AGENDA

CABINET

Monday, 17th October, 2011, at 10.00 am
Darent Room, Sessions House, County Hall, Maidstone

Ask for: **Karen Mannering / Geoff Mills**
Telephone: **(01622) 694367/ 694289**

Tea/Coffee will be available 15 minutes before the meeting.

Webcasting Notice

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

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UNRESTRICTED ITEMS

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

1. Introduction/Webcasting
2. Declaration of Interests by Members in Items on the Agenda for this meeting
3. Minutes of the Meeting held on 19 September 2011 (Pages 1 - 6)
4. Revenue & Capital Budget Monitoring Exception Report 2011-12 (Pages 7 - 16)
5. Welfare Reform Bill (Pages 17 - 26)
6. Further Delegation of Funding to Schools (To follow)
7. Mid Kent Joint Waste Project (Pages 27 - 32)
8. The John Wallis Church of England Academy (Pages 33 - 36)
9. St Augustine Academy (Pages 37 - 40)
10. Children's Services Improvement Panel - Minutes of 25 August 2011 (Pages 41 - 44)
11. Other items which the Chairman decides are relevant or urgent

MOTION TO EXCLUDE THE PRESS AND PUBLIC

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 involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the public)

12. The John Wallis Church of England Academy (Pages 45 - 48)

13. St Augustine Academy (Pages 49 - 52)

14. Mid Kent Joint Waste Project (Pages 53 - 84)

Katherine Kerswell
Managing Director
Friday, 7 October 2011

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

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 19 September 2011.

PRESENT: Mr P B Carter (Chairman), Mr A J King, MBE, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr K G Lynes, Mr J D Simmonds, Mr B J Sweetland, Mr M J Whiting and Mrs J Whittle

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business and Support), Mr M Austerberry (Corporate Director, Environment, Highways and Waste), Mrs A Beer (Corporate Director of Human Resources), Ms A Honey (Corporate Director, Customer and Communities), Mr M Newsam (Interim Corporate Director of Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr A Roberts (Interim Corporate Director Education Learning and Skills), Mr G Wild (Director of Governance and Law) and Mr A Wood (Acting Corporate Director of Finance and Procurement)

UNRESTRICTED ITEMS

57. Minutes of the Meeting held on 18 July 2011
(Item 3)

Resolved that the Minutes of the meeting held on 18 July 2011 be agreed and signed by the Chairman as a true record.

58. Revenue & Capital Budgets, Key Activity and Risk Monitoring 2011-12
(Item 4– Report by Mr J Simmonds, Cabinet Member for Finance & Business Support and Mr A Wood, Acting Corporate Director for Finance & Procurement and Corporate Directors)

(1) Mr Simmonds outlined the key elements of this report and highlighted the main pressures. Despite these the overall position of the budget was similar to how things had been in the past at this time of the year. Mr Wood said that if management of the budget continued as at present then there was no reason to think that the budget would not be balanced or have a small surplus at year end. Mr Lynes referred to page 114 of the report and raised a question regarding call volumes and training for staff in the Contact Centre. Ms Honey said she would look into these matters and also said a review of the Contact Centre was currently underway.

(2) Mr Carter placed on record his thanks to officers for the work they were putting in to keep the budget on track. He also said Cabinet Members and Corporate Directors needed to continue to focus on management actions in order to maximise opportunities and reduce pressures. Mr Carter also asked for an update on Asylum matters to be submitted to a future meeting of Cabinet.

Cabinet resolved to:

(a) note the latest monitoring position on the revenue and capital budgets,

(b) agree the changes to revenue cash limits within the ASC&PH & SCS portfolios to reflect realignment of budgets in line with 2010-11 outturn and changing trends of service provision.

(c) agree the changes to revenue cash limits within the EHW portfolio to reflect the restructure of KHS, revisions to waste contracts and realignment of budgets in light of the 2010-11 outturn.

(d) note that residual pressures are currently forecast within the SCS & CCS&I portfolios and management action is forecast to be delivered within the F&BS, BSP&HR and Deputy Leader's portfolios.

(e) note and agree the changes to the capital programme,

(f) agree that £5.246m of re-phasing on the capital programme is moved from 2011-12 capital cash limits to future years

(g) agree the £0.300m transfer of funding from Preliminary Design Fees for the Improvement to Maidstone High Street

(h) agree the £0.274m transfer of funding from Broadmeadow Extension to Older Persons Strategy – Dorothy Lucy Centre

(i) agree the £0.080m and £0.045m transfer of funding from Tunbridge Wells Respite Centre and Bower Mount respectively to the LD Good Day programme

(j) note the latest financial health indicators and prudential indicators

(k) note the directorate staffing levels as at the end of June.

(l) note that the final split of Early Years' budgets between "standards and quality assurance in early years settings" (ELS portfolio) and "provision of early years and childcare" (SCS portfolio) has not yet been resolved . As a transitional arrangement the entire budget is currently lodged in the SCS portfolio.

(m) agree a virement of £0.307m from the under spend on the debt charges budget within the Finance & Business Support portfolio to the Contact Centre and Consumer Direct budget within the Communities, Customer.

59. Quarterly Performance Report, Quarter 1, 2011/12
(Item 5– Report by Mr R Gough, Cabinet Member for Business Strategy, Performance & Health Reform and Ms K Kerswell, Managing Director)
(Mr R Fitzgerald, Performance Manager was present for this item)

(1) This report presented the Performance Report which provided Cabinet with information on the key areas of the Council's performance activity for the first quarter of 2011/12.

(2) Mr Gough said the quarterly report replaced the previous Core Monitoring report and at this stage was still in development. The report was therefore still being developed and would contain more information as the year progressed. Mr Gough also spoke of the work the Performance Assurance Team and Delivery Assurance Team. These were two officers groups who within their terms of reference had been tasked with regularly reviewing the information included in the Quarterly Report. Mr Lynes said and it was agreed future reports would as appropriate include reference to the relevant Cabinet Member. Mr Carter said the format of this report was a step in the right direction but asked Cabinet Members and Corporate Directors to challenge the information coming forward.

(3) Cabinet resolved to note the report

60. Charging Policy for Home Care and other Non-residential Services (Domiciliary Charging Policy)
(Item 6– Report by Mr G Gibbens, Cabinet Member for Adult Social Care & Public Health and Mr M Newsam, Interim Corporate Director, Families & Social Care)
(Mr M Thomas-Sam, Adult Social Care Business Strategy was present for this item)

(1) Mr Gibbens said as he would be making the decision on this matter as the relevant portfolio holder he wanted his decision to be informed by the views reached by the Cabinet and also those reached by the Adult Social Care and Public Health Policy Overview Committee which was meeting on Tuesday 20 September 2011. In answer to questions, Mr Gibbens said in undertaking this review there had been wide consultation and every effort had been made to ensure people had been provided with the right information, and that work would be ongoing. Mr Thomas-Sam said the report made clear the basis on which the review had been undertaken and presented the results of the consultation exercise. The report also considered the implications for service users and any impact on inequalities.

(2) Cabinet resolved to agree that:

(a) the Cabinet Member for Adult Social Care and Public Health take the final decision to implement the revised charging policy after taking into account the views expressed in the Cabinet report and those of the Adult Social Care and Public Health Policy Overview and Scrutiny Committee which was meeting on 20 September 2011.

(b) and for the reasons set out in the Cabinet report, the Cabinet Member for Adult Social Care and Public Health should take the decision to approve the proposed change of name of the policy to the 'Non-Residential Charging Policy'.

61. Review of the Kent Children's Trust Board
(Item 7– Report by Mrs J Whittle, Cabinet Member for Specialist Children's Services and Mrs M White, Business Strategy and Support)

(1) Mrs Whittle said this report set out the methodology and outcomes of the strategic review of the current Kent Children's Trust Board arrangements. The report made recommendations for changed arrangements which were required in order to meet statutory responsibilities. The report also proposed other arrangements that focused on joint commissioning to improve outcomes for vulnerable children and young people. Mrs Whittle referred also to paragraph 3.2 of the report which detailed the proposed membership of the new Children and Young People's Joint Commissioning Board. Mr Carter spoke of the importance of having the right connections between the locality based trust boards and the role of KCC members as corporate parents.

(2) Cabinet resolved to approve the following actions:

(a) for the reasons described in the Cabinet report, to cease the Kent Children's Trust Board and replace it with a Children and Young people's Joint Commissioning Board.

(b) agree the membership and chairmanship arrangements as proposed in section 3.2 of the Cabinet report.

(c) agree to the establishment of a stakeholder advisory group, taking account of the stakeholder engagement requirements of other key strategic Boards and groups; and,

(d) a review the new arrangements be undertaken in 12 months time.

62. Children's Services Improvement Plan - Quarterly Update
(Item 8– Report by Mrs J Whittle, Cabinet Member for Specialist Children's Services and Mr M Newsam, Interim Corporate Director, Families & Social Care)

(1) This report provided Cabinet with an update on progress on the Children's Services Improvement Plan and outlined the focus for the next six months. Mrs Whittle said that with thanks to the staff involved significant progress continued to be made and as a result a firm grip had been restored with respect to the allocation of cases. Mrs Whittle also reported on a meeting with the Children's Minister who had been reassured as to the progress being made and future focus. Mrs Whittle also gave an update on the campaign to recruit more experienced social workers. There would be a further update to a future meeting of Cabinet on the help and support the Council is giving to support vulnerable families and individuals and also on the recruitment campaign.

(2) Cabinet resolved to

(a) the achievement of the August Improvement Notice Targets

(b) the very significant progress that had been made since the last quarterly report, and

(c) the themes that would be the focus of the Phase 2 Improvement Plan

63. Kent PCT Funding for Social Care, Improving Health Outcomes
(Item 9– Report by Mr G Gibbens, Cabinet Member for Adult Social Care and Public Health and Mr M Newsam, Interim Corporate Director, Families & Social Care) (Mr Gough made a personal declaration of interest in that he is a co-opted member of the PCT cluster Board)

(1) This report asked Cabinet for approval to utilise the PCT funding for social care improving health outcomes across the seven broad areas in line with the Department of Health guidance. The report also requested delegated authority to officers to commission the services needed and agree with the PCT to deliver these improved outcomes.

(2) Mr Gibbens said the main thrust of this report was about having in place mechanisms which focused on allowing people to receive the help and support they needed in order for them to stay in their own homes. Mr Gibbens highlighted in particular the agreed investment areas for Kent as detailed in paragraph 6 of the Cabinet report. Mr Gough spoke about the need to promote sustainable health strategies which should be a focus for the Health and Wellbeing Boards. Mr Lynes said he welcomed the report and spoke of the need to ensure members serving on Locality Boards where provided with a proper briefing on the role and purpose of those Boards. Mr Carter said he agreed with the need to have member briefings and also said senior officers with the Families and Social Care Directorate should not take any decisions regarding the commissioning of services under delegated authority until such time as they had had proper opportunity to familiarise themselves with the detail of the policy and its implications.

