extended Services) are jointly coordinating plans for NYR .

3.2 Kent Partnership, Supporting Independence, every Directorate in KCC, and partners from the business and voluntary sectors are represented on our Strategic and Working Groups enabling us to reach key stakeholders across Kent. Partners include BBC Learning, Kent Book Company, HM Prison Service and Community Services Volunteers (CSV).

3.3 There are huge challenges and pressures to improve standards of literacy including a focus on audiences which are excluded from society through their lack of literacy skills or interest in books. We have identified the following target audiences for Kent:

- Early years
- Primary age children including looked after children, parents, and boys and fathers in particular
- Teenagers
- Adult learners including employees of Kent's businesses and Kent's prison community

These audiences include people with disabilities including visual impairment and BME communities. While we have identified these targets no one who lives or works in Kent, whatever the age, sex or ability will be excluded from NYR activity.

3.4 We launched NYR with Kent: a Great Place to Read in April. Other highlights of the year include:

- *The Kent Story*; 12 books with the opening sentences of a story written by Paul Carter are circulating schools in each District, enabling the children to continue the tale before passing it on to the next school
- *Women of Kent* which will be published by our Archives service
- An offer to Kent's employers from BBC Learning, Adult Education and Libraries and Archives. We will also target KCC's workforce to raise literacy skills levels
- Involvement in Citizenship Ceremonies including gifting a book on Kent
- A Text Reading Group for teenagers
- *Library in the Park* in Dartford during the summer to engage non-users
- *Read yourself Well* using reading to support mental health.
- Initiatives to target schools including *Playing for Success* (literacy through sport); *Week 53* study support activities; and *Teachers as Readers*.
- *6 Book Challenge* on Sheppey supporting adults to build reading confidence in partnership with SkillsPlus, the Prison Service and Libraries and Archives.
- Plans for a major 'Bring a Friend to the Library' campaign.
- *Save trees, borrow books*; environmental promotion
- A celebration of reading towards the end of NYR including a seminar to share experience and engage partners into 2009 and beyond

3.5 We will also use the year to champion existing reading programmes including Bookstart, Booked Up, Boys into Books and the Summer Reading Challenge which helps to sustain the reading habit through the school holidays. See Appendix one for a summary of these and other initiatives.

3.6 We are also seeking people who love books and reading to volunteer to help us engage with those who lack the confidence or skills to enjoy reading. The public are responding well, demonstrating enthusiasm to get involved.

3.7 NYR represents a huge opportunity for local Members to get involved to help us engage key partners in local communities. There will be local events and activities to which they will be invited. We are also keen to seek their ideas. NYR will feature on Local Board Agendas during the year at the request of Paul Carter.

3.8 Plans for the future beyond 2008 include *One Book, One Kent*. We will encourage as many people as possible to read, explore and celebrate one great book. Promotional events will reflect the themes of the Cultural Olympics.

3.9 National Year of Reading provides the opportunity for Communities to play a leading role in the development of literacy skills in Kent. In Communities we provide lifelong access to books and literacy from the presentation of a Bookstart Bag to every baby by our Registration Service to cross-Directorate work to support individuals and families who are bereaved. Adult Education and the Youth Service, as well as Libraries and Archives, are actively engaged. Sports and Leisure, Arts Development, KDAAT and YOS recognise that they play a significant role. There is scope for the wider involvement of other Units including Community Wardens and the Contact Centre. With young people spending just 15% of their time in formal learning, Communities can really make a difference building on the success of initiatives such as Headspace, a joint Youth Service and Libraries initiative in Folkestone.

4. Resource Implications

4.1 We are currently absorbing costs of NYR within existing budgets. In Communities, Libraries and Archives and Adult Education in particular, literacy is at the core of our business and NYR will help to raise awareness of our roles. Our Coordinators are managing NYR as part of their normal workload. Libraries and Archives Reader Development Team is providing expertise and support. Meanwhile we are seeking funding via Directorates, our partners and sponsors to support significant campaigns, events and activities during the year.

