AGENDA

CABINET

Monday, 16th June, 2008, at 10.00 am	Ask for:	**Karen Mannering / Geoff Mills**
Darent Room, Sessions House, County Hall, Maidstone	Telephone	**(01622) 694367/ 694289**

UNRESTRICTED ITEMS

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

1. Declaration of Interests by Member in Items on the Agenda for this meeting
2. Minutes of the Meeting held on 12 May 2008 (Pages 1 - 6)
3. Revenue & Capital Budget Outturn 2007 -08 and Associated Matters (Pages 7 - 56)
4. Consideration of the draft KCC Annual Plan 2008/09 and process of publishing the final approved version. (Pages 57 - 60)
5. Policy Framework (Pages 61 - 64)
6. Better Days for People with Learning Difficulties (Pages 65 - 70)
7. Ashford's Future: Proposed Formalisation of the Ashford's Future Partnership Board and the related incorporation of a Special Purpose Vehicle (Pages 71 - 84)
8. Education and Skills Bill (Pages 85 - 90)
9. Annual Governance Statement - Draft (Pages 91 - 98)
10. Dartford Crossing Tolls (Pages 99 - 104)
11. The Sub-National Review and Kent's Response (Pages 105 - 116)
12. Decisions from Cabinet Scrutiny Committee - 21 May 2008 (Pages 117 - 120)
13. 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)

14. Local Involvement Networks

Peter Gilroy
Chief Executive
Friday, 6 June 2008

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

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held at Sessions House, County Hall, Maidstone on Monday, 12 May 2008.

PRESENT: Mr P B Carter (Chairman), Mr N J D Chard, Mr M C Dance, Mr K A Ferrin, Mr G K Gibbens, Mr R W Gough, Mr M Hill, Mr A J King and Mr K G Lynes. Mrs A Allen was also present.

OFFICERS: Mr P Gilroy, Chief Executive; Ms A Honey, Managing Director, Communities, Ms L McMullan, Director of Finance, Mr O Mills, Managing Director for Adult Social Services, Mr A Wilkinson, Managing Director for Environment and Regeneration and Ms M Peachey, Director of Public Health. Dr I Craig was present on behalf of the Managing Director for Children Families and Education.

UNRESTRICTED ITEMS

1. Minutes of the Meeting held on 14 April 2008
(Item 2)

The Minutes of the meeting held on 14 April 2008 were agreed as a true record.

2. Collaboration between Essex and Kent Police
(Item 3)

Mrs Ann Barnes, Chairman of the Kent Police Authority, Mr Robert Chambers, Chairman of the Essex Police Authority, Mr Mike Fuller, Chief Constable for Kent and Mr Roger Baker, Chief Constable for Essex were present for this item.

(1) Mrs Barnes said that against a background of possible Government imposed mergers, the Kent and Essex Police forces had since January 2007 been looking in detail at the opportunities for greater collaboration in order to bring about greater efficiencies and the better use of resources. This work was not about merging but looking at strengthening existing services in a collaborative way and therefore negating the need to merge. Mr Fuller said that he and Mr Baker remained directly responsible for their respective forces and to their respective police authorities. However, through the shared use of resources (including procurement) and the shared use of specialist staff and equipment the Kent and Essex forces had been working in closer collaboration on a number of cross-force operational matters. In addition, the two forces are working towards harmonising procedures around HR and IT/Communications.

(2) There are a number of key issues which the two forces working together had to address and many of the detailed issues had been dealt with through the establishment of a joint Statutory Committee which has specifically looked at issues of governance. Mrs Barnes said the advice of the Home Office had been sought on issues around governance but little had been forthcoming so the two police authorities were taking matters forward very much on their own. There had also been a number of organisational support reviews designed to challenge existing practice and look at alternative ways of service delivery. This had resulted in four core work streams being developed related to air support; marine; ports and ANPR (automatic number plate recognition) and road policing. To support this work a number of memoranda of understanding had been

developed.

(3) This joint collaborative work had already produced a number of successes and these were detailed during the course of the presentation. It was said that whilst there is a clear commitment from both Chief Officer teams and the Police Authorities to take this work forward, the development of these collaboration initiatives did not in any way preclude ongoing work with others.

(4) Both Mrs Barnes and Mr Chambers acknowledged that this initiative may be seen as an example of how police authorities can work together and promoted as such by the government. Each authority also recognised that there was no guarantee against renewed attempts to merge forces. The Kent and Essex approach was based on demonstrating that strong collaboration between two separate forces/authorities was possible and could be extremely effective. Mr Hill said how much he welcomed this innovation and Mr Gilroy spoke about the opportunities this gave for significant savings through joint purchasing and procurement.

(5) Mr Carter concluded discussion by saying that he very much welcomed the presentation which had been given and said he wanted the County Council to play its part in this innovative collaboration. Mr Carter also invited Mrs Barnes and Mr Fuller to attend future a meeting of Cabinet (on a date to be agreed) in order to give a briefing on the latest policing position in Kent.

3. Revenue and Capital Budget Monitoring Exception Report
(Item 4 – Report by Mr Nick Chard, Cabinet Member for Finance, and Ms Lynda McMullan, Director of Finance)

(1) This Exception report highlighted the main movements since the Monitoring Exception report presented to Cabinet at its meeting in April 2008. Mr Chard said that there was currently a projected underspend of some £9m on the Revenue Budget although this excluded the overspend on the Asylum Service which was currently £3.805m. Lynda McMullan said that the County Council's accounts were currently being audited but that the external auditors had already said that the Council's internal processes were amongst the best that they had seen.

(2) On the issue of recouping asylum costs, Mr Gilroy said that this work was now being co-ordinated directly by the LGA and Mr Carter briefed Cabinet on a further meeting which was planned with Ministers in the near future at which it was hoped this matter would finally be resolved.

(3) Cabinet noted the latest forecast Revenue and Capital Budget Monitoring position for 2007/08 and noted the changes to the Capital Cash Limit as reported in Section 3.1 of the Cabinet report.