(3) Cabinet agreed to:

a) Note the content of the report and the deployment of the re-ablement monies

b) Approve the use of the PCT funding for social care improving health outcomes across the seven broad areas in line with the Department of Health guidance

c) senior officers within the Families and Social Care Directorate should not be authorised to take any decisions regarding the commissioning of services under delegated authority until such time as they had had full and proper opportunity to familiarise themselves with the detail of the policy and its implications.

64. Children's Services Improvement Panel - Minutes of 22 June 2011 and 13 July 2011
(Item 10)

Cabinet resolved that the minutes of these meetings be noted

65. Follow up Items and Decisions from Cabinet Scrutiny Committee - 25 July 2011
(Item 11– report by Mr A King, Deputy Leader and Mr P Sass, Head of Democratic Services)

Resolved that the comments and actions detailed in the report be noted.

To: CABINET – 17 October 2011

By: John Simmonds, Cabinet Member for Finance & Business Support
Andy Wood, Acting Corporate Director of Finance & Procurement

REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT 2011-12

1. Introduction

1.1 The first full monitoring report for 2011-12 was presented to Cabinet in September. This exception report, based on the monitoring returns for August, highlights the main movements since that report.

2. REVENUE

2.1 There are a number of significant pressures that will need to be managed during the year if we are to have a balanced revenue position by year end. The current underlying net revenue position by portfolio, before and after the implementation of assumed management action, compared with the net position reported last month, is shown in **table 1** below.

Table 1: Net Revenue Position before and after Proposed Management Action

Portfolio	Gross Position £m	Proposed Management Action £m	Net Position after mgmt action £m This month	Net Position after mgmt action £m Last month	Movement £m
Education, Learning & Skills	-0.334	-	-0.334	-0.334	-
Specialist Children's Services	+8.812	-	+8.812	+8.778	+0.034
Adult Social Care & Public Health	-0.560	-	-0.560	-0.195	-0.365
Environment, Highways & Waste	-2.186	-	-2.186	-2.186	-
Communities, Customer Services & Improvement	+0.419	-	+0.419	+0.800	-0.381
Regeneration & Enterprise	-	-	-	-	-
Finance & Business Support	-4.165	-0.376	-4.541	-4.848	+0.307
Business Strategy, Performance & Health Reform	-0.225	-0.107	-0.332	-0.282	-0.050
Deputy Leader	-	-	-	-	-
Total (excl Schools)	**+1.761**	**-0.483**	**+1.278**	**+1.733**	**-0.455**
Schools (ELS portfolio)	*+5.748*	-	*+5.748*	*+5.748*	-
Schools (SCS portfolio)	-	-	-	-	-
Schools (TOTAL)	**+5.748**	**-**	**+5.748**	**+5.748**	**-**
TOTAL	**+7.509**	**-0.483**	**+7.026**	**+7.481**	**-0.455**

2.2 **Table 2** shows the forecast underlying gross position **before** the implementation of proposed management action, compared with the gross position reported last month.

Table 2: Gross Revenue Position before Management Action

Portfolio	Variance This Month £m	Variance Last Month £m	Movement £m
Education, Learning & Skills	-0.334	-0.334	-
Specialist Children's Services	+8.812	+8.778	+0.034
Adult Social Care & Public Health	-0.560	-0.195	-0.365
Environment, Highways & Waste	-2.186	-2.186	-
Communities, Customer Services & Improvement	+0.419	+0.800	-0.381
Regeneration & Enterprise	-	-	-
Finance & Business Support	-4.165	-4.352	+0.187
Business Strategy, Performance & Health Reform	-0.225	-0.175	-0.050
Deputy Leader	-	+0.063	-0.063
Total (excl Schools)	**+1.761**	**+2.399**	**-0.638**

	Variance		
Portfolio	**This Month £m**	**Last Month £m**	**Movement £m**
Schools (ELS portfolio)	+5.748	+5.748	-
Schools (SCS portfolio)	-	-	-
Schools (TOTAL)	**+5.748**	**+5.748**	**-**
TOTAL	**+7.509**	**+8.147**	**-0.638**

2.3 The gross underlying revenue pressure (excluding schools) is currently £1.761m as shown in table 2 above, but this is expected to reduce to a pressure of £1.278m by year end, after assuming the delivery of management action within Finance & Business Support and Business Strategy, Performance & Health Reform portfolios, as shown in table 1.

2.4 Management action proposals are currently being considered within the Communities, Customer Services & Improvement portfolio, which will reduce this pressure further, and the aim remains to deliver a balanced budget by year end. This position will be very closely monitored throughout the remainder of the financial year given that we have a savings requirement of £95m, increasing demands for services and the need to deliver the Children's Services Improvement Plan and every effort will be made to balance the budget and avoid any overspend at year end. A position of +£1.278m at this point in the year is encouraging; and we remain confident, but not complacent, of avoiding any significant overspend in this financial year.

2.5 Table 2 shows that there has been a reduction of £0.638m in the overall gross pressure before management action this month. The main movements, by portfolio, are detailed below:

2.6 Specialist Children's Services portfolio:

The pressure on this portfolio has increased marginally by £0.034m this month to £8.812m; however within this small overall movement there are some larger compensating movements. The movements above £0.1m are:

2.6.1 +£0.489m Fostering – an increase in the pressure from £4.258m to £4.747m, mainly due to a £0.466m increase in expected costs from Legal Services for ongoing care proceedings.

2.6.2 -£0.188m Other Preventative Services – an increase in the underspend from £0.403m to £0.591m, mainly as a result of a significant reduction in service usage of the Link Placement Scheme. The service is currently under review.

2.6.3 +£0.365m Residential Children's Services – an increase in the pressure from £1.065m to £1.430m is in the main due to three new placements, extensions to six existing placements, and placement moves for two children which have resulted in higher costs.

2.6.4 -£0.188m Safeguarding – a reduction from a pressure of £0.125m to an underspend of £0.063m, mainly as a result of £0.281m of contributions from Partners of the Safeguarding Board, slightly offset by £0.093m of Safeguarding recruitment costs.

2.6.5 -£0.353m Assessment of Vulnerable Children – a reduction in the pressure from £2.236m to £1.883m as a result of a reduction from the original forecast for additional agency staff costs because the expectation is that social workers will be appointed and agency staff will no longer be required. However, due to the Ofsted inspection, there is a great deal of change in this service, making forecasting difficult and potentially volatile at the present time.

2.7 Adult Social Care & Public Health portfolio:

The forecast underspend on this portfolio has increased by £0.365m this month from £0.195m to £0.560m. The movements over £0.1m this month are:

2.7.1 -£0.199m Strategic Management (incl Commissioning & Safeguarding) – a reduction in the pressure from £0.353m to £0.154m, which mainly reflects the continual management of vacancies and further savings against non-pay costs.

2.7.2 -£0.318m Older People Direct Payments – an increase in the underspend from £0.444m to £0.762m as a result of a reduction in the growth assumed in the previous forecast, since the trend has remained static so far this year.

2.7.3 -£0.359m Physical Disability Direct Payments – a reduction in the pressure from £0.546m to £0.187m as a result of a reduction in the growth assumed in the previous forecast, since the trend has remained static so far this year.

2.7.4 +£0.391m Older People Nursing Care – an increase in the position from an underspend of £0.372m to a small pressure of £0.019m as a result of an increase in placements due to an increase of 47 clients creating a £0.613m pressure. This is slightly offset by both the release of unrealised creditors and an increase in income, totalling £0.222m.

2.7.5 +£0.177m Older People Residential Care – a reduction in the underspend from £0.830m to £0.653m representing an increase of 23 clients, which has increased gross costs by £0.215m which is offset by an over recovery of income of £0.074m. The remaining £0.036m movement reflects a forecast reduction in income collected for in house residential care.

2.7.6 +£0.303m Learning Disability Supported Accommodation – a reduction in the underspend from £1.096m to £0.793m as a result of a net movement of nine clients contributing a £0.246m pressure, coupled with a reduction in income contributions of £0.057m as a result of a client who changed from full funding to nominal funding, backdated to the beginning of the year.

2.7.7 +£0.147m Learning Disability Day Care – a reduction in the underspend from £0.221m to £0.074m as a result of an ongoing review of commissioned services (+£0.069m), an increase in client numbers (+£0.037m) and the remaining £0.041m is due to updated spend trend information.

2.7.8 -£0.513m Other Adult Services – a reduction in the pressure from £0.599m to £0.086m, which is mainly due to:

- -£0.157m to reflect the current trend within the Occupational Therapy equipment service, where the growth is currently below the level reflected in the budget;
- -£0.225m due to non renewal of contracts within Learning Disability Other Services;
- -£0.097m net effect of the cost/volume reduction through the provision of meals contract;
- -£0.025m anticipated additional health monies for the good health group.

2.8 Environment, Highways & Waste portfolio:

The forecast position for this portfolio has remained at an underspend of £2.186m this month but it is important to recognise that this is dependent on waste tonnages continuing to remain at the levels experienced over the last two years and Highways being able to deliver a balanced budget.

The budgeted waste tonnage for 2011-12 is 760,000 tonnes. Tonnage for the first five months of this financial year combined with the experience of the last two financial years has allowed the Directorate to estimate that the final tonnage will be 25,000 tonnes less than budgeted, which has resulted in the forecast underspend. Whilst the Directorate has a direct influence over the disposal and recycling of waste, it has limited control over the amount of waste put into the system and any significant changes in waste tonnage will impact on the forecast outturn.

A break even position is currently predicted for Highways and Transportation. In previous years severe winters have resulted in additional costs which have had a detrimental impact on the Directorate's outturn. This position will be monitored closely and all efforts will be taken to manage any winter pressures within budget.

2.9 Communities, Customer Services & Improvement portfolio:

The gross pressure on this portfolio has reduced by £0.381m this month from £0.800m to £0.419m. The main movements are:

2.9.1 -£0.460m Contact Centre & Consumer Direct – a reduction in the pressure from £0.644m to £0.184m. The gross pressure of £0.644m reported last month consisted of £0.406m of savings targets not progressing as expected, £0.460m of call volume pressures, compensating one-off solutions of £0.214m and a £0.008m reduction in administration & support.

The £0.460m call volume pressure represented a pro rata cost to increase the establishment to meet the demand of answering 80% of calls within 20 seconds (80/20). It has since been agreed that calls are prioritised, where possible, and that these 80/20 indicators be relaxed slightly so that some are answered within 30 seconds and 40 seconds. This equates to a reduction in staff time and capacity of £0.153m.

The remaining £0.307m of this £0.460m variance is the pro rata cost of increasing the establishment to realise an average indicator across the 80/20, 70/30 and 60/40 response rates. The funding for these costs is now being met from a virement from the debt charges underspending within the Finance and Business Support portfolio, as agreed by Cabinet on the 19th September.

The service will continue to search for other ways in which to mitigate the remaining £0.184m pressure.

2.9.2 +£0.123m Local Boards – an increase in the forecast from a £0.043m underspend to a £0.080m pressure. The Communications, Consultation and Community Engagement (CCCE) division is split between two lines in the A-Z of services, namely; Local Boards (Community Engagement Managers) - as part of Local Democracy - and Communications and Media Relations (within Strategic Management, & Directorate Support Budgets).