5. Recommendations

This paper seeks:

5.1 Policy Overview support for NYR in particular a recognition of the importance of literacy skills to Kent's economy and community well-being.

5.2 suggestions to inform planning for NYR and its legacy beyond 2008 including the role that Communities Directorate can play now and in the future

Contact Officer:

*Gill Bromley
Strategic Manager Libraries and Archives
01622 696480*

Appendix: Summary of reading programmes

Book....What??

Bookstart: A book bag for babies aged 0 - 12 months containing two books, information on reading with your child, an invitation to join the library, place mat. Given out in Kent to all parents by Registrars when the baby's birth is registered. Distributed throughout the year.

Lead person – Karen Sillifant

Bookstart Plus: A book bag for children aged 18 - 30 months, containing two books, information on reading with your child, an invitation to join the library, number frieze, crayons, colouring pad, book plates. Given out by Health Visitors. Distributed throughout the year.

Lead person – Karen Sillifant

Bookstart Treasure Chest: A box for children aged 36 - 48 months, containing two books, information on reading with your child, an invitation to join the library, colouring pencils, pencil sharpener, colouring pad, book plates. Distributed in pre-school settings - rolling programme across Kent throughout the year.

Lead person – Karen Sillifant

All three packs also available through local libraries and other relevant partners (eg Children's Centres) for anyone who has missed out.

Booktouch: A Bookstart pack for blind / partially sighted children aged 0 - 4 years. Available on request.

Lead person - Karen Sillifant

Bookshine: A Bookstart pack for hearing impaired children aged 0 - 4 years.

Lead person - Karen Sillifant

Book Crawl: an opportunity for pre-school children to become regular library users, with stickers and certificates to collect every time they visit the library.

Lead person – Karen Sillifant

For all of the above: www.bookstart.co.uk

Book Ahead Early Years: A selection of titles added in bulk to every library authority's stock in March 2008 and loaned to pre school settings from April 2008. The allocation of funds is decided by the number of children in pre school settings in the county.

Lead person – Lindsay Prestage

Booktime: One book (the title changes annually) and information about reading for the parent, in a drawstring bag. Given to all children in Year R at state primary schools, in October/November.

www.booktime.pearson.com

Lead person: Christine Heald

Boys into Books 5-11: A selection of titles added in bulk to every library authority's stock in April/May and promoted to schools in May/June. The allocation of funds is decided by the number of boys in primary school in each county.

Lead person: Janet Davies

Booked Up: A choice of one of 12 titles gifted to all pupils starting at state secondary schools in October. Administered through schools.

www.bookedup.org.uk

Boys into Books Secondary: (*Possibly just a one-off in 2007; no news about its implementation in 2008*). A collection of books chosen by the SLA and presented to all secondary schools with boys. Administered through schools.

www.boysintobooks.co.uk

Book Ahead PRUs: A selection of titles added to libraries in every authority with Pupil Referral Units (only those with boys aged 11-15 years). The books are then loaned to the Units. The allocation of funds is decided by the number of boys of the appropriate ages in PRUs.

Leads: Michelle Giles and Christine Heald.

Mrs Janet Davies
Family and Lifelong Learning Services Manager
Libraries and Archives
Gibson Drive
Kings Hill
West Malling
Kent
ME19 4AL
janet.davies@kent.gov.uk

Tel. 01622 605211

Fax 01622 605221

To: Communities Policy Overview Committee – 2nd June 2008

From: Mike Hill, Portfolio Holder, Amanda Honey, Managing Director, Communities

Subject: **Adult Education Fee Structure**

Classification: Unrestricted

Summary

The 2008-9 course programme is in the final phase of completion and final decisions on individual course fees are being taken. Information on the full programme and sample fees will be available at the meeting.

1. Background

1.1 Adult Education charges fees to students for most courses and prices are determined on the basis of the cost of providing courses (including tutor pay, equipment, materials and any examination fees). As public funding from the Learning and Skills Council has declined (since 2005) the service has sought to increase income from course fees in line with Government's 'the learner pays' policy.