4. Ashford's Future –Proposed Formalisation of the Ashford's Future Partnership and the Related Incorporation of a Special Purpose Vehicle
(Item 5 – Report by Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director for Environment and Regeneration)

(1) This report advised Cabinet of the proposal for formalising and restructuring the Ashford's Future Delivery Board. The report also detailed the work which was currently in progress on developing a Special Purpose Vehicle as a key new element in the delivery structure for Ashford's Future in delivering growth to Ashford. Mr Gough said that this was an interim report and a fuller

examination of the proposals and implications for KCC would be made to the June meeting of Cabinet.

(2) Cabinet noted progress on the revised arrangements for Ashford's Future and that a further report would be submitted to its meeting in June seeking approval of the terms of the Ashford's Future programme for development and the Special Purpose Vehicle Business Plan. In the meantime, Managing Directors were requested to consider the implications for their service areas of the proposed Special Purpose Vehicle and Programme for Development.

5. Kent Thameside Delivery Board: Review and Future Direction
(Item 6 – Report by Mr Roger Gough, Cabinet Member for Regeneration and Supporting Independence and Mr Adam Wilkinson, Managing Director for Environment and Regeneration)

(Mr Mike Bodkin, Head of Urban Regeneration was present for this item)

(1) This report proposed a review of the partnership arrangements in Kent Thameside and discussed the implications for the County Council. Mr Bodkin said that it was essential to demonstrate to Government that this matter was moving forward and that mechanisms had been put in place which were fit for purpose. Although much of the delivery would be undertaken by the private sector, KCC would continue to play an active role in the work of the Kent Thameside Delivery Board. It was therefore essential that the County Council played a full role in the restructuring of the current delivery arrangements in Kent Thameside.

(2) Following discussion, Cabinet:-

(a) endorsed the way ahead for KCC in Kent Thameside as set out in the Cabinet report; and

(b) authorised the Cabinet Member for Regeneration and Supporting Independence and the Managing Director for Environment and Regeneration to negotiate with partners and agree the way ahead for the Kent Thameside Delivery Board that meet KCC's strategic objectives.

6. Establishing Joint Working Arrangements with Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council
(Item 7 – Report by Mr Paul Carter, Leader of the County Council and Mr Peter Gilroy, Chief Executive)

(1) The signing of the Kent Commitment recognised the opportunities that existed for the County Council and the District Councils to work closer together in order to integrate functions which improved the effectiveness and efficiency of services and how they are developed. In particular, the Commitment recognised the work of East Kent in developing a cluster model and it was agreed that Canterbury City Council, Dover District Council, Shepway District Council, Thanet District Council and the County Council would continue to work together in order to consider and identify opportunities for greater integration and the potential to share a range of public facing services. In order to carry forward these objectives, it would first be necessary to establish a framework which gave legal authority for the four districts and the County Council to work jointly together.

(2) Mr Carter said this report was simply about establishing a possible framework and it would be up to the County Council to decide at a later date what might be put into this framework.

(3) Following discussion, Cabinet:

(a) approved the establishment of a joint committee comprising Canterbury City Council, Dover District Council, Kent County Council, Shepway District Council and Thanet District Council, to be known as the East Kent (Joint Arrangements) Committee, with effect from 1 June 2008;

(b) approved the terms of the Operating Arrangements for the East Kent (Joint Arrangements) Committee as set out in Appendix 1 of the Cabinet report;

(c) approved the delegation of functions to the East Kent (Joint Arrangements) Committee as set out in paragraph 3 of the Cabinet report and Schedule A of the East Kent (Joint Arrangements) Committee Operating Arrangements;

and agreed that that the County Council with the Agreement of the Cabinet should

(d) appoint the Leader and Deputy Leader from time to time as the two nominated members of the Council in accordance with the East Kent (Joint Arrangement) Committee Operating Arrangements, with the Chief Executive authorised to effect such substitutions in consultation with the Leader as referred to in 2(e) below;

(e) authorise all other members of the Cabinet to act as substitutes for the Leader and the Deputy Leader as mentioned in the East Kent (Joint Arrangements) Committee Operating Arrangements;

the County Council in relation to the East Kent (Joint Scrutiny) Committee (f) should approve the establishment of a joint scrutiny committee comprising Canterbury City Council, Dover District Council, Kent County Council, Shepway District Council and Thanet District Council, to be known as the East Kent (Joint Scrutiny) Committee;

(g) approve the East Kent (Joint Scrutiny) Committee Operating Arrangements as set out in Appendix 2 of the Cabinet report;

(h) approve the terms of reference for the East Kent (Joint Scrutiny) Committee as set out in the East Kent (Joint Scrutiny) Committee Operating Arrangements;

(i) appoint 3 Members to serve on the East Kent Joint Scrutiny Committee in accordance with the East Kent (Joint Scrutiny) Committee Operating Arrangements;

(j) That Cabinet agrees to the County Council being recommended to pass the resolutions set out in 3(a)-3(e) above;

3. Cabinet and Council note that the implementation of these recommendations will result in the likely need to make consequential changes to the County Council's Constitution. Such changes that are required will be published and implemented in accordance with Article 15 (Review and Revision of the Constitution) sub-paragraph 15.2.

7. Kent Concessionary Travel Scheme for Over 60's and Disabled
(Item 8 – Report by Mr Keith Ferrin, Cabinet Member for Environment, Highways and Waste and Mr Geoff Mead, Director, Kent Highways Services)

(1) This report provided an update on the Kent and Medway Concessionary Travel Scheme for Over 60's and Disabled People since the Government had indicated that this scheme would become a County Council responsibility in future years.

(2) In introducing this report Mr Ferrin referred to two communications which had been received, one on behalf of Maidstone Borough Council and one on behalf of Tunbridge Wells Borough Council but he did not feel either changed the purpose of the report.

(3) The Kent Concessionary Travel Scheme is operated jointly by the District Councils, Medway Council and the County Council. Whilst responsibility for this scheme rests with the District Councils, who are termed Travel Concession Authorities the County Council takes an active co-ordinating role in order for Kent residents to get the most out of their pass. There are currently some 260,000 pass holders in Kent and the scheme costs some £17.25m (08/09 prices). These costs are met by the Districts and Medway with financial assistance from Government through the Revenue Support Grant Mechanism. The County Council provides £30,000 per annum towards the cost of administering the scheme.