One of the proposals to enable delivery of £1.5m of communication and engagement savings in 2011-12 has, following consultation, not been progressed and will no longer be delivered. The full year effect of this change is a pressure in the region of £0.265m, however only a part year saving was expected in 2011-12 from this proposal, so a pressure of £0.135m is now anticipated in this financial year.

The monitoring has therefore been updated to reflect this current year pressure of £0.135m, pending the service reviewing their options with regard to mitigating this change of events and aiming to deliver the saving in a different way. A small £0.012m underspend has been delivered in other running costs to arrive back at the £0.123m movement this month.

2.9.3 There have also been smaller movements, all below £0.1m, across other units, mainly within the Library Service where the service continues to deliver savings ahead of schedule with regards to the roll out of Radio Frequency Identification (RFID) technology. However, this is partially offset by an adverse movement within the Trading Standards budget relating to Kent Scientific Services where the level of samples from other authorities continues to decline resulting in reduced income.

2.9.4 Community Learning Services - The service has delivered a balanced budget for the past two years, despite funding reducing by close to £1m in that time. A further reduction in funding of £0.350m has recently been notified by the Skills Funding Agency and the service is currently reviewing their cost base to ascertain whether a net pressure will ensue. Nothing has been reflected in the forecast for this as yet and an update will be presented for the next monitoring report.

2.9.5 Management Action:

In addition to extended vacancy management and curtailing non critical spend, the directorate is also reviewing non committed budgets with a view to part mitigating the residual £0.419m reported pressure.

Specifically with regard to the Communications related pressures, a small working group is to be established to review current year spend against activity budgets across the authority with a view to identifying where expenditure can be reduced or where information can be communicated in different, and more cost effective ways.

The management action that has been ongoing and was to be included within this report, was a review of, and proposals thereon, of 2010/11 printing, advertising and communication expenditure levels. However on further investigation these budgets have been severely diminished by grant reductions of one form or another and therefore proposals were not deliverable as the budgets no longer existed, hence the change in approach to reviewing current levels of spend and what can be reduced or stopped or delivered more cost effectively in the current year.

2.10 Finance & Business Support portfolio:

The forecast underspend for this portfolio has reduced by £0.187m this month to £4.165m. This is due to:

- +£0.307m as a result of the virement from the debt charges underspending to the Contact Centre within the Communities, Customer Services & Improvement portfolio as approved by Cabinet at the meeting on 19 September;
- -£0.120m reduction in the pressure on the Finance & Procurement Unit following the confirmation that, in advance of the implementation of the new structure on 1 April 2012, 12 voluntary redundancies have been agreed with effect from 1 December 2011.

2.11 Business Strategy, Performance & Health Reform portfolio:

The forecast underspend for this portfolio has increased by £0.050m this month to £0.225m. This is due to the Legal Services Unit increasing their forecast over-recovery of income resulting from additional work that the function has taken on, over and above that budgeted for.

2.12 Deputy Leader portfolio:

The forecast for this portfolio has moved by -£0.063m to a breakeven position this month. This is wholly due to a reduction in the Democratic & Member Services Unit forecast pressure, largely due to additional income being raised through admission appeals work for Academies.

3. <u>CAPITAL</u>

3.1 There have been a number of cash limit adjustments this month as detailed in **table 3** below:

Table 3: Capital Cash Limit Adjustments

		2011-12 £000s	*2012-13 £000s*
1	Cash Limits as reported to Cabinet on 19th September	358,036	*264,111*
2	Re-phasing agreed at Cabinet on 19th September		
	Adults Social Care & Public Health (ASC&PH)	-1,418	*1,418*
	Enterprise & Environment (E&E)	-2,540	*-2,924*
	Customer & Communities (C&C)	-1,227	*-24*
2	Country Park Access - additional external funding - C&C portfolio	13	
3	Gateways - addtional external funding - C&C	270	
4	Tunbridge Wells Library - reduction in external funding - C&C portfolio	-16	
5	Edenbridge Community Centre - C&C portfolio	-1,937	
6	Highways Major Maintenance - additional external funding - EHW portfolio	60	
7	Sittingborne Northern Relief - reduction in project cost - EHW portfolio	-384	*-166*
8	A2 Cyclo Park - additional external funding - EHW portfolio	2,800	
9	Drovers Roundabout/M20 Junction 9 - reduction in grant funding - EHW porfolio	-1,047	
10	Swale Parklands - additional external funding - Regen portfolio	24	
		352,634	***262,415***
11	PFI	22,000	
		374,634	*262,415*

3.2 The current forecast capital position by portfolio, compared with the position reported last month is shown in **table 4** below.

Table 4: Capital Position

Portfolio	Real and Re-phasing Variance This month	Real Variance Last month	Movement This month
	£m	£m	£m
Education, Learning & Skills	-8.428	-0.034	-8.394
Specialist Children's Services	0.211	0.000	0.211
Adult Social Care & Public Health	-2.640	-0.125	-2.515
Environment, Highways and Waste	7.007	7.292	-0.285
Customer & Communities	0.077	0.003	0.074
Regeneration & Economic Development	0.457	0.457	0.000
Business Strategy and Support	-4.538	0.000	-4.538
Total (excl Schools)	-7.854	7.593	-15.447
Schools	0	0	0
Total	-7.854	7.593	-15.447

Since last month's report, the forecast outturn has reduced by £15.4m, which is almost entirely due to re-phasing rather than project over/under spends. The main movements this month are detailed below:

3.3 Education, Learning & Skills portfolio:

The forecast has moved by -£8.394mm. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Primary Improvement Programme (-£3.798m, re-phasing): Previous monitoring returns had brought forward Primary Capital Grant funding into 2011-12 to enable projects at Richmond, Westminster and Halfway House Primary Schools to be undertaken. It has come to light that this grant will not be available. The funding therefore needs to be re-phased back into 2012-13 and will be taken out in the MTP process. The effect on the project is that only Richmond & Westminster Primary Schools will remain within this programme and Halfway House Primary School is to be funded from the 2011-12 Modernisation programme. The projects at West Minster Primary School and Richmond Primary School are re-phasing by -£601m and -£0.154m respectively following delays whilst ensuring funding could be put in place following the decision by Government to stop the Primary Capital Programme.
- Kingsmead (-£1.799m, re-phasing): this project has been delayed following problems in agreeing the level of resources available, resolving design issues and in obtaining planning approval.
- Unit Review (-£1.525m, re-phasing): delays in obtaining project approval and the subsequent appointment of consultants.
- Basic Needs – Goat Lees Primary School (-£0.480m re-phasing and -£0.856m real variance): The overall project has decreased by -£0.800m following the reduction in the level of developer contributions that will be available to fund the project. The project has also re- phased following delays in obtaining project approval and the subsequent appointment of consultants.
- Special Schools Review Phase 2 – Wyvern School (-£0.890m, re-phasing): the start was delayed following the need for the project to be re-tendered to enable costs to be brought in line with the resources available.
- Modernisation Programme 2011-12 (+£0.857m, re-phasing): the main reason for the increase in costs has been caused by the addition of the Halfway House Primary School project which has been moved from the Primary Improvement Programme.

- Special Schools Review Phase 2 – Approval to Plan (+£0.500m, re-phasing): funding has been brought forward for development costs to ensure the build programme scheduled for 2012-13 proceeds as promptly as possible.
- Pupil Referral Units (+£0.472m, real variance): the increase relates to additional expenditure in 2011-12 which is fully funded by Revenue Contributions to Capital. This revenue contribution has been made to take into account of and compensate for the 80% reduction in Devolved Formula Capital (DFC) allocations from the Department for Education (DfE), knowing that the PRU service had already committed itself to funding a capital programme in 2011-12 based on the assumption that DFC would continue at the same level as received in previous years.
- Basic Needs – Repton Park Primary School (-£0.399m, re-phasing): the contract negotiation period was extended on this project in order to secure more certainty on the contract costs; this has led to a delayed start on site. The project should still be completed in time for a September 2012 opening date.
- Modernisation Programme 2008 to 2010 (-£0.381m re-phasing and +£0.077m real variance): the main reason for the movement is due to the following:
  Wrotham School – re-phasing of -£0.383m due to differences between the original estimate and the resources available this project has been re-designed and a new planning application has had to be submitted before going out to tender. This has meant that the project is 2 to 3 months behind schedule.
  Sissinghurst Primary School – the overall costs of this Aided School project has increased by +£0.077m. +£0.060m relates to the LEA's 10% contribution in line with the overall DfE grant approval level for the project and +£0.017m is due to increased costs for the Highways element of the project.
- Corporate Property Team and Capital Strategy Team (net -£0.097m, real variance): the forecast has been brought in line with 2010-11 actual spend.

Overall this leaves a residual balance of -£0.075m on a number of minor projects.

3.4 Specialist Children's Service portfolio:

The forecast has moved by +£0.211m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Quarryfields/Aldington Eco Centre (formerly Schools Self Funded) (+£0.211m, real variance): the development of the Aldington Eco Centre is a partnership project with Aldington and Bonnington Parish Council and Ashford Borough Council. Their contribution to the project was the provision of land free of charge and councillors support. Our contribution is the erection of the building and landscaping which is to be met from revenue.

3.5 Adult Social Care & Public Health portfolio:

The forecast has moved by -£2.515m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Learning Disability Good Day Programme (-£2.442m, re-phasing): a prudent view had been taken pending clarity around the releasing of further funds to support the delivery of the programme.
- Broadmeadow Extension (-£0.058m, real variance): a real variance of £0.274m was reported in last months monitoring return which was requested to be transferred and used as part of the Older Persons Strategy – Integrated Specialist Service Centre (DLC). A further £0.58m underspend has been declared and is also requested to be transferred to Older Persons Strategy.

Overall this leaves a residual balance of -£0.015m on a number of minor projects.

3.6 Environment, Highways & Waste portfolio:

The forecast has moved by -£0.285m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- A2 Cyclo Park (+£0.905m, real variance): £0.605m funding has been secured from Interreg which will enable additional access improvements and creating/improving the park's wildlife habitat. Projects costs have increased by £0.300m due to delays, re-measurement and additional paving, the increase is to be met from external funding.

- Non TSG Land, Compensation Claims (-£0.733m re-phasing and -£0.050m real variance): the re-phasing is due to the Edenbridge Relief Road, where compensation on one of the plots of land is subject to a Land Tribunal decision which will not be settled in this financial year. There is an overall real underspend of -£0.204m (-£0.050m 2011-12) this is due to reduction in the estimated volume of Land Compensation Act Part 1 claims related to Hawking phase 2.
- Household Waste Recycling Centres and Transfer Station (-£0.500m re-phasing and £0.300m real variance): the movement is forecast is due to the following:
  Herne Bay Site Improvement - -£0.500m re-phased to reflect the anticipated construction start date of Spring 2012.
  North Farm Transfer Station - +£0.400m overspend where scheme costs have increased due to delays in construction and potential claims caused by unforeseen ground condition. The overspend is to be funded from an underspend against the Lydd/New Romney site project and revenue.
  Lydd/New Romney Site - -£0.100m underspend due to unused contingency.
- Ashford Ring Road (-£0.117m, re-phasing): reconstruction of the damaged flume work has been re-phased to 2012-13 to ensure the correct option will be chosen.