1.2 In the past 3 years course prices paid by users have risen on average by 45%.

1.3 In the current academic year 2007-8 enrolments have failed to match our expectations and by the end of the programme year (at 31st July) we anticipate a fall in student numbers of approximately 5000 compared with 2006-7. This shortfall, which was experienced nationally, has been attributed to the downturn in the retail and service sector economy in the second half of 2007, consumer resistance to higher prices, and a perception that local authorities were abandoning adult education provision.

2. 2008-9 Financial Plan

2.1 To deliver the £250k increase in income described in the Medium Term Plan the service has devised a strategy to reverse the decline in participation and achieve the income target in 4 ways:

2.1.1 To increase the number of learners in our core programme by filling spare capacity in classes. We plan to achieve this by holding most course prices at last year's levels and vigorously promoting this news to existing, past and potential learners. In anticipation of continuing negative news on the economy and rising prices we judge that the 'no increases on AE' message will achieve high visibility and encourage enrolment.

Rationale: In surveying past students who did not return in 2007 we discovered that many would consider returning if prices were affordable and if a wide choice of subjects was maintained.

- 2.1.2 To improve the monitoring of enrolments, course by course, with early action taken to amalgamate classes where possible to achieve viability. Give groups the opportunity to pay supplements to enable their course to run in the case of low numbers. (In effect we will invite members of a class to 'make up' the fees of missing students).

Rationale: This practice was common in Kent in the late 90's and was approved by Members. There is evidence that courses were able to be retained in this way and that users were more satisfied than if their class had been cancelled.

- 2.1.3 To add to the core programme in Adult Education Centres, a series of new courses at premium fee levels is proposed, aimed at new learners most able to afford to pay.

Rationale: We piloted premium-fee courses in specialist arts subjects, some computing and advanced modern languages in 2006-7 and 2007-8 with considerable success.

- 2.1.4 To bring to market new training courses aimed at employers and organisations including KCC, District Councils, selected employers, 3rd sector organisations and schools.

Rationale: During 2007-8 KAES has been exploring a range of new opportunities and has secured early contracts to deliver 'Train to Gain' LSC funded work with employers. (A progress report on business development is included as appendix 1).

- 2.1.5 Examples of the background market research that has informed this approach, and of new courses, will be illustrated at the meeting.

3. No-Fee provision and concessions

- 3.1 Under the LSC contract for Further Education provision (learning which leads to qualifications and is deemed high priority) some courses are free to users:

- English and Maths (Literacy and Numeracy)
- English for Speakers of Other Languages (ESOL)
- Independent Living Skills – for adults with learning difficulties and disabilities

- 3.2 Additionally other courses deemed high priority by KCC are offered at no fee (these are in effect subsidised through fee income):

- Lip reading
- Sign language (for learners who are themselves hard of hearing)
- Special activity programmes for adults with learning difficulties

4. Recommendation

4.1 Members are asked to note the approach to pricing of courses and to managing fee levels, as described in this paper.

Contact

Ian Forward

Head of Adult Education

Ian.Forward@Kent.gov.uk

Tel: 01795 415902

This page is intentionally left blank

**Kent Adult Education Service
Business Development 2007-10**

Approach: To diversify the portfolio based on core curriculum competencies

New Business

Market/Partner	Opportunity	2009-10 Income (range) 000,00	Forecast	Influencing Factors External	Influencing Factors Internal to KAES
KCC Learning & Development	Preferred provider of training to level 2, particularly IT, and full cost short courses to meet legal or best practice needs eg first aid, Health and Safety,	£180 - £300	Medium	Nature of L&D relationship, preferred partner or just another supplier Active promotion of Skills Pledge and "GO" award by KCC linking to LAA targets	Resource to manage and develop the relationship Increase in qualified resource to deliver training
Extended Schools settings in Kent	Support Staff Qualifications level 2/3 (LSC FE and Train to Gain draw down) Promotion of "GO" award SFLife Full cost short courses Full cost family learning courses	£150 - £280	High	Successful increase in Train to Gain contract volumes Priority on literacy and numeracy in LAA maintained and supported by CFE	Resource to manage and develop the relationship at Directorate and local LCSP level Increase in qualified resource to deliver training