(4) As of April 2008 the scheme was expanded to enable free travel on bus services across England. The funding responsibility was also changed from the District issuing the pass to the District in which the journey began. As a consequence, many of the Travel Concessionary Authorities across the country put back the start of the scheme to 9.30 am in order to try and reduce costs. Faced with increasing travel and uncertainties over levels of future funding, all the Kent districts, except Medway amended the time from which passes are valid from 9.00 am to 9.30 am. Medway Council decided to return to a 9.00 am start in February 2008. Mr Ferrin said that this had resulted in a situation, where for example some pass holders living in rural areas may have to pay a fare on a service before 9.30 am or wait until the next service which might not run for several hours. Pass holders have therefore continued to lobby for the scheme to be put back to a 9.00 am start. The additional annual cost of allowing pass holders to travel for free between 9.00 am and 9.30 am has been estimated at some £150,000 per annum and there may also be on top of that claims from bus operators as services are changed to cater for demand.

(5) During the course of discussion, Mr Chard said that he felt strongly about this issue and the County Council in its leadership role should take a positive decision. He therefore proposed and Mr A J King seconded that as from Monday, 30 June 2008 the County Council should fund the cost of allowing pass holders to travel for free from 9.00 am and 9.30 am by providing £120k from the forecast underspend for 2007/08. Future years provision should be considered as part of the Council's normal budget build.

(6) During the course of discussion, several Members of Cabinet spoke in support of the proposal and Mr Carter said that he welcomed this move.

(7) Following further discussion, Cabinet agreed that as from Monday, 30 June 2008 the cost of allowing pass holders to travel for free between 9.00 am and 9.30am be funded by providing £120k from the forecast underspend for 2007/08. Future years provision would be considered as part of the Council's normal budget build.

8. Decisions from Cabinet Scrutiny Committee – 23 April 2008

(Item 9 – Report by Head of Democratic Services and Local Leadership)

This report set out the Decisions from the Cabinet Scrutiny Committee held on 26 March 2008 and invited responses from Cabinet.

(a) Annual Unit Business Plans

Cabinet noted that the following Unit Business Plans would be selected for detailed scrutiny later in the year.

- Kent Highways Services
- Children's Services (Clusters)
- Communications and Media Centre
- Direct Payments (part of Adult Social Services)

(b) Proposed Disposal of Land Fronting the A20 in Allington

Mr Chard said that he had met with Mr Wilkinson a representative of the Baptist Church and discussions were ongoing with the intention of working towards a satisfactory resolution.

(c) Proposed Outsourcing of Delivery Services Beyond the Boundaries of Kent

Mr Chard said that he was very pleased with the comments made by the Scrutiny Committee in commending the Director of Commercial Services for achieving increased income for the Council, helping to keep the cost of council tax down.

To: CABINET – 16 June 2008

By: Nick Chard, Cabinet Member – Finance
Lynda McMullan, Director of Finance

(1) REVENUE AND CAPITAL BUDGET OUTTURN 2007-08
(2) REVENUE BUDGET ROLL FORWARD FOR COMMITTED PROJECTS
(3) 2007-08 RE-PHASING OF PERFORMANCE REWARD GRANT
(4) 2007-08 FINAL MONITORING OF KEY ACTIVITY INDICATORS
(5) 2007-08 FINAL MONITORING OF PRUDENTIAL INDICATORS
(6) IMPACT OF 2007-08 REVENUE BUDGET OUTTURN ON RESERVES
(7) CAPITAL BUDGET OUTCOMES & ACHIEVEMENTS IN RECENT YEARS

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1. Summary

1.1 This report sets out the provisional revenue and capital budget outturn for 2007-08. It details:

- where revenue projects have been rescheduled and/or are committed
- where there is under or overspending.

1.2 Details of the proposals for the use of part of the revenue budget underspending are provided in Appendix 1. This reflects those projects where there is already a commitment to spend in 2008-09.

1.3 Details of the re-phasing of projects funded from Performance Reward Grant are provided in Appendix 2.

1.4 Final monitoring of key activity indicators for 2007-08 is detailed in Appendix 3.

1.5 The report also provides the year-end prudential indicators and impact on reserves.

1.6 Capital Budget Outcomes and Achievements in recent years are detailed in Appendix 5.

2. Recommendations

Cabinet is asked to:

2.1 Note the provisional outturn position for 2007-08.

2.2 Agree the requests for roll forward of part of the 2007-08 revenue underspending into 2008-09, as detailed in Appendix 1, to fund existing commitments.

2.3 Note that the remaining underspend will be allocated at the July meeting of Cabinet following a review of the expected impact of the current economic conditions upon key KCC services in 2008-09.

2.4 Note the re-phasing of projects funded from Performance Reward Grant as summarised in Appendix 2.

2.5 Note the final monitoring of the key activity indicators for 2007-08 as detailed in Appendix 3.

2.6 Note the final monitoring of the prudential indicators for 2007-08 as detailed in Appendix 4.

2.7 Note the impact of the 2007-08 provisional revenue budget outturn on reserves as detailed in section 3.6.

2.8 Note the capital budget outcomes and achievements in recent years as detailed in Appendix 5.

2.9 Note that the 2008-09 Capital Programme will be adjusted to reflect the re-phasing and other variances, of the 2007-08 Capital Programme.

2.10 Note that contrary to school's previous forecasts, the schools' revenue and capital reserves have increased by some £22m. Details are provided in this report.

3. BUDGET OUTTURN 2007-08

3.1 INTRODUCTION

3.1.1 This report sets out the provisional revenue and capital budget outturn for 2007-08. There may be minor variations in figures during the final stage of the closing of accounts process and the accounts are also still subject to external audit.

3.1.2 For the 8th consecutive year the Council is able to demonstrate sound financial management, by containing its revenue expenditure within the budgeted level.

3.2 REVENUE BUDGET OUTTURN 2007-08

3.2.1 The provisional outturn is a net underspend of £7.889m against portfolio budgets and a £4.984m increase in school reserves, giving a total underspend of £12.873m.