Overall this leaves a residual balance of -£0.090m on a number of minor projects.

3.7 Communities, Customer Services & Improvement portfolio:

The forecast has moved by +£0.074m. There are no significant variances to report.

3.8 Business Strategy, Performance & Health Reform portfolio:

The forecast has moved by -£4.538m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Workplace Transformation (-£3.070m, re-phasing): the significant re-profiling has resulted from the need to revise strategic priorities to include pressures such as the CSS improvement plan and the shaping of One Council/Bold Steps for Kent.
- Sustaining Kent – Maintaining the Infrastructure (-£1.174m, re-phasing): there have been delays in implementing Unified Communications, this is the result of problems with technical resource availability and a considerable amount of time spent on ensuring the technical design meets the Government Connects code of connection security requirements.
- Property Asset Management System (-£0.254m, re-phasing): work is being undertaken with South East 7 (SE7) partners to see if an Asset Management System can be procured for better value for money. Analysis work will begin in 2011-12 but the majority of the 2011-12 budget of £0.274m will not be spent until 2012-13.

Overall there is a residual balance of -£0.040m on minor projects.

3.9 Capital Project Re-phasing

Normally, cash limits are changed for projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m is reported and the full extent of the re-phasing will be shown. The tables below summarises the proposed re-phasing this month.

Table 5 – re-phasing of projects >£0.100m

Portfolio	2011-12	2012-13	2013-14	Future Years	Total
	£k	£k	£k	£k	£k
Education, Learning & Skills					
Amended total cash limits	161,192	147,244	75,848	87,290	471,574
Re-phasing	-7,914	5,564	-370	2,720	0
Revised cash limits	**153,278**	**152,808**	**75,478**	**90,010**	**471,574**
Specialist Children's Services					
Amended total cash limits	12,629	5	0	0	12,634
Re-phasing	0	0	0	0	0
Revised cash limits	**12,629**	**5**	**0**	**0**	**12,634**
Adult Social Care & Public Health					
Amended total cash limits	14,811	7,186	2,699	3,146	27,842
Re-phasing	-2,442	2,027	0	415	0
Revised cash limits	**12,369**	**9,213**	**2,699**	**3,561**	**27,842**
Enterprise & Environment					
Amended total cash limits	94,606	74,132	65,224	253,157	487,119
Re-phasing	-1,206	629	-3,366	3,943	0
Revised cash limits	**93,400**	**74,761**	**61,858**	**257,100**	**487,119**
Customer & Communities					
Amended total cash limits	18,194	5,529	5,274	4,929	33,926
Re-phasing	0	0	0	0	0
Revised cash limits	**18,194**	**5,529**	**5,274**	**4,929**	**33,926**
Regen & ED					
Amended total cash limits	14,281	8,549	2,500	2,500	27,830
Re-phasing	0	0	0	0	0
Revised cash limits	**14,281**	**8,549**	**2,500**	**2,500**	**27,830**
Business Strategy & support					
Amended total cash limits	12,201	5,859	3,390	2,923	24,373
Re-phasing	-4,498	1,748	2,750	0	0
Revised cash limits	**7,703**	**7,607**	**6,140**	**2,923**	**24,373**
TOTAL RE-PHASING >£100k	**-16,060**	**9,968**	**-986**	**7,078**	**0**
Other re-phased Projects below £100k	-59	+77	-18	0	0
TOTAL RE-PHASING	**-16,119**	**+10,045**	**-1,004**	**+7,078**	**0**

Table 6 details individual projects which have further re-phased since being reported to Cabinet on 19th September.

	2011-12	2012-13	2013-14	Future Years	Total
	£k	£k	£k	£k	
EH&W					
HWRC - Herne Bay Site Improvement					
Original budget	+1,500	0	0	0	+1,500
Amended cash limits	-750	-750	0	0	-1,500
additional re-phasing	-500	+500	0	0	0
Revised project phasing	**+250**	**-250**	**0**	**0**	**0**
Non TSG Land, Compensation Claims					
Amended total cash limits	+2,665	+706	+367	+249	+3,987
Amended cash limits	-100	+100	0	0	0
additional re-phasing	-733	+682	0	+51	0
Revised project phasing	**+1,832**	**+1,488**	**+367**	**+300**	**+3,987**
A2 Cyclo Park (formerly A2 Linear)					
Original budget	+4,803	0	0	0	+4,803
Amended cash limits	-203	+203	0	0	0
additional re-phasing	+203	-203	0	0	0
Revised project phasing	**+4,803**	**0**	**0**	**0**	**+4,803**

4. RECOMMENDATIONS

Cabinet is asked to:

4.1 **Note** the initial forecast revenue and capital budget monitoring position for 2011-12.

4.2 **Note** the changes to the capital programme.

4.3 **Agree** that £16.060m of re-phasing on the capital programme is moved from 2011-12 capital cash limits to future years.

4.4 **Agree** the £0.580m transfer of funding to Older Persons Strategy – Integrated Specialist Service Centre (DLC).

By: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health,
John Simmonds, Cabinet Member for Finance and Business Support.
Michael Thomas-Sam, Head of Policy and Service Standards

To: Cabinet – 17 October 2011

Subject: **WELFARE REFORM BILL**

Classification: Unrestricted

Summary: This report provides a brief outline of the main Welfare Reform measures contained in the Welfare Reform Bill (currently going through Parliament) and a summary of the potential implications for Kent and KCC. The measures in the Bill considered by this report are:

1. The introduction of Universal Credit which brings together the main sources of means-tested support for people of working age. This is due to be phased in in stages starting in October 2013, with a number of pilots taking place from April 2013.
2. Further restrictions to Housing Benefit (to be carried over into Universal Credit) including from April 2013, for social housing tenants who are occupying accommodation larger than they need.
3. The proposal to make local authorities responsible for their own localised new Council Tax Benefit scheme from April 2013 (currently administered by district councils but governed by national rules). This is in the context of a 10% reduction in funding for the scheme (amounting to approximately £13 million per annum).
4. The proposal to localise elements of the Social Fund from April 2013 (currently administered nationally by the DWP). Funding (approximately £2 million per annum) will be transferred but it will not be ring-fenced and there will be no new duty to provide the service.
5. The proposal to replace Disability Living Allowance (DLA) with a new Personal Independence Payment from April 2013.
6. Limiting payment of Employment Support Allowance based on National Insurance contributions to one year except for the most severely disabled or ill.
7. Introducing a total benefit cap for claimants of working age, with some exceptions.
8. Enhanced powers to enable data sharing between local authorities (including upper tier authorities) and the DWP.

1. Introduction

1.1 The Welfare Reform Bill, published in February 2011, and currently progressing through Parliament, contains proposals for the most comprehensive reform of the welfare state in a generation. Underlying the reforms is the drive to reduce dependency on the state and make work pay whilst at the same time protecting those who cannot work. The expectation of government is that the overwhelming majority of benefit recipients will be able to find employment eventually with help.

1.2 At this stage the details of how the new Universal Credit and other changes will be delivered have yet to be finalised. This is therefore a crucial period in which to work with Government and district councils in an attempt to influence crucial design features and the eventual delivery model.

1.3 At the time of writing this report the Welfare Reform Bill had just entered the Committee Stage in the House of Lords (4 October 2011) during which the Bill will be subject to a line by line examination.

2. Universal Credit

2.1 The government plans to introduce the Universal Credit in a series of stages starting in April 2013. The plan is to have pilot schemes starting in April 2013, all new claims to be for Universal Credit from October 2013 (or April 2014 at the latest) and for a full transition of people on the old 'legacy' benefits/tax credits to be completed by October 2017.

2.2 Universal Credit will be a single, integrated, means-tested benefit payable to people of working age. It will be paid to people both in and out of work and can continue to be paid to an individual who changes their employment status whilst in receipt of the benefit.

2.3 Universal Credit will replace the main means-tested benefits and tax credits currently paid to people of working age that are out of work or on low wages. This includes Housing Benefit for help with rent, but significantly not Council Tax Benefit (for help with paying the Council Tax) – see section 4 below.

2.4 A system of earnings disregards and a single taper (proposed as 65%) on earnings above these are designed to ease the transition into work and offer greater incentives for most people. The reduced complexity in the system should aid this.

2.5 In order to receive Universal Credit certain 'work-related requirements' will have to be met. However, the level of requirement (or conditionality) will vary depending on individual circumstances. Some people will have no work related requirement (i.e. those with a severe illness or disability), some will have to undergo work preparation (but without the requirement to look for work straight away), whilst others will have to actively seek work. Benefit sanctions may be imposed for failure to meet a work-related requirement. Significantly, an individual will be able to move from one level of conditionality to another without having to claim a different benefit, as happens at the moment.

2.6 There are a number of issues concerning Universal Credit which have yet to be resolved/are subject to debate and which it is thought will be crucial to the success or failure of the new system. These include

2.6.1 **Computer systems interface between HMRC and DWP** – this is being developed to allow real-time earnings information to be obtained from HMRC's PAYE system. A recent

report by the Public Accounts Committee has expressed concerns about whether the system will be ready in time.[1]

2.6.2 **On-line application for the majority** – the Government's assumption is that 80% of claimants will access Universal Credit online. The Public Accounts Committee report

[1] Public Accounts Committee (47th report) Reducing costs in the DWP, 5 September 2011.

referred to above has described this as overly optimistic given that the figure for online access is currently only 17%. [2]

2.6.3 **Delivery model** - initial indications are that the new benefit will be administered at the national level by the DWP (via Jobcentre Plus) and that the majority of transactions will be automated. An alternative, localised delivery model is being actively examined by the District Councils' Network (a group within the LGA), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Housing and the Institute of Revenues, Rating and Valuation (IRRV). The response by the Kent Forum to government on Universal Credit strongly advocates a significant element of local delivery to sit alongside the online system. The proposal is that this should be delivered by utilising the existing skills, experience and infrastructure of local authorities.

2.6.4 **Single payment to the individual** – current plans are to pay claimants one single payment on a monthly basis and for them to then arrange for their various commitments including housing costs to be paid. This is meant to help claimants get used to receiving and budgeting with one monthly payment and thus prepare them for the world of work. Many bodies have expressed concern about this approach and have lobbied for the facility for the housing costs element to be paid direct to landlords in the social housing sector and to private landlords for some tenants. This is seen as crucial for some claimants to prevent them getting into arrears with payments and also essential to provide financial security for housing providers, particularly in the social housing sector who have a very high proportion of tenants on Housing Benefit. The Government announced during the second reading in the House of Lords that they are prepared to explore options that would provide some protection for the housing industry. The Kent Forum response argues strongly for the facility to pay landlords direct for certain tenancies and in specific circumstances. It also argues for the facility to fast-track the transfer of Universal Credit payments between individuals in a household when appropriate.