Appendix 1

District Councils	Promotion of "GO" award and skills Pledge linked qualifications (LSC FE and Train to Gain draw down) Full cost short courses	£100 -£150	Medium	Buy in to LAA targets by DC's. Leverage of LAA connections to promote "GO" award and Skills Pledge	Resource to manage LAA leverage and DC relationships Increase in qualified resource to deliver training
Selected Large employers	Promotion of Skills Pledge linked qualifications, FE and TT Gain funded (LSC FE and Train to Gain draw down) Full cost short courses Full cost Fitness and Leisure programmes	£75 - £125	Medium	Successful increase in Train to Gain contract volumes Maintenance of FE funding levels	Resource to manage relationships Increase in qualified resource to deliver training
External Funding - Bids to deliver training and learning	Identification/conversion of major bid opportunities aligned to Adult Learning and development of employability skills agenda	£100 - £200	Low	Need to work on a regional/sub regional basis with public and private sector partners	Appropriate skilled resource to develop and manage partnership relationships
14-25 Unit; Sue Dunn	Enhanced Curriculum, Skills for Life, Train To Gain, Apprenticeships (KEY)	xx?		Moderate	Under Development, Early days – But Potential could be significant

By: Overview, Scrutiny and Localism Manager
To: Communities Policy Overview Committee – 2 June 2008
Subject: **SELECT COMMITTEES - UPDATE**
Classification: Unrestricted

Summary: This report updates Members on the Select Committee Topic Review programme.

Select Committee: Alcohol Misuse

1. (1) The report of the Alcohol Misuse Select Committee under the Chairmanship of Mr Hirst was presented to County Council on 3 April 2008 where it was well received. The report before the County Council included an appendix which was in effect the start of an action plan which will be built upon. The Cabinet Member for Public Health, Mr Gibbens, has already established a working group to take forward the recommendations of the Select Committee

(2) As part of the agreed monitoring process for Select Committee Topic Reviews i.e. there will be an action plan submitted to the POC in September/November and the Select Committee will be re-convened in April 2009 to receive a report on the progress with its recommendations on year after it was considered by Cabinet.

(3) Linkages have been made with the Working Group taking forward to the recommendations of the PSHE Select Committee

(4) A Conference on Alcohol Misuse is being organised to take place before the summer recess. This will be a launch opportunity for the Select Committee report.

Select Committee: Accessing Democracy

2. This Select Committee under the Chairmanship of Mrs Angell is currently gathering evidence. They are using a number of methods to do this, in addition to the established hearing sessions, County Councillors have also carried out insight gathering exercises, using the Gateways, libraries and attending forums/meetings. Also a hearing session was held Bristol Council using Video Conference which is the first time that we have used this in the Select Committee process. The Select Committee is currently aiming to complete this phase of its work by the end of June 2008.

Select Committee: Autism Spectrum Disorder

3. The Select Committee for Autism Spectrum Disorder's inaugural meeting will be held on Wednesday, 4 June 2008 to elect the Chairman and agree the Terms of Reference and Scoping of the work for the Review.

Select Committee – Provision for Activities for Young People

4. At its meeting on 23 May 2008 the Policy Overview Co-ordinating Committee (POCC) is expected to agree that as soon as resources became available the next Select Committee, after those set out above, would be “Provision of Activities for Young People”. The assessment form for this Select Committee is attached as Appendix 1. There will be an oral update at the meeting on the outcomes of the meeting of the POCC.

Policy Overview Co-ordinating Committee

5. The Policy Overview Co-ordinating Committee is due to meet on 23 May 2008 to discuss the topic review programme and other issues including, building additional capacity for Policy Overview Committees and programming of POCs in 2009. There will be a verbal update on the outcomes from this meeting to the POC.