3.2.2 This £7.889m outturn compares with the variance of -£9.113m last reported to Cabinet at its meeting on 12 May, which represents a movement since the last report of +£1.224m. In addition, the 12 May report included a £3.805m pressure on Asylum which is now shown as breakeven pending the outcome of our two Special Circumstances bids for 2007-08. This reflects our expectation that we will be reimbursed by Government for our Asylum costs. This approach is consistent with previous years. The net provisional outturn by portfolio and the movement since the last report are shown below in table 1.

TABLE 1: PROVISIONAL FINAL REVENUE OUTTURN BY PORTFOLIO

Portfolio	Budget	Provisional Outturn	Variance	Variance per last report	Movement
	£k	£k	£k	£k	£k
O,R&S (CFHE) note 2	**-799,700**	**-799,449**	**+251**	+1,634	-1,383
CF&EA	**+101,978**	**+101,677**	**-301**	-1,394	+1,093
KASS	**+271,996**	**+273,493**	**+1,497**	+1,520	-23
E,H&W	**+121,751**	**+120,139**	**-1,612**	-2,535	+923
Regen & SI note 3	**+8,949**	**+7,889**	**-1,060**	-1,163	+103
Communities	**+55,013**	**+56,143**	**+1,130**	+1,130	0
Public Health	**+562**	**+248**	**-314**	-50	-264
Corporate Support	**+27,126**	**+26,415**	**-711**	-896	+185
Policy & Performance	**+3,253**	**+3,046**	**-207**	-224	+17
Finance	**+105,736**	**+99,174**	**-6,562**	-7,135	+573
SUB TOTAL (excl Schools)	**-103,336**	**-111,225**	**-7,889**	**-9,113**	**+1,224**
Asylum note 1	**0**	**0**	**0**	+3,805	-3,805
TOTAL (excl Schools)	**-103,336**	**-111,225**	**-7,889**	**-5,308**	**-2,581**
Schools O,R&S (CFHE)	**+852,805**	**+847,821**	**-4,984**	+15,000	-19,984
TOTAL	**+749,469**	**+736,596**	**-12,873**	**+9,692**	**-22,565**

Note 1: Although the Asylum Service is showing a nil variance, we do not yet know whether our Special Circumstances Bids will be successful. Further details are provided in paragraph 3.2.12.

Note 2: Of the £0.251m residual pressure within the OR&S (CFHE) portfolio, -£0.025m relates to budgets managed within the CFHE directorate and +£0.276m relates to budgets managed within the Chief Executives directorate (Kent Works).

Note 3: Of the £1.060m underspend within the R&SI portfolio, -£0.810m relates to budgets managed within the E&R directorate and -£0.250m relates to budgets managed within the Chief Executives directorate (Supporting Independence).

3.2.3 The main reasons for the movement in the forecast since the last monitoring report to Cabinet on 12 May, as shown in Table 1, are as follows*:*

3.2.4 **Children, Families, Health & Education (CFHE):**

3.2.4.1 **Operations, Resources & Skills (CFHE) Portfolio:**

The overall position for the portfolio has moved by -£1.383m since the last report to Cabinet. The main changes are:

- -£1.7m on the Grants and Contingency budget, which mainly represents the final grant income for the year compared to the previous forecast (on a near £1bn budget).
- -£0.810m ICT – this is mainly due to appropriate re-badging of spend against Standards Fund giving a one-off underspend against base budget of £0.748m.
- -£0.238m Clusters – this is due to an increase in cluster board income of £0.1m with the balance due to staffing underspends and recharges to schools.
- -£0.131m Business Management – due to an unexpected reduction in facilities charges.

These have been partially offset by:

- +£0.672m Building Schools for the Future – due to a change in the accounting treatment of asbestos work at PFI schools which had previously been included within capital, and additional costs on staffing, consultants and specialist fees.
- +£0.500m Capital Projects Unit – this was mainly due to an increase in the costs of tree safety and the moving of mobile classrooms (£0.290m) and an increase in the costs of maintenance of non-operational sites (£0.2m).
- +£0.250m Personnel & Development – mainly due to an increase in the overspend on the CRB budget (£0.172m), with the balance due to increased management and administration costs.

3.2.4.2 **Children, Families & Educational Achievement Portfolio:**

The overall underspend for the portfolio has reduced by £1.093m since the last report to Cabinet. The main movements are:

- +£0.717m Independent Sector Residential Care – previous forecasts included an assumption that a cash limit virement would be made from re-aligning the budget on grants to voluntary organisations to correct an underlying base budget imbalance but this virement has not happened. The balance of the movement is due to additional expenditure relating to district court assessments, two additional placements and an increase in the cost of placements for three children.
- +£0.630m Fostering Service – previous forecasts included an assumption that a cash limit virement would be made from re-aligning the budget on grants to voluntary organisations to correct an underlying base budget imbalance but this virement has not happened. The balance of the movement relates to 5 new placements from January to March not previously forecast; and fee increases and an increase in respite placements and travel expenses within in-house fostering.
- +£0.578m Grant Income & Contingency – this reflects a reduction in the underspend on this budget, which is largely due to some one-off adjustments and items of expenditure that arose as part of the closedown process, including the write-off of some old debts.
- +£0.238m Leaving Care/16+ - this largely relates to an increase in the number of placements (£0.136m) and some previously unforecast costs.
- +£0.190m International Development Unit – this is due to an increase in the overspend at the Hardelot centre and an overspend on the Intereg project of £0.150m. We are still in negotiations with GOSE about possible income relating to this project.
- +£0.164m Advisory Service Kent (Secondary) – this relates to late payments made to schools and Connexions.
- +£0.113m Advisory Service Kent (Primary) – this relates to a charge from ISG for A2K, not previously forecast, and additional expenditure required to cover staff vacancies and absences.
- +£0.105m Section 17 – this is mainly due to increased travel costs and specialist fees.
- -£0.670m Grants to Voluntary Organisations – previous forecasts included an assumption that a cash limit virement would be made from re-aligning this budget with Independent Sector Residential Care and Fostering, to correct an underlying base budget imbalance, but this virement has not happened.
- -£0.397m Advisory Service Kent (Professional Development) – this is largely due to additional income from schools for training courses (£0.280m), together with a reduction in the cost of running courses and increased income from room hire.
- -£0.210m Advisory Service Kent (Improvement Partners) - this is mainly due to income from BSF towards the Secondary transformation team and additional income from consultancy.