2.6.5 **Childcare costs** - Since April 2011 the amount of support for childcare costs with Working Tax Credit has been reduced from 80% to 70% of the cost up to a maximum of £175/week for one child and £300 for two or more children. Current plans are for this level of support to be transferred to the new Universal Credit. Concerns exist that this is insufficient to make work pay for all parents and will undermine the work incentives in Universal Credit.

2.6.6 **Support for Council Tax liability** – current plans are for this not to be part of the Universal Credit, but instead to be devolved to local authorities to design their own schemes. There is a concern that this might undermine the work incentives in Universal Credit and therefore a strong argument exists for making this part of Universal Credit provided this element was paid direct to the billing authority (I.e. the district councils). See section 4 below for further details.

2.6.7 **Assessment of incapacity** – since the introduction of Employment Support Allowance in October 2008 there has been a tougher test (Work Capability Assessment) for people claiming benefit on the grounds of incapacity. This will be carried over into the new Universal Credit for those claiming on these grounds. In addition to all new claimants being subject to this test, all existing claimants of the old incapacity-based benefits are being reassessed using the new test (to be completed by April 2014). In early trials of the reassessment about a third of those assessed were found fit to work and not eligible for the new Employment Support Allowance. Once Universal Credit is up and running those people who fail the Work Capability Test will be subject to the maximum work conditionality (see paragraph 2.4).

2.7 A response on Universal Credit has been sent to the DWP by the Kent Forum. This welcomes the introduction of the Universal Credit but highlights some of the issues outlined

[2] Ibid.

above and argues strongly for a delivery model including an element of face to face support provided by the local authorities, via Gateways where appropriate.

3. Restrictions to Housing Benefit/housing costs paid with Universal Credit

3.1 Restrictions to the amount of support given towards rent and mortgage interest has already begun:

- Since October 2010 the standard interest rate used to calculate support for mortgage interest payments (paid with some means-tested benefits) has been set at a level equal to the Bank of England's published monthly Average Mortgage Rate. (approximately 3.5%). This change was applied immediately to existing as well as new claimants. Previously the rate used was much higher at 6.08% since late 2008.
- Since April 2011 Housing Benefit for private sector tenants has been limited to the appropriate rent for a 4 bed property regardless of the size of the property or family.
- Since April 2011 each size category has an absolute cap and rates are based on the 30th percentile of rents in an area (rather than the 50th as it used to be). This will be phased in for existing tenants between January and December 2012.

3.2 Further restrictions to come into force include:

- From January 2012 the single room rate currently applicable to Housing Benefit for young people between the ages of 16 – 24, will be extended to people under age 35 (lone parents and disabled people excepted).
- From April 2013 increases in Housing Benefit will be based on rises in the Consumer Price Index (CPI) rather than rent. The CPI tends to rise more slowly than rent levels.
- From April 2013 size related caps will apply to working age tenants in the social rented sector. Currently people with disabilities or health problems are not being exempted from this change. The National Housing Federation has stated that there are approximately 108,000 working age social housing tenants in receipt of Housing Benefit and under-occupying adapted homes. There will obviously be a much higher number of people with disabilities/chronic ill-health under-occupying non-adapted properties.

4. Council Tax Benefit localisation

4.1 Council Tax Benefit is currently an income related social security benefit administered by local authorities (district councils in Kent) on behalf of the Department for Work and Pensions (DWP). Benefit is awarded on a means-tested basis after other Council Tax discounts have been applied.

4.2 Council Tax Benefit is currently demand led and the DWP will reimburse local authorities for all benefit awards that are correctly made. Thus there is no incentive to reduce benefit awarded as the local authority suffers no financial penalty. The Government believes localising Council Tax Benefit will give greater incentives to local authorities to develop employment in their area, thereby reducing the benefit spend. This is in line with other developments in local government finance including the proposals for the retention of Business Rates.

4.3 It is proposed that from April 2013 the national scheme of Council Tax Benefit will end and funding (less 10%) will be devolved to local authorities to design their own schemes. Current indications are that this will be based on the previous year's budget for Council Tax

Benefit. It is not clear at this stage whether any facility will exist for increases in times of increased demand for benefit.

4.4 Whilst freedom will be given to local authorities over the detail of local schemes, the government has stated that pensioners must be protected and any scheme must support the work incentives proposed in the new Universal Credit. The effect of protecting pensioners means that the 10% cut in funding will in reality be closer to 20% for the rest of the claimant population. If other vulnerable groups are also protected the increase for those affected is likely to be greater. If, as some have suggested, those currently on 100% benefit are also protected, this will place the full burden on working claimants, thereby undermining the work incentives in Universal Credit. Alternatively, expecting people on Jobseekers Allowance/subject to full work conditionality in Universal Credit to pay some Council Tax will increase work incentives but may create hardship for those unable/unwilling to respond to these.

4.5 On 2 August 2011 a consultation document was issued by the Department of Communities and Local Government entitled 'Localising Support for Council Tax in England', the deadline for responses being 14 October 2011. A response has been sent by the Kent Forum on this. In summary this suggests the Government delay implementation for at least one year so that proper preparations can be made. It also, in line with localism, suggests greater freedom be given on all aspects of Council Tax including the discount schemes and that further information be provided on how Council Tax Benefit will be funded if demand increases in the future.

4.6 An alternative to localisation of Council Tax Benefit could be to include the benefit in the new Universal Credit. This would be much simpler and avoid the potential for a local scheme to undermine the work incentives in Universal Credit. This is mentioned as an option the Government may wish to consider in the Kent Forum response. It is important to stress that this approach would only be acceptable if the element for Council Tax support was paid direct to the billing authorities (the district councils in Kent).

4.7 As discussed above, it has been suggested that if Council Tax Benefit is to be devolved then local authorities should also be given the discretion to modify the Council Tax discount scheme. The Single Person's Discount has in particular been mooted by some experts as a way to increase income from Council Tax, thereby reducing the need to cut Council Tax Benefit. This would, however, require changes to legislation over and above that localising Council Tax Benefit. It is important to point out that were such discretion given to local authorities, it would be possible to exercise this in a considered manner and retain, for example, the Single Persons' Discount for certain sections of the population, in particular pensioners.

5. Social Fund Localisation

5.1 Currently there is a system of discretionary payments administered by the Department for Work and Pensions (DWP) known as the discretionary Social Fund. This is made up of three separate funds:

Community Care Grants – non repayable. These are available to people getting certain means-tested benefits like Income Support and Pension Credit or who are likely to start getting one of these benefits within the next six weeks because they are moving out of an institutional setting. They are payable mainly to help people remain living in the community, to help them re-establish themselves in the community or to ease exceptional pressures on a person and their family.

Crisis Loans – repayable. These are interest free loans available to meet a person's immediate short term needs in an emergency or as the result of a disaster. There must

be a risk of serious damage or risk to the person's (or their family's) health or safety.

Budgeting Loans – repayable. These are interest free loans for people who have been on certain means-tested benefits, for at least 26 weeks. They are intended to help spread the cost of certain one-off expenses like furniture, rent in advance and removal expenses over a longer period.

5.2 The DWP proposes that from April 2013 the above system will be abolished and replaced with a new system of:

- locally-based provision to replace Community Care Grants and Crisis Loans for living expenses AND
- a new nationally administered advance of benefit facility (i.e. advance payments of the new Universal Credit) that will replace Crisis Loans specifically to cover delays in benefit payments and Budgeting Loans.

5.3 The locally-based service will be devolved to local authorities (county councils and/or district councils) in England and to the devolved administrations in Scotland and Wales. There will be no new statutory duty requiring local authorities to deliver the service and the funding will not be ring-fenced. It is believed approximately £2 million per annum is the allocation for Kent. However information is not yet available on how annual increases will be calculated.

5.4 The government anticipates that local authorities will want to develop a local system that will reflect the needs of their community and build upon programmes and services that are already in place, for example, the Supporting People programme. They believe local authorities may also wish to utilise and further develop existing partnership arrangements or develop new ones with, for example, furniture reuse services and food banks, to provide services for those in particular need.

5.6 It may be possible to link this reform with developments in Community Budgets (for families with complex needs) and also with discussions on the possible localisation of the delivery of the Universal Credit.

6. Replacement of DLA with a new Personal Independence Payment

6.1 From April 2013 the new Personal Independence Payment (PIP) is due to replace Disability Living Allowance (the main disability benefit for people under 65). PIP will have two components: a daily living component and a mobility component. There are some similarities to DLA but the tests will be stricter and the intention is to save money from the changes (£1.1 billion by 2014-15 according to Treasury forecasts). The new benefit will remain one that can be paid in or out of work.

6.2 In 2013 the Government plans to begin reassessing all existing recipients of DLA aged between 16 and 64 to determine if they qualify for the new PIP. This may in future be extended to those over 65 (who may be on DLA if they claimed before the age of 65) and those under 16.

NB: present indications are that Attendance Allowance (the main disability benefit for people over 65) will remain as it is for the moment.

6.3 The qualifying period in the new benefit will be raised from 3 to 6 months except for those terminally ill. In addition a person must be likely to satisfy the tests for 6 months into the future (as per the current rules).

6.4 Current plans are for both the care and mobility components to be withdrawn after 4 weeks

in state funded residential care. At present only the care component is withdrawn. The Government's rationale in removing the mobility component in such circumstances is that currently there is double funding for mobility needs when local authorities fund a residential placement. The Low Review (set up by several leading charities) is currently gathering evidence on the likely impact of withdrawing the mobility component. KCC will be responding to the review and highlighting the detrimental effects on individuals and the local authority who will be under pressure to increase their contribution for these needs as homes struggle to provide the same level of support for outings etc.

NB: self-funders will be allowed to keep both the care and mobility components in residential care.

7. Limiting payment of Employment Support Allowance based on National Insurance contributions to one year except for the most severely disabled or ill.

7.1 Once Universal Credit comes into effect the income based Employment Support Allowance (ESA) will cease to exist. However the ESA based on a person's National Insurance contributions will continue.

7.2 Currently there is no time limit to a person receiving the NI contribution-based ESA provided they continue to be assessed as unable to work. The Government is proposing to limit this to one year except for those in the Support Group (i.e the most severely disabled or ill). The DWP's own assessment is that, without time-limiting, about 77% of NI contribution based ESA claimants (excluding those in the Support Group) will be in receipt of the benefit for12 months or more. The change is likely, therefore, to affect a significant number of people. Those affected, will, however, be able to claim the means-tested equivalent provided they qualify.

8. Total Benefit Cap

8.1 From April 2013 there will be a total benefit cap of about £500 per week for workless couples (with some exceptions). The Welfare Reform Bill explicitly excludes Pension Credit and State Pension from the calculation. In addition a ministerial statement has confirmed the cap will not apply to those households with someone on DLA (or equivalent), working families entitled to Working Tax Credit or Universal Credit and will not include War Widows/Widowers Pension.

9. Proposals for enhanced data sharing between local authorities and the DWP

9.1 The Welfare Reform bill contains sections, which if implemented, will significantly improve data sharing between the DWP and local authorities (including county councils). If the Bill progresses according to plan these sections are due to be implemented in April 2012.