Recommendation

6. Recommended that the report and the oral update be noted.

Christine Singh
Democratic Services Officer (Policy Overview)
01622 694334
christine.singh@kent.gov.uk

Background Information: *Nil*

ASSESSMENT OF A SELECT COMMITTEE TOPIC REVIEW

(* - sections to be filled in by the proposer of the topic)

<p>*Subject of Proposed Review :-</p> <p>Provision for Activities for Young People</p>
<p>*Reason for the Review :- (see note 1 below)</p> <p>KCC in its agenda for the future have identified that provision and activities for young people should be increased by over 20% in what is regarded as in their leisure times. This means, evenings, weekends and holidays.</p> <p>Young people are being demonised and criminalised for being young and doing what young people have always done. They are being acted against, sooner than being provided for.</p>
<p>*Issues to be covered by the Terms of Reference:-</p> <p>An audit of out of school provision across the county should be undertaken and an accurate mapping exercise provided. This will identify gaps.</p> <p>Proposals to fill gaps should be presented. Young people should be involved at every stage of process.</p>
<p>*Scope of the review:-</p> <p>To identify what activities and facilities are available for young people to access countywide in their free time.</p> <p>Produce local mapping of local opportunities and provisional gaps.</p> <p>To develop a strategy, in partnership with other agencies to plug gaps in provision.</p>
<p>*Purpose and objectives of the Review:-</p> <ul style="list-style-type: none">• To offer young people positive, real alternatives, to ASB and provide them with an adrenaline buzz through positive activity sooner than negative actions.• To turn young people away from alienation from within their local communities to acceptance as positive contributors to their local communities.• To redirect from ASB and criminality.
<p>Proposer of the review</p> <p>...Geoff Rowe.....</p>

To be completed by the Directorate/Cabinet Member(s)

**Are there any reasons why this review should not be put forward for inclusion in the work programme for 2008/9?
(see note 2 below)**

Some of the mapping work identified in the original proposal has already been completed but we nevertheless strongly endorse the overall purpose and objectives of this review relating to preventing young people from getting into ASB and/or becoming involved in offending. This is a goal to which many parts of KCC can contribute so it will have a strong cross-Directorate focus.

The timescale dovetails well with the Government's requirement for Local Authorities in England to 'secure access [for young people aged 13-19] to sufficient educational and recreational leisure time activities which are for the improvement of their well-being, and sufficient facilities for such activities'. Furthermore, the Children's Trust in Kent is responsible for the development of an Integrated Youth Support Strategy in the county and a key element of this strategy is Positive Activities for Young People.

How will the review contribute to corporate objectives and priorities?

The review will contribute to aspirations set out in the Vision for Kent under the headings Learning for Everyone; Stronger and Safer Communities and Enjoying Life

It will also contribute directly to the achievement of Towards 2010 Target 60 and to a number of priorities in the Children and Young People's Plan.

Will the review support the achievement of PSA or LAA targets? If yes, please identify targets :-

Kent Agreement 2 (subject to agreement of the Secretary of State) identifies "Young people's participation in positive activities" as a possible indicator

Does the review need to be completed within a specific timeframe? If yes, please give details :-

No.

How will this review have an impact on KCC policy development and/or help to influence national policy?

Knowing more about what is currently available and why some young people do not get engaged in positive activities at the moment will inform policy discussion locally and potentially nationally, particularly strengthened by the fact that young people will be involved in discussion.

How will this review add value to the County Council and residents of Kent?

This review will need to involve young people whose views are less often heard which is an area of importance for a number of services, and will also contribute towards establishing a more positive image for young people in the county.

This response and commentary is endorsed by Mike Hill (portfolio holder) and Amanda Honey (Managing Director) for Communities.

Contact Officer :-
Alan Bernstein (for
Nigel Baker
Head of Youth Service)

Date :-
5 February 2008

This page is intentionally left blank