- -£0.144m Other Services Support – this mainly relates to additional income received for the Out of Hours service and other increased income.
- -£0.127m KCC Family Support Service – this relates to the management of staff vacancies in line with the internal management action agreed within this division.

3.2.4.3 It has previously been reported that any unspent DSG would be transferred to an earmarked reserve at year end in accordance with the grant regulations. The unspent balance of DSG within the CFHE non-delegated budget at the end of 2007-08 was £3.428m and this has been transferred to a new DSG reserve. This is a change to the accounting treatment adopted in 2006-07, when the unspent balance of non-delegated DSG was treated as a receipt in advance.

3.2.5 **Kent Adult Social Services Portfolio:**

The overall position for the portfolio has only marginally moved since the last report to Cabinet, with a £0.023m improvement in the position reported. However there have been some significant changes between client groups. The main changes are:

- +£0.566m on Older People – a reduction in the underspend from £1.514m to £0.948m. Approximately £0.250m of this reduction relates to domiciliary care, this budget is continuing to prove very difficult to forecast with great accuracy, as it is the most volatile activity line within Adult Social Services. The hardware issues since the beginning of March have resulted in more manual interrogation being undertaken through Oracle Financials, especially in relation to domiciliary services. This has picked up some clients that have not previously been identified or included in the forecasts, particularly where suppliers have invoiced for clients at a later stage and backdated charges.
  Although there has been a reduction of 17 residential placements in March, any saving has more than been offset by an increase of 29 nursing placements in March. There have been a number of smaller changes to other budgets and some bad debt adjustments.
  There has been a movement in gross and income to represent different accounting treatment for funding received from the Department of Health for the Whole System Demonstrator. This will provide a large number of Kent residents with access to telehealth, as well as to telecare, as part of a wider programme that will include greater joint working between Health and Social Care. The funding has now been treated as a receipt in advance rather than dealt with through reserves.
- -£0.359m on Learning Disability – a reduction in the pressure from £4.735m to £4.376m. Of this £0.090m relates to increased income, partly following agreement with Eastern and Coastal Kent PCT to contribute to a residential placement. The amount recharged by direct service units through internal trading arrangements is also about £0.080m less than forecast. There have been a number of smaller changes to other budgets and some bad debt adjustments.
- -£0.211m on Physical Disability – a reduction in the pressure from £1.223m to £1.012m. The main reduction has been in East Kent where the actual cost of non-permanent residential weeks was £0.093m less than predicted. Although March saw a significant increase in the number of clients accessing Direct Payments, the increase came later in the month than expected resulting in a lower cost. There have been small changes on many other service lines, including residential, day-care, domiciliary care and supported accommodation.
- +£0.164m on Assessment and Related – a reduction in the underspend from £0.954m to £0.790m primarily as a result of changes to the bad debt provision. Four invoices to Health, amounting to £0.1m that had been provided for in previous years were actually paid in 2007-08, which meant that the provision could be released back to reduce the revenue position. Although this was previously reflected against Assessment and Related, the closure of accounts process identified that this should be more accurately included against In-House services as the debts related to a couple of Learning Disability Day Opportunities units.
- -£0.146m on Other Services – an increase in the underspend from £1.708m to £1.854m, relating to a number of different budgets.

Also, £3.535m has been transferred to the Supporting People reserve to meet likely funding shortfalls in future years. This is consistent with the practice adopted in previous years. There are proposals (to be agreed by the Supporting People Commissioning Body,) to utilise all of the reserve over the next four years, primarily to fund inflationary uplifts year on year at an assumed 2.5% each year, as the specific grant (Area Based Grant from 2009-10) does not allow for it. There are also proposals for some new developments as well as extensions to existing services. The proposed new developments include:

- Floating Support Accommodation Services from January 2009
- Home Improvement Agency Handy Person scheme in East & West Kent from 2008-09
- Service User Involvement from 2008-09
- Horizons Thanet PFI Bid from 1 November 2008
- Dual Diagnosis Mental Health Service, Dover from 1 November 2008

The activity indicators shown at Appendix 3 generally show a continued increase in direct payments and expenditure on services for the learning disabled. Older persons residential has reduced, whilst nursing care has remained relatively static. Although the number of clients receiving domiciliary care has remained fairly static, the number of hours of service provided has increased reflecting an increasing number of clients who require a higher level of support to enable them to remain within their own homes.

3.2.6 **Environment**, **Highways & Waste Portfolio:**

The overall underspend for the portfolio has reduced by £0.923m, to £1.612m since the last report to Cabinet. The main movements are:

- +£0.708m relating to the Emergency costs arising from the earthquake, floods and gales. It was previously assumed that these costs would be met from the Emergency Conditions reserve, consistent with previous practice. However, considering the level of underspending across the Authority, it is considered that this should not be assumed for 2007-08. These costs can be offset by the £0.4m saving on the winter maintenance budget reported last month, leaving a residual £0.308m, which will be met from the underspend within the Finance portfolio.
- +£0.177m Kent Highways Services (incl. Public Transport) – this is mainly due to increased forward design work; increased costs of temporary and consultancy staff; some costs of the Safety Camera Partnership not being covered by grant, partially offset by some additional income on Public Transport.
- +£0.111m reduction in the underspend on Waste Management.

3.2.7 **Regeneration & Supporting Independence Portfolio:**

The overall underspend for the portfolio has reduced by £0.103m to £1.163m since the last report to Cabinet. This is made up of a number of small movements including better progress than expected on the Minerals and Waste Local Development Plan.

3.2.8 **Communities Portfolio:**

The outturn position for the portfolio has remained at a pressure of £1.130m, as reported to Cabinet in May, although there have been some small compensatory movements across many units. Of the £1.130m overspend, £0.328m relates to mediation and litigation costs incurred on the original Turner Gallery project which are to be met from the underspending within the Finance portfolio, leaving Communities with a £0.802m overspend to roll forward. £0.873m relates to Adult Education, and this will be rolled forward to be managed during 2008-09 and 2009-10, leaving a £0.071m underspend for which a roll forward bid will be submitted.