9.2 The ability to obtain financial data on our service users should reduce the time and effort required in financial assessment which will lead to the potential for significant savings to be made. This will be particularly important if KCC are required to financially assess increased numbers of people due to the reforms proposed in the 'Dilnot Report'. It should be noted, however, that obtaining data from the DWP will not be sufficient to assess all service users as some will have income over and above state pensions and benefits.

9.3 The areas where savings could be made include financial assessments for residential and non-residential care, disabled adaptations, College Travel awards, section 17 payments to the families of children in need, the means-tested Kinship, Special Guardianship and Adoption Payments and any local replacement to the Social Fund. In addition confirming initial and ongoing eligibility for Blue Badges may be made easier.

10. <u>POTENTIAL IMPLICATIONS OF THE REFORMS</u>

10.1 **Incentives to work and Kent's Family Poverty Strategy** – overall, it is felt the introduction of the Universal Credit is a major step forward in attempts to simplify the system and incentivise work. It has the potential to have a positive effect on Kent residents and contribute to two of the Kent Ambitions – to tackle disadvantage and grow the economy. The DWP's own Impact Assessment [3] has concluded that the Universal Credit will lift 950,000 people out of poverty without taking into account the impact of more people moving into work. The number it is estimated will be lifted out of poverty in Kent is approximately 18,000.

The Government has also estimated that nationally there will be a reduction in workless households by 300,000 within 2-3 years. It is expected that not all the jobs people enter will be full-time. Unlike the current system Universal Credit incentivises work at low hours as well as work over 16 hours per week. The Institute of Fiscal Studies has calculated that Universal Credit strengthens the incentive for single individuals to do low-paid work, particularly strengthens the incentive for couples to have one person in work rather than none, but weakens the incentive for both members of a couple to work, rather than just one. [4]

The extent to which Universal Credit will reduce unemployment is hard to predict precisely given that it is being introduced in a period of economic downturn. In addition, the success of the new benefit is felt to depend partly on the resolution of some of the issues identified in section 2.6. Unless issues such as child care support, payments direct to landlords/lenders and the support for Council Tax are satisfactorily resolved the impact may be less than expected. In addition the reduced assistance being given for rent and mortgage interest (which will continue when this support is subsumed into Universal Credit) and the proposed overall benefit cap may result in less affordable housing being available and increased financial pressures on low income families. An increase in debt is a real possibility.

The reforms have the potential to cause hardship to those who are unable to fulfil the tougher work-related requirements particularly in areas where employment is scarce. This will include some people with disabilities and health problems who are already feeling the impact of the tougher regime imposed by Employment and Support Allowance (ESA). The reforms to DLA may exacerbate this. However it should be noted that the support to prepare for work offered to people claiming ESA is significantly better than under the previous system. This level of support should be carried over to Universal Credit when it is introduced.

Local delivery of the Universal Credit is seen as an essential means to ensure the reforms are as effective as they can be. Poverty and worklessness are more likely to be tackled if the sources of means-tested and other support are located in one place and face to face contact is enabled. This is why the Kent Forum has argued for a strong element of local delivery of the new Universal Credit alongside the on-line system.

10.2 **Risks to the Gateway model if Universal Credit is not delivered locally** – if the decision to deliver at a national level is maintained this could impact significantly on the Gateway model being actively developed within Kent. Much of the work in Gateways is predicated on the need for people to access financial support including Housing and Council Tax Benefit. If the current plans for Universal Credit go through (i.e.<u>non</u>-local delivery) this could impact on the footfall within the Gateways and the knock-on effect on other services provided through Gateways.

10.3 **Opportunities from increased localism** – the proposals for Council Tax Benefit and the Social Fund may provide KCC and the District Councils with the ability to target support to those areas and to those groups it considers most in need, for example via the Community Budgets scheme. This would be enhanced if the Government do respond to the call for an element of local delivery of Universal Credit.

[3] DWP Impact Assessment of Universal Credit, 16 February 2011.
[4] Universal Credit: a preliminary analysis by the Institute of Fiscal Studies (Brewer, Browne and Jin), March 2011

10.4 **Impact on housing providers** – restrictions to Housing Benefit (and its replacement within Universal Credit) and the preference to pay claimants rather than landlords direct will put pressure on housing providers (particularly Registered Social Landlords but also private landlords) with consequences for affordable housing provision. There are indications that the Government is listening to concerns expressed about this issue by a number of organisations. The Kent Forum response is very clear that payment direct to landlords (particularly Registered Social Landlords) is vital if their financial viability is to be maintained.

10.5 **Local Government finances -** Current indications are that the devolved Council Tax Benefit budget will be based on the previous year's budget. There are serious concerns that without a facility for increases in times of increasing demand, this will place significant pressures on local government finances.

10.6 **Reputational Risk** – if local authorities within Kent have to develop their own local "Social Fund" and "Council Tax Benefit" schemes this could impact on their relationship with the local population, particularly if the rules have to be tightened due to significant reductions in funding (both due to the amount transferred by government and the need to make further savings). Local delivery of Universal Credit has the potential to add to this pressure. However it may be considered that the advantages of local delivery outweigh any risks in this regard and in the case of Universal Credit, the actual rules of entitlement will be laid down by national not local government.

10.7 **Pressure on resources if significant migration from London** - the caps on Housing Benefit, some of which are already in place are likely to have a significant impact on recipients in the London area. This may impact on the future demand for housing and other public services within Kent if significant numbers of people were to relocate to the Kent area. The actual impact will depend very much on how the private sector housing market responds to the reforms.

10.8 **Financial Assessment Capacity** - depending on the delivery model chosen, Universal Credit could impact greatly on the district councils' financial assessment function. Possible future joint working with the districts means KCC needs to be mindful of this. If the financial assessment function is reduced this could have a detrimental effect if/when Social Care reforms (following the 'Dilnot Report') lead to the need for more financial assessment capacity. If the Dilnot proposals go through, the group of people requiring a financial assessment for social care purposes will not neatly correlate with the group potentially eligible for Universal Credit. Therefore enhanced data sharing on its own will not obviate the need for local assessment.

10.9 **Savings from enhanced data sharing** – the proposals to enable data sharing for specific purposes between local authorities and the DWP has the potential to make savings in a number of areas as outlined in section 9 above.

11. Current and planned work on the implications of the reforms

11.1 Detailed work on the implications of the various reforms has begun. This includes working with officers from the Customer and Communities, Families and Social Care and Business Strategy and Support directorates, the district councils within Kent and representatives of the Department for Work and Pensions who have visited Kent to discuss the implementation of the Universal Credit.

11.2 An Informal Members Group is being set up to explore the implications for Kent across all relevant directorates.

12. Conclusion

12.1 The introduction of the Universal Credit and wider welfare reforms have the potential for a significant impact in Kent. Many of the details of the new system have yet to be finalised and this is therefore a crucial period in which to work with government and district councils in an attempt to influence crucial design features and the eventual delivery model.

12.2 The majority of the reforms come into effect in April 2013 which leaves local authorities only 18 months to prepare for the changes. As outlined in section 11 above, further work is underway to further consider and prepare for the changes.

12. Decisions needed

12.1 Cabinet is asked to:

- Note the planned developments in Welfare Reform and the potential implications of these.
- Endorse the planned further work on the issues involved.

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6 October 2011

By: Bryan Sweetland, Cabinet Member, Environment, Highways and Waste

Mike Austerberry, Corporate Director, Enterprise and Environment

Caroline Arnold, Head of Waste Management

To: Cabinet – 17 October 2011

Subject: **MID KENT JOINT WASTE PROJECT**

Classification: Unrestricted

The annexes related to this report and set out in Part II of the agenda are exempt and are not for publication in accordance with paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 (as amended) refers.

Summary: The Mid Kent Joint Waste Project builds on the East Kent Joint Waste Project to deliver more cost effective waste collection, processing and disposal services and improved recycling performance in the County.

A business case has been prepared by the project partners (KCC, Ashford Borough Council, Maidstone Borough Council and Swale Borough Council) for the delivery of a Mid Kent Joint Waste Project which forecasts significant savings for the four authorities. Each partner authority now seeks internal approvals to commit to the project. This will take the form of the partners signing a legally binding Inter Authority Agreement.

This report sets out the next steps required by KCC for the project to move forward, as set out in the recommendations to Cabinet.

The financial and contractual implications related to the procurement of the waste services are set out in the Annexes which are in the exempt part of the agenda.

FOR DECISION

1. Introduction

1. (1) The attached report in Annex A sets out in full the purpose and agreed detail of the Mid Kent Joint Waste Project. This follows more than 12 months of cooperation and in depth work between the project partners.

1. (2) The report recommends individual partner authorities now seek approval to commit to the project which, post procurement, will run from 2013 - 2023. All four councils are simultaneously seeking formal approval to: a) proceed with the project; b) commence procurement; and c) agree to enter into the 4 way Inter Authority Agreement.

1. (3) Once implemented, this project will represent a significant success for the Kent Forum and deliver savings to the Kent taxpayer. Cost-effective services, with increased performance, across both tiers of local government will be the visible result.

2. Cost-effective household waste services for Mid Kent

2. (1) The aim is to develop more cost effective waste collection, processing and disposal services to minimise exposure to escalating costs, deliver efficiencies, and increase recycling by working across the two tiers of local government. It envisages a single collection method to replace the current differing service and contractual arrangements between the three second-tier authorities. This will bring savings to each authority as well as to KCC as the waste disposal authority (WDA).

2. (2) The project is based upon the extensive financial modelling of the various costs and benefits to both waste collection and disposal authorities of various options, settling on an agreed method (Preferred Collection Method) for waste collection, and an agreed business case for taking this forward. This opportunity has arisen as all three Boroughs have an opportunity to let new contracts for collection in 2013.

2. (3) The agreed collection arrangements involve: -

- Weekly food waste collection
- Fortnightly collection of dry recyclables
- Fortnightly collection of garden waste
- Fortnightly collection of residual waste (to alternate with recycling collections)

The agreed arrangements are the same as those which are being implemented by the four East Kent Waste collection authorities under the East Kent Waste Partnership. The chosen waste collection model may be amended if the proposed Competitive Dialogue process with prospective tenderers indicates variations which would bring additional benefits.

2. (4) This optimal model for waste collection also generates savings to the WDA. Savings overall will be used to off-set costs incurred by the collection authorities when changing to the new collection regime, and will also provide overall savings to the Kent taxpayer for both the Boroughs and the County.

2. (5) Joint procurement of waste collection services will be commissioned by the Borough Councils in 2013 to roll out the new household waste collection contract, delivering waste and recyclates to locations agreed with the WDA.

3. Benefits of the project

3. (1) Consensus has been reached as to the likely avoided disposal costs and benefits of implementing this system through financial modelling from 2013-2023. These include:

- Expanded recycling services, including enhanced dry recycling and food waste collections to all households

- Enhanced recycling performance across the Mid Kent area
- Annual Waste Collection Cost savings
- Annual gross avoided disposal cost benefit, with a net avoided disposal cost benefit for KCC
- A significant reduction in cost per household for waste collection and disposal services
- Ability to strategically manage the waste streams to maximise the value of recyclate; and
- Removal of the distorting influence of the recycling credit payment mechanism.

3. (2) In order to ensure that Borough Councils are not financially disadvantaged as a result of adopting the Preferred Collection Method, KCC has undertaken to provide additional revenue funding as ‘enabling payments’ to:

- allow for the additional costs of introducing the new system
- provide support to meet Borough Revenue Benefits

3. (3) KCC has also undertaken to provide upfront capital investment for the projected containerisation and infrastructure costs to implement the changes in service. The financing cost of containerisation will be repaid from the global project savings.

3. (4) In addition, KCC is undertaking the redevelopment of Church Marshes Transfer Station and provision of a Transfer Station in Ashford, which are essential to provide local one stop delivery points for the bulking up and transfer of various kerbside material streams.

.4. Legal Implications

4 (1) A Four Way Inter Authority Agreement (IAAA) is being drafted to set out the legal framework for joint working. The key Partner obligations are as follows:

- Mid Kent Borough Councils commit to the Preferred Collection Method as far as practically possible across each administrative area so as to reach the maximum number of Households;
- the Mid Kent Borough Councils commit to deliver recyclates (including composting materials) in accordance with the Preferred Collection Method to the transfer points and facilities specified by KCC and in accordance with the Mid Kent Joint Waste Contract 2013;
- KCC will provide or procure processing capacity and/or facilities and necessary haulage and transfer facilities thereto in accordance with the Mid Kent Joint Waste Contract 2013 for the waste streams collected as follows: -

  i. For Ashford Borough Council with effect from 1st April 2013
  ii. For Maidstone Borough Council with effect from 1st August 2013
  iii. For Swale Borough Council with effect from 14th December 2013

- The Mid Kent Borough Councils agree to use best endeavours to keep Households within their administrative areas informed as to the new methods of waste collection; and
- KCC will pay ‘Enabling Payments’ and provide Containerisation Funding to the Mid Kent Borough Councils in accordance with the details set out in the IAA.

4 (2) The IAA provides the foundation upon which the project is required to develop. Accordingly it is now necessary for individual authorities to commit formally to the Project in accordance with the principles detailed.

5. Equality Impact Assessments

5 (1) There are no equality impacts with respect to KCC as no public services provided by KCC are being changed.

6. Risk and Business Continuity Management

6. (1) A full risk register has been initiated and will be reviewed throughout the project life. The most significant risk currently is that partners fail to secure agreement for the Project by the end of October 2011 to enable the procurement process to commence. Any delay beyond this date will impact upon the procurement timescale potentially either reducing the effectiveness of the Competitive Dialogue process or delaying the commencement date of the new Contract which could impact on the timing and volume of savings.

6. (2) There is a risk that the benefits forecast by the modelling are not delivered through the procurement. However the collection cost modelling has been based on tender information derived from the East Kent Joint Waste Project and tender competition for Mid Kent is expected to match, if not exceed, that for East Kent. With regard to Disposal, the rates used are perceived as deliverable. The modelling of processing costs reflect current KCC contract rates which can be improved upon based on pricing assessment recently undertaken. This, combined with the headroom provided for within the Excess Avoided Disposal benefit, provides KCC with the confidence that they are not unduly financially exposed by this project. This view is underpinned by external specialist opinion.

7. Consultation and Communication

7. (1) Consultation to-date has been undertaken with Leaders, Chief Officers, Portfolio Holders from Partner Authorities, and Local Authority employed staff in affected areas.

7. (2) Public Consultation on collection methodologies has been undertaken by Ashford and Maidstone Borough Councils within the last 2 years and the proposed collection system is consistent with the recycling aspirations of the public.

7. (3) A Communications Strategy is now being developed by the Boroughs which will include wider consultation with Members, employees, Neighbourhood Forums and the provision of information to the wider public in a way that is appropriate to manage local service changes.

8. Sustainability and Rural Proofing Implications

8. (1) Not only does the Mid Kent Joint Waste Project provide substantial environmental enhancement by increasing the recycling rate across the boroughs, but it also:

- Provides access to an extensive waste collection service across all 169,000 rural and urban households in Mid Kent;

- Maximises cost effectiveness by removing artificial barriers across the two tiers of Government;
- Enables cross-border operation to deliver more efficient collection practices;
- Reduces collection and transfer/haulage mileage;
- Encourages opportunities for co-location of transfer, processing and depot facilities;
- Enables environmental criteria to be included within the contract evaluation; and
- Responds to public demand for enhanced recycling services.

9 Are there any Personnel or Health and Safety Issues which are relevant?

9. (1) There are no significant Health and Safety Issues.

10. Alternatives and Options

10. (1) Alternative collection methodologies were explored with individual Boroughs, financial assessments completed and comparisons made to the Preferred Collection Method.

11. The Way Forward and Project Timelines

11. (1) Annex C to this report details a draft timetable for the procurement of a joint collection contract through Competitive Dialogue. The primary advantage of this approach being the opportunity to discuss solutions in order to maximise the efficiency and savings across the three boroughs. In order to complete this form of procurement it is recommended that publication of an OJEU notice is undertaken by the end of October 2011.

11. (2) KCC's procurement of the required waste transfer and processing for recyclates, food and garden waste will run in parallel to the Boroughs procurement of the joint collection contract.

12. Next Steps

12. (1) The next steps are for each project partner to seek approval from their respective authorities to commit to the project, as detailed in the Recommendations below.

13. Recommendations

Cabinet is asked to:

i. endorse KCC's commitment to the Mid Kent Joint Waste Project in accordance with this report and its exempt annexes;

ii. and subject to him being satisfied as to the detailed terms and conditions, the Corporate Director – Enterprise and Environment, in consultation with the Director of Governance and Law and the Cabinet Member for Environment, Highways and Waste, be delegated authority to:

a) take all necessary steps to progress the project together with the project partners, including supporting the Borough Council procurement of Preferred Collection Method, and, separately undertaking the necessary procurement of the waste transfer and processing of recyclate, food and garden waste;

b) negotiate and agree the terms of and enter into any legal agreements as may be necessary between Kent County Council, Ashford Borough Council, Maidstone Borough Council and Swale Borough Council, and any other necessary third parties (i.e. the waste contractor).

By: Mike Whiting, Cabinet Member for Education, Learning & Skills

Roger Gough, Cabinet Member for Business Strategy, Performance & Health Reform

Patrick Leeson, Corporate Director, Education, Learning & Skills

David Cockburn, Corporate Director of Business, Strategy & Support

To: Cabinet – 17th October 2011

Subject: The John Wallis Church of England Academy

Classification: Unrestricted

Summary: This report seeks approval to submit the Feasibility study (outline business case) for The John Wallis Church of England Academy to PfS and the DfE to progress to the next stage and to issue a Future School Notice to Willmott Dixon (preferred bidder for Batch 2 Academies) to develop a proposal for the Academy.

Introduction

1. (1) The John Wallis Church of England Academy, Ashford, was formed on 1st September 2010 from the former Ashford Christ Church High School.

(2) The four sponsors of the Academy are The Diocese of Canterbury, Benenden School, Kent County Council and Christ Church Canterbury University (CCCU).

(3) The Academy serves the Stanhope Estate in South Ashford which has the highest concentration of deprivation in Ashford, equal to some of the more deprived pockets of East Kent's coastal towns.

(4) The Academy is located on the Stanhope Campus which also houses Linden Grove Primary School, The Ray Allen Children's Centre and the former South Kent College buildings (which are mainly derelict). The site sits at the heart of a £200m PFI rebuild of the Stanhope housing estate.

(5) Following the change of Government, the development of this academy was put on hold while the funding available was reconsidered. Following site visits by the DFE and the adoption of a new approach to

calculating the funding, there was a significant reduction in the funding available. The original funding would have allowed 71% new build and 29% refurbishment of the school facilities. This is no longer possible with the reduced budget. Details of the funding allocated are included in appendix 1

Process and Programme

2. (1) The BSF and Academies team, with Gleeds as technical advisors and Studio E as Architects, have been working with the Academy to develop initial options for redeveloping the site. This has taken into consideration the state of the existing buildings to determine what facilities could be re-furbished and which need to be replaced.

(2) These initial options have been costed to demonstrate which would be affordable using the results of a number of initial surveys. The new build rate used to cost the options is based on a rate advised by the DFE as part of the cost saving exercise carried out by the DFE when determining the funding allocated. The rate for refurbishment is based on the conditions survey. It is unlikely that this rate will be able to achieve the same standard as was achieved under the Building Schools for the Future programme.

(3) Work has been carried out to look at how the redevelopment could be phased to reduce the need for temporary accommodation during the build period.

(4) The options have been discussed with the relevant planning authorities, Kent Highways and Sport England. This has allowed us to determine the deliverability of the schemes, as well as affordability.

(5) A control option has been chosen to develop in more detail. This option will be put forward in the Feasibility study (a streamlined version of Outline Business Case previously produced at this stage in a projects development) to demonstrate how the funding could be used to deliver an affordable scheme to meets the Academy's requirements.

(6) The Feasibility study will be issued to Partnerships for Schools (PfS) for their review and approval to move forward with the project. Once this approval is received the scheme will be passed onto Willmott Dixon.

(7) This will be passed on via the process set out in the 'Future Schools Agreement' which forms part of the contract for Skinners Kent Academy. This requires a package of information about the scheme to be provided to Willmott Dixon who will use this as the starting point for developing a scheme.

(8) There will be a programme of engagement meetings with the Academy to develop a scheme up to planning stage. At this point the scheme will be issued, like a bid, to the BSF and Academies team to evaluate and clarify that this meets the Authority's requirements. Once the BSF and Academies team,

with our technical advisors, and the Academy are satisfied with what is being offered by Willmott Dixon, the scheme will be submitted to planning. There will be an opportunity for a Member to be involved in the evaluation process.

(9) Once the application is submitted, Willmott Dixon will continue to develop the scheme in detail so that they can produce contractor's proposals for the Design and Build Contract.

(10) Before KCC can enter into a contract with Willmott Dixon, a Final Business Case will be submitted to PfS to confirm that they will be funding the scheme. At this point cabinet will be asked to authorise the submission of this business case and to authorise the signing of the contract with Willmott Dixon.

(11) It is estimated that it will take at least six months for Willmott Dixon to develop the scheme to the level required to enter into the contract. This however could take significantly longer if the planning process becomes complicated.

(12) The current target is to sign contracts in summer 2012 so that the construction works can be completed in early 2014.

Related Issues

3. Further details about the scheme including financial information can be found in appendix 1. Appendix 1 is exempt- not for publication - Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers

Next Steps

4. The Feasibility study will be issued to PfS and amended as required by them. Once approved, the project will be issued to Willmott Dixon to develop their proposal.

Recommendations:

5. (1) Members of the Cabinet are asked to AUTHORISE the submission of the Feasibility study for The John Wallis Church of England Academy to PfS and DFE.

(2) Members of the Cabinet are asked to AUTHORISE the issue of a Future School Notice to Willmott Dixon (preferred bidder for Batch 2 Academies) to develop a proposal for the Academy within the affordability parameters set by Cabinet and to progress through the next stage of the process to develop detailed designs, progress the planning application and finalise contracts.

(3) to NOTE that the BSF, PFI and Academies Board will be updated on progress and final approval to enter into contracts will be sought from Cabinet

Rebecca Spore
Director of Property and Infrastructure Support Business Strategy and Support
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Additional Documents: Appendix 1

Other Useful Information: N/A

By: Mike Whiting, Cabinet Member for Education, Learning & Skills

Roger Gough, Cabinet Member for Business Strategy, Performance & Health Reform

Patrick Leeson, Corporate Director, Education, Learning & Skills

David Cockburn, Corporate Director of Business, Strategy & Support

To: Cabinet – 17 Oct 2011

Subject: St Augustine Academy

Classification: Unrestricted

Summary: This report seeks approval to submit the Feasibility Study (Outline Business Case) for St Augustine Academy to PfS and the DfE to progress to the next stage and to issue a Future School Notice to Willmott Dixon (preferred bidder for Batch 2 Academies) to develop a proposal for the Academy.

Introduction

1. (1) The St Augustine Academy was formed on 1st September 2011 from the former Astor of Hever Community School.

(2) The lead Sponsor is the Woodard Schools. A total of four Academies, across the country, are sponsored by Woodard Schools.

(3) The Academy is located on Oakwood Road, Maidstone, and is part of the Oakwood Campus which comprises eight educational institutions ranging from primary schools to University Colleges. KCC's conferencing facility, Oakwood House, is situated at the heart of the campus. St Augustine Academy occupies a narrow site at the south eastern corner of the campus. The Academy's playing fields are situated a short walk away on the northern side of the campus

(4) Following the change of Government, in May 2010, the development of this academy was put on hold while the funding available was reconsidered. Following site visits by the DfE and the adoption of a new approach to calculating the funding, there was a significant reduction in the funding available. The original funding would have allowed a complete new build of the

school facilities. This is no longer possible with the reduced budget. Details of the funding allocated are included in appendix 1.

Process and Programme

2. (1) The BSF and Academies team, with Gleeds as technical advisors, and KSS as Architects, have been working with the Sponsor and Academy to develop initial options for redeveloping the site. This has taken into consideration the state of the existing buildings to determine what facilities could be re-furbished and which need to be replaced.

(2) These initial options have been costed to demonstrate which would be affordable using the results of a number of initial surveys. The new build rate used to cost the options is based on a rate advised by the DfE as part of the cost saving exercise carried out by the DfE when determining the funding allocated. The rate for refurbishment is based on the conditions survey. It is unlikely that this rate will be able to achieve the same standard as was achieved under the Building Schools for the Future programme.

(3) Work has been carried out to look at how the redevelopment could be phased to reduce the need for temporary accommodation during the build period.

(4) The options have been discussed with the relevant planning authorities and statutory consultees as part of the defined planning process. This has allowed us to determine the deliverability of the schemes, as well as affordability.

(5) A control option has been chosen to develop in more detail. This option will be put forward in the Feasibility study, designed up to RIBA Stage B (a streamlined version of Outline Business Case previously produced at this stage in a projects development) to demonstrate how the funding could be used to deliver an affordable scheme to meets the Academies requirements.

(6) The Feasibility study will be issued to Partnerships for Schools (PfS) for their review and approval to move forward with the project. Once this approval is received the scheme will be passed onto Willmott Dixon to continue the design Development Process.

(7) This will be passed on via the process set out in the ‘Future Schools Agreement’ which forms part of the contract for The Skinners’ Kent Academy. This requires a package of information about the scheme to be provided to Willmott Dixon who will use this as the starting point for developing a scheme.

(8) There will be a programme of engagement meetings with the Academy to develop a scheme up to planning stage. At this point the scheme will be issued, like a bid, to the BSF and Academies team to evaluate and clarify the Authority’s requirements. Once the BSF and Academies team, with our technical

advisors, and the Academy are satisfied with what is being offered by Willmott Dixon, the scheme will be submitted to planning. There will be an opportunity for a Member representative to be involved in the evaluation process.

(9) Once the application is submitted, Willmott Dixon will continue to develop the scheme in detail so that they can produce contractor's proposals for the Design and Build Contract.

(10) Before KCC can enter into a contract with Willmott Dixon, a Final Business Case will be submitted to PfS to confirm that they will be funding the scheme. At this point cabinet will be asked to authorise the submission of this business case and to authorise the signing of the contract with Willmott Dixon.

(11) It is estimated that it will take at least six months for Willmott Dixon to develop the scheme to the level required to enter into the contract. This however could take significantly longer if the planning process becomes complicated.

(12) The current target is to sign contracts in June 2012 so that construction can be completed in April 2014.

Related Issues

3. Further details about the scheme including financial information can be found in appendix 1. Appendix 1 is exempt- not for publication - Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers

Next Steps

4. The Feasibility study will be issued to PfS and amended as required by them. Once approved, the project will be issued to Willmott Dixon to develop their proposal.

Recommendations:

5. (1) Members of the Cabinet are asked to AUTHORISE the submission of the Feasibility study for St Augustine Academy to PfS and DfE.

(2) Members of the Cabinet are asked to AUTHORISE the issue of a Future School Notice to Willmott Dixon (preferred bidder for Batch 2 Academies) to develop a proposal for the Academy within the affordability parameters set by Cabinet and to progress through the next stage of the process to develop detailed designs, progress the planning application and finalise contracts.

(3) to NOTE that the BSF, PFI and Academies Board will be updated on progress and final approval to enter into contracts will be sought from Cabinet

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***Additional Documents**: Appendix 1-* is exempt- not for publication - Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, refers

Other Useful Information: N/A

Minutes of the Children's Service Improvement Panel
Meeting Held: 25 August 2011 11:00 Swale 3

Present:	**Officers:**
Mrs Whittle (Chair)	Malcolm Newsam
Mr Christie	Debra Exall
Mr Cubitt	Eileen McKibben
Mr Ferrin	Jennifer Maiden-Brooks
Miss Hohler	Fiona Maycock (Clerk)
Mr Koowaree	Karen Ray
Mr Lake	Rob Semens
Mr Smith	
Mrs Waters	
Mr Wells	

Apologies:
Mrs Allen
Mrs Dean

1. Previous Minutes

1.1 Malcolm Newsam confirmed that the data relating to the recruitment and retention work of Core Task 7 had not been sent directly to Members but would be included in item 3a on the agenda.

1.2 The minutes were agreed as an accurate record of the last meeting.

2. "Stock Take" Report

2.1 Malcolm Newsam introduced the report. The first wave of Improvement Targets have been achieved, and the foundations are being laid to deliver future improvements.

2.2 Mr Lake asked whether there is any risk that new targets will be set for Kent now that Ofsted can see these have been achieved. Malcolm Newsam confirmed this was unlikely. Targets were set to span a two year period; this initial phase was a clean up exercise to begin to gain good management grip and judgement, and there were further challenging targets to be achieved.

2.3 Malcolm Newsam stated that phase two will focus more on sustainability, providing value for money and improving quality of practice and outcomes for children. Mr Ferrin questioned whether we are truly out of phase one because further groundwork is still required. It is important that resources are sustained to ensure continued progress. Mrs Whittle agreed that staff can not afford to become complacent, and resources will be made available to deliver the improvements, however it is critical to ensure the most appropriate return for this investment.

2.4 Mrs Whittle asked for the Early Intervention and Prevention Strategy to come to a future meeting.

2.5 Mr Christie expressed concern that progress and quality will be compromised when the peripatetic team is disbanded. Malcolm Newsam reassured Members that staff are currently developing a plan to manage the ending of the project.

2.6 Miss Hohler said that the performance reports should be maintained even after improvement targets have been met; new targets should be set, as appropriate, so staff are challenged and a grip on current position is maintained. Mr Cubitt commented that the excellent performance management and quality assurance frameworks will undoubtedly set the standard for improving quality.

2.7 Malcolm Newsam informed Members that a new Improvement Plan will be created which will focus, amongst other things, on a fit for purpose restructure, staff training, supporting managers, and retaining and recruiting experienced staff.

2.8 Mr Ferrin suggested it may be beneficial to undertake a mock inspection by bringing in an independent inspector. Malcolm Newsam confirmed that the one year unannounced inspection is now due, and reported that he had already brought in an independent children's social care expert, Beverley Clarke, to complete an inspection of the DIAT teams. She had found that six were inspection ready, two were almost ready and four needed supporting to improve further. **A presentation of these results will be brought to a future meeting.**

2.9 Mr Christie commented that the high level of referrals is a significant factor in ensuring sustainability within districts. **A report on this will be brought to a future meeting.**

3. Recruitment, Retention and Establishment

3.1 Karen Ray stated that the market premia payments have been made; Rob Semens confirmed that eligibility in this case refers to the relevant group of employees. In future eligibility will be based on performance and guidelines to support this will be issued shortly.

3.2 Factors contributing to the number and length of service of agency workers in Kent was discussed and Malcolm Newsam confirmed that it is the intention for agency staff to be replaced by full time employees through the recruitment programme. It was suggested that with other authorities reducing their numbers of social workers, there would be a wider pool of permanent staff to recruit to Kent.

3.4 Karen Ray informed Members a Staff Survey will be implemented in September following a series of focus groups. A discussion was had around the appropriateness of surveys compared to the value of having feedback in other formats.

3.5 Eileen McKibben explained the establishment modelling process and emphasised its three dimensional approach using a variety of contributing factors.

4. Data Reports

4.1 Malcolm Newsam confirmed that considerable progress has been made since the reports were published in July.

5. Improvement Plan Highlight and Exception Reports

5.1 Jennifer Maiden-Brooks explained that the exceptions within the report are minor and will not affect delivery of other actions on the plan.

5.2 The County Duty Team has now expanded to 27 staff and from September will be taking on all child contacts.

5.3 The future restructure of Specialist Children's Services will be linked in with Andrew Ireland taking up his post in November.

5.4 Mr Christie asked who is being consulted on the changes to the Children's Trust. Malcolm Newsam replied that all Members directly involved with the Kent Children's Trust had been consulted, and a report will be going to Cabinet on 19 September.

6. Any Other Business

6.1 Nothing was discussed.

Dates of future meetings

Agenda Setting*	Time	Meeting	Time	Venue
12 April	4 pm	26 April 2011	12.30	Waterton Lee
3 May	11 am	17 May	4 pm	Swale 3
7 June	4 pm	22 June	9 am	Medway
6 July	3.30 pm	13 July	3 pm	Swale 3
27 July	10 am	25 August	11 am	Swale 3
31 August	**2 pm**	**20 September**	**2 pm**	**Medway**
12 October	10.30am	24 October	2.30 pm	Cabinet Room
15 November	11am	1 December	3pm	Cabinet Room

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