

GOVERNANCE AND AUDIT COMMITTEE TRADING ACTIVITIES SUB GROUP

MINUTES of a meeting of the Governance and Audit Committee Trading Activities Sub Group held in the Waterton Lee, Invicta House, County Hall, Maidstone on Monday, 17 May 2010.

PRESENT: Mr R L H Long, TD, Mr T Prater and Mr C T Wells

IN ATTENDANCE: Ms L McMullan (Director of Finance), Mr K Harlock (Commercial Services Director), Mr L Coulson (Head Of Strategic Finance), Mr D Lewis, Mr D Evans (Enterprise Fund Surveyor), Ms B Cooper (Director of Economic Development), Mr N Smith (Head of Development), Mr D Crilley (Director of Community Cultural Services), Mr R Kinlan (Commercial Manager, Libraries and Archives) and Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Minutes - 1 December 2009 and matters arising *(Item 3)*

(1) In respect of Minute 10 (c) the Head of Audit and Risk informed the Panel that the LAML case was due to be reviewed in September 2010. A report setting out costed options for further review would therefore be presented to the Panels once the outcome of the review was known.

(2) RESOLVED that the Minutes of the meeting held on 1 December 2009 are correctly recorded and that they be signed by the Chairman.

2. Summary of information lodged at Companies House for KCC Companies *(Item 4)*

RESOLVED that the 1908/09 audited accounts for Kent Top Temps Ltd and Kent County Facilities Ltd be noted.

3. Unaudited performance of KCC companies *(Item 5)*

(1) The Director of Commercial Services ascribed the increase in turnover in the face of a difficult trading climate to very active marketing and close attention to cost control. Kent Top Temps now sub-contracted a significant proportion of placements to Kent businesses.

(2) RESOLVED that the unaudited 2009/10 accounts for Kent County Facilities Ltd and Kent Top temps Ltd be noted and that the Director of Commercial Services and his staff be congratulated on the increase in turnover.

4. The Launch of Kent County Supplies Ltd T/A Simplicare *(Item 6)*

(1) The Director of Commercial Services informed the Panel that since the Launch of T/A Simplicare, business had gone as planned. Ongoing discussions were being held with some other Local Authorities for potential joint benefit.

(2) RESOLVED that the first month of reported business activity be noted.

5. Update on East Kent Opportunities Limited Liability Partnership (To Follow)

(Item 7)

(1) Mr D Lewis made a declaration of personal interest as he was a Board member of East Kent Opportunities.

(2) A report by the Director of Property and the Director of Economic Development had previously been published as a supplementary report.

(3) The Director of Finance informed the Panel that the accounting issues identified by the auditors had now been resolved. As a result, the liabilities of EKO to KCC were now in the accounts for 2008/09. It was confirmed by the EKO Executive Officer and the Head of Audit and Risk that the accounts for 2008/09 had been signed off without qualification and that those for 2009/10 would be finalised by the Year End Close Down.

(4) The Director of Economic Development informed the Sub-Group that the short term loan of £95k had been made to EKO by her in consultation with the Cabinet Portfolio Holder for Regeneration and Economic Development. This loan would be reported in greater detail to the Regeneration and Economic Development Policy Overview Committee in July 2010.

(5) The Director of Finance informed the Sub-Group that the request for the longer term loan of £500k would ultimately be submitted to the Leader of the Council for his approval following consideration by the Regeneration Sub-Group.

(6) The EKO Executive Officer responded to a question from Mr Wells by saying that there was no intention to drop the residential element from the EKO LLP proposals for the recently-acquired land. These proposals would be the subject of full and open consultation in the months of June and July 2010.

(7) RESOLVED that the summary of the background, structure and operation of East Kent Opportunities LLP be noted as set out in the report.

6. Business case for the creation of Kent Cultural Trading Ltd

(Item 8)

(1) The Director of Community Cultural Services reported that "Kent on Canvas" had initially been launched in October 2008 following work by a consultant which had identified the potential for income generation as part of the process of increasing awareness of the County's historic and cultural images.

(2) This trading activity had ceased following advice from Legal Services. The Cabinet Portfolio Holder for Communities had now given approval for the establishment of “Kent Cultural Trading Ltd” as a limited company, based on the “Kent on Canvas” model.

(3) In response to questions from Mr Prater, the Director of Community Cultural Services confirmed that there was also an opportunity for Libraries to generate their own income.

(4) RESOLVED that approval be given to the Business Case for the setting up of Kent Cultural Trading Ltd.

7. Future Meetings

(Item)

The Sub-Group agreed that a decision would be taken in October 2010 on whether to hold another meeting in November of that year.

EXEMPT ITEMS (Open access to Minutes)

The Sub-Group resolved that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

8. Business Plan for the creation of Kent Cultural Trading as a limited company

(Item 11)

(1) The Director of Community Cultural Services reported on how Kent Cultural Trading Ltd aimed to develop an income stream by utilising the cultural and information assets of the County Council. The company would be built on the business model already operating as “Kent on Canvas.”

(2) RESOLVED that the Business Plan for Kent Cultural Trading Ltd be endorsed.