3.2.9 **Public Health Portfolio:**

The underspend for the portfolio has increased by £0.264m to £0.314m since the last report to Cabinet. The main movements are:

- -£0.144m re-phasing into 2008-09 of the Towards 2010 Target 50 Public Health Campaign for Young People. This budget did not transfer until late in the financial year from Children, Families & Educational Achievement portfolio.
- -£0.100m re-phasing of the Healthwatch budget into 2008-09.

3.2.10 **Corporate Support Portfolio:**

The underspend for the portfolio has reduced by £0.185m since the last report to Cabinet. This is mainly due to the inclusion of an in year overspend of £0.262m on the Home Computing Initiative. This is a technical accounting adjustment requiring the roll forward of an overspend resulting from the net capital cost of equipment purchased for employees, funded by revenue contributions met from employee salary sacrifice payments over a 3 year period. This overspend will be rolled forward to be met from future years' salary contributions. This is partially offset by additional income within Learning & Development, Schools Personnel Service and Legal Services together with further re-phasing of the Well Being Health Checks programme.

3.2.11 **Finance Portfolio:**

The underspend for the portfolio has reduced by £0.573m to £6.562m since the last report to Cabinet. This reflects an underspend of £0.387m on budgets managed within the Chief Executives directorate and an underspend of £6.175m on the Financing Items budgets.

3.2.11.1 There has been a movement of -£0.196m on the Budgets managed within Chief Executives Directorate since the last report to Cabinet. This is largely due to reduced energy costs; reduced costs of car parking; lower spend on reactive maintenance; staff vacancy savings and increased income from room hire within the Property Group.

3.2.11.2 There has been a movement of +£0.769m on the Financing Items budgets since the last report to Cabinet. This is due to further underspending on leases; interest and debt charges; subscriptions and audit fees; and re-phasing of Local Scheme spending recommended by Local Boards relating to Second Homes money allocated since 2005-06; Member Community Grants; and grants to Districts for Local Priorities. However, this additional underspending has been more than offset by a contribution to the Asylum pressure in order to balance the position on Asylum in 2007-08; and providing for a change in the accounting treatment of the indirect staffing costs of the Corporate Property Unit.

3.2.12 **Asylum:**

We will be submitting two special circumstances bids, one to the Home Office for £2.082m and another to the DCSF for £2.638m. The previously reported pressure of £3.805m on Asylum was made up of:

- +£4.720m pressure for 2007-08 (the total of our two special circumstances bids);
- +£0.757m pressure relating to 2006-07 arising from the data matching exercise which reduced the main Asylum claim and increased the Special Circumstances bids for that year, of which to be prudent we assume we will only receive a proportion;
- -£1.672m drawdown of the balance in the Asylum reserve

The final pressure varied only marginally from this, however to get to a balanced position for the year we have assumed that we will be successful in receiving part of the income from our special circumstances bids, with the balance being met from the underspending within the Finance portfolio. We will continue to lobby Government for full recovery of the outstanding special circumstances bids.

3.3 REVENUE BUDGET ROLL FORWARD PROPOSALS

3.3.1 The full proposals for the use of the £7.889m underspend will be reported to Cabinet in July. In the meantime, Cabinet are asked to approve the roll forward of funding for commitments already made. These are detailed in Appendix 1.

3.3.2 Table 2 below provides a summary of the revenue outturn position and shows that of the £7.889m underspend, -£3.651m relates to committed projects; +£0.873m relates to the rolling forward of overspends; leaving £5.111m of uncommitted underspending for decision by Cabinet in July.

TABLE 2: SUMMARY OF REVENUE ROLL FORWARDS:

PORTFOLIO	Provisional Outturn Variance	Committed/ re-phasing	Overspends	transfers to/from	Uncommitted
	£k	£k	£k	£k	£k
O,R&S (CFHE)	251			-276	-25
CF&EA	-301				-301
KASS	1,497			-1,497	0
E,H&W	-1,612	985		-308	-935
R&SI	-1,060	1,060			0
Communities	1,130		-873	-328	-71
Public Health	-314	294			-20
Corporate Support	-711	191		276	-244
Policy & Performance	-207	69			-138
Finance	-6,562	1,052		2,133	-3,377
	-7,889	**3,651**	**-873**	**0**	**-5,111**

3.4 PERFORMANCE REWARD GRANT

Directorates have underspent against their PRG allocations as a result of re-phasing of projects. In line with practice agreed by Cabinet in 2004-05, these underspends have been transferred to the earmarked PRG reserve to be drawn down as spend is incurred. Details of the re-phasing against individual PRG allocations are given in Appendix 2.

3.5 DELEGATED SCHOOLS BUDGET

3.5.1 The previously forecast draw down from reserves of £15m, based on returns from schools, did not materialise. Past experience has proven that predicting movement on school reserves is extremely difficult. This draw down had been expected following the introduction in January 2007 of the 'balance control mechanism', which is a means of clawing back schools reserves over and above a specified level. The CFHE Directorate is now going through the balance control mechanism process to review all schools balances, as part of the 2007-08 closure of accounts.

3.5.2 In 2007-08 schools actually underspent their delegated budgets by £4.984m, which included £0.447m of unallocated schools budget largely made up of balances from closing schools. This has increased total school revenue reserves to £71.9m. The schools returns show that of this balance, £39.2m is committed to various projects, Standards Fund phasing and protecting against falling rolls.

3.6 IMPACT ON RESERVES

These are provisional figures and are subject to change during the final stages of the closing of accounts process.

Account	Balance at 31/3/08 £m	Balance at 31/3/07 £m
Earmarked Reserves	86.0	80.9
General Fund balance	25.8	25.8
Schools Reserves *	71.9	67.6

* the overall increase in schools reserves of £4.3m is made up of an underspend of £5.0m offset by an increase in school loans of £0.7m. The £71.9m balance shown in the table above represents £79.4m of school reserves offset by £7.5m of school loans.

3.6.1 The general reserves position at 31 March 2008 is estimated at £25.8m, which is unchanged from the position as at 31 March 2007, and amounts to 3.6% of the 2008-09 revenue budget (excluding schools). This is reviewed formally as part of the annual budget process.

3.6.2 The provisional movement of +£5.1m in earmarked reserves since 31 March 2007 is mainly due to:

- Dedicated Schools Grant Reserve (Non-Delegated budgets) +£3.4m

• South East Improvement and Efficiency Partnership Reserve	+£1.0m	(new grant allocation)
• Increase in Supporting People Reserve	+£3.5m	
• Increase in Commercial Services Earmarked Reserves	+£0.5m	
• Increase in the PFI Reserves	+£4.7m	(to equalise costs)
• Increase in the IT Asset Maintenance Reserve	+£0.6m	
• Reduction in the Kingshill Smoothing Reserve	-£1.0m	
• Reduction in the Regeneration Fund	-£0.7m	
• Reduction in the PRG Reserve	-£3.7m	
• Reduction in the Asylum Reserve	-£1.1m	
• Reduction in the Prudential Equalisation Reserve	-£1.2m	
• Reduction in Landfill Allowance Taxation Scheme Reserve	-£1.1m	

3.7 CAPITAL BUDGET OUTTURN 2007-08

3.7.1 The following changes have been made to the capital programme since the last report to Cabinet:

		£000s
1.	As reported to Cabinet on 12 May 2008	271,204
2.	Following the decision to abort the Building Care Capacity capital project during the 2007-08 MTP process, the capital costs which had been incurred in previous years on this project have had to be written back to revenue, therefore freeing up capital funding. KASS has been able to capitalise some costs which would otherwise have been funded from revenue, in order to eliminate the impact on its revenue budget. This released capital funding has therefore been added to the KASS capital cash limit to fund these capitalised costs.	475
3.	Schools Devolved Capital – following the consolidation of the schools accounts it is apparent that the capital resources available to schools have increased:	
	- further grant funding from the DCSF	8,077
	- additional external funding contributions	4,845
	- additional revenue contributions from the schools delegated budgets	10,094
		294,695
4.	PFI	11,593
		306,288

In addition there has been a virement of £240k from Corporate Support portfolio to Communities portfolio in respect of the Thanet Gateway at Margate Library.

3.7.2 The provisional outturn for the capital budget, excluding schools devolved capital and the Property Enterprise Fund is £201.667m, a variance of -£30.311m. This outturn compares with the variance of -£29.538m last reported to Cabinet at its meeting on 12 May. In addition, the Schools' have underspent their available capital resources by some £17m, having previously forecast a balanced position. The provisional outturn by portfolio and the movement since the last report are shown below in table 3.

TABLE 3: PROVISIONAL FINAL CAPITAL OUTTURN BY PORTFOLIO

Portfolio	Budget	Provisional Outturn	Variance	Variance per last report	Movement
	£k	£k	£k	£k	£k
O,R&S (CFHE)	**+112,182**	**+98,627**	**-13,555**	-13,102	-453
CF&EA	**+5,483**	**+4,214**	**-1,269**	-1,281	+12
KASS	**+5,791**	**+4,828**	**-963**	-1,417	+454
E,H&W	**+86,989**	**+77,656**	**-9,333**	-9,606	+273
Regen & SI	**+8,450**	**+5,774**	**-2,676**	-2,637	-39
Communities	**+5,621**	**+4,593**	**-1,028**	-662	-366
Corporate Support	**+2,386**	**+2,172**	**-214**	-261	+47
Policy & Performance	**+543**	**+506**	**-37**	-37	0
Finance	**+4,533**	**+3,297**	**-1,236**	-535	-701
TOTAL (excl Schools)	**+231,978**	**+201,667**	**-30,311**	**-29,538**	**-773**
Schools (O,R&S)	**+62,717**	**+45,736**	**-16,981**	0	-16,981
TOTAL	**+294,695**	**+247,403**	**-47,292**	**-29,538**	**-17,754**
Property Enterprise Fund		**+596**	**+596**	+597	-1
TOTAL incl PEF	**+294,695**	**+247,999**	**-46,696**	**-28,941**	**-17,755**

3.7.3 Table 4 shows how the capital spend of £247.999m, including Schools and Property Enterprise Fund has been funded.

TABLE 4: PROVISIONAL FUNDING OF CAPITAL OUTTURN

Funding Source	Capital Cash Limit			Capital Variance			
	KCC portfolios £m	Schools Devolved £m	TOTAL £m	KCC portfolios £m	Schools Devolved £m	Property Enterprise Fund £m	TOTAL £m
Supported Borrowing	60,065		**60,065**	-8,039			**-8,039**
Prudential	40,550		**40,550**	-9,075		-1,887	**-10,962**
Prudential/Revenue (directorate funded)	25,280		**25,280**	-5,608			**-5,608**
Grant	74,041	43,862	**117,903**	-4,771	-14,262		**-19,033**
External Funding - Other	2,907	5,761	**8,668**	-2	-2,719		**-2,721**
External Funding - Developer contributions	4,575		**4,575**	107			**107**
Revenue & Renewals	1,293	13,094	**14,387**	-991			**-991**
Capital Receipts	20,867		**20,867**	-3,732			**-3,732**
General Capital Receipts (generated by Property Enterprise Fund)	2,400		**2,400**	1,800		2,483	**4,283**
TOTAL	**231,978**	**62,717**	**294,695**	**-30,311**	**-16,981**	**596**	**-46,696**

3.7.4 The main reasons for the movement in the forecast since the last monitoring report to Cabinet on 12 May, as shown in Table 3, are as follows:

3.7.5 **Operations, Resources & Skills Portfolio:**

The overall capital position for the portfolio (excluding capital devolved to schools) has moved by -£0.453m since the last report to Cabinet on 12 May. The main movements are:

- -£0.637m Maintenance Programme – this reduction mainly relates to Emergency Building Maintenance (£0.473m), which is a demand led service and demand has been less than anticipated. There is also an underspend on Health & Safety works (£0.095m).
- -£0.368m Corporate Property staffing – this is due to a change in the accounting treatment of the indirect staffing costs of the Corporate Property Unit, which were previously capitalised but upon latest guidance, these costs must be charged to revenue.

- -£0.301m Children's Centres – the majority of this re-phasing (£0.177m) relates to the increased level of Extended Schools grants devolved to schools, who have now identified that they have been unable to complete their expenditure in 2007-08 and have requested roll forward to 2008-09.

These have been partially offset by:

- +£0.350m Dartford Campus, representing a reduction in the previous forecast level of re-phasing into future years.
- +£0.163m Academies, Sheppey new build – the Academy development fees had previously been incorrectly charged to the Building Schools for the Future (BSF) budget.
- +£0.154m New/Replacement ICT Equipment – this mainly relates to items of equipment, which had previously been incorrectly charged to revenue. These costs have been funded by revenue contributions.
- +£0.141m Vocational Education Programme – this mainly relates to additional costs incurred on the Eurolink, Sittingbourne project (£0.110m) which have been funded by additional grant (£0.100m) and the balance from revenue contributions.
- +£0.075m The North School All Weather Pitch – the project has progressed faster than anticipated.

3.7.6 **Kent Adult Social Services Portfolio:**

The overall capital position for the portfolio has moved by +£0.454m since the last report to Cabinet on 12 May, which is mainly due to the quicker than expected completion of numerous works in residential homes funded by Dignity In Care Grant (£0.399m).

3.7.7 **Environment, Highways & Waste Portfolio:**

The overall capital position for the portfolio has moved by +£0.273m since the last report to Cabinet on 12 May. The main movements are:

- +£0.157m increased costs of the Thamesway project, which is funded by additional grant.
- +£0.121m Energy Usage Reduction Programme – one large project transaction occurred before 31 March, which had previously been forecast to slip into 2008-09.

3.7.8 **Regeneration & Supporting Independence Portfolio:**

The overall capital position for the portfolio has moved by only -£0.039m since the last report to Cabinet on 12 May. However, there are some compensating larger movements. A £0.145m reduction on the Eurokent Spine Road, where contract progress has not been as good as previously anticipated, has been largely offset by more project related study work on the Fastrack Delivery Executive and better progress than anticipated on the design work for Fort Hill de-dualling.

3.7.9 **Communities Portfolio:**

The overall capital position for the portfolio has moved by -£0.366m since the last report to Cabinet on 12 May. The main movements are:

- -£0.360m Big Lottery Fund PE & Sport programme – this represents £0.320m of school/DDA contributions offset against the project and a small amount of re-phasing into 2008-09 (£0.040m).
- -£0.218m Turner Contemporary – this is due to re-phasing of the professional fees against the revised budget plan agreed in February 2008. The project will still be delivered on time.
- -£0.200m Ramsgate Library – the Insurance Settlement is meeting the cost of works up to the agreed settlement sum and has therefore met all of the costs to date. The budget for the costs above the settlement sum is not required until 2008-09.
- -£0.100m Modernisation of Assets – re-phasing into 2008-09 of the Workforce Management System.

These have been partially offset by:

- +£0.538m Modernisation of Assets due to plant and equipment, including ICT, which has been capitalised from revenue and funded by revenue contributions.

3.7.10 **Finance Portfolio:**

The overall capital position for the portfolio has moved by -£0.701m since the last report to Cabinet on 12 May. The main changes are:

- -£0.779m Capitalisation of Works - this is mainly due to a change in the accounting treatment of the indirect staffing costs of the Corporate Property Unit, which were previously capitalised but upon latest guidance, these costs must be charged to revenue.
- -£0.271m in respect of re-phasing of the Modernisation of Assets programme.
- -£0.074m reduction in Commercial Services purchases of vehicles, plant and equipment.
- -£0.063m Works to Properties for Disposal – re-phasing of some disposal activity into 2008-09.

These are partially offset by:

- +£0.377m of LPSA2 pump priming activity, funded by pump priming grant, which has previously not been included in the capital monitoring reports to Cabinet. This activity is approved via the Kent Agreement Pump-Priming Grant Panel, which is made up of Members and officers and representatives from Kent Police and the Health Sector.
- +£0.108m Oakwood House Extension – final costs of the project which have been met by a revenue contribution.

3.7.11 The 2008-09 Capital Programme will now be revised to reflect the re-phasing and other variations of the 2007-08 Capital Programme that resulted in the £30.311m variance in 2007-08. The details of the changes will be included in the first quarter's monitoring report of the 2008-09 budget to be reported to Cabinet on 15 September 2008.

3.7.12 Capital Receipts realised in 2007-08 were £18.013m from the sale of property and £0.102m from the repayment of loans. All of these receipts are required to fund existing capital programme commitments. This position excludes the receipts generated through the Property Enterprise Fund which are referred to in section 3.9 below.

3.8 SCHOOLS DEVOLVED CAPITAL

3.8.1 Capital expenditure incurred directly by schools in 2007-08 was £45.7m. Schools have in hand some £17.0m of capital funding which will be carried forward as part of the overall schools reserves position. This represents an increase in schools capital reserves of £4.1m.

3.9 PROPERTY ENTERPRISE FUND

3.9.1 In November 2006, the County Council agreed the establishment of the Property Enterprise Fund, with a maximum permitted deficit of £10m to be funded by temporary borrowing, but to be self-funding over a period of 10 years. At the end of 2006-07 the fund was in deficit by £2.312m, and this was covered by temporary borrowing.

3.9.2 In 2007-08, the costs of disposal activity undertaken within the Fund amounted to £0.596m, as shown in table 3 above. The Property Enterprise Fund realised £6.490m of capital receipts from the sale of non-operational property. These receipts have been used to provide £3.300m support to the 2007-10 MTP, and fund £1.110m of expenditure on the Eurokent Access Road leaving a balance of £0.828m to be funded from the £10m temporary borrowing facility.

3.9.3 Further details of the Property Enterprise Fund are provided in section 5.2 of Appendix 3.

4. 2007-08 FINAL MONITORING OF KEY ACTIVITY INDICATORS

4.1 Details of the final monitoring of key activity indicators for 2007-08 are detailed in Appendix 3.

5. PRUDENTIAL INDICATORS

5.1 The final monitoring of the 2007-08 prudential indicators is detailed in Appendix 4.

6. CAPITAL BUDGET OUTCOMES & ACHIEVEMENTS IN RECENT YEARS

6.1 A report highlighting the main achievements delivered by the capital programme in recent years is attached at Appendix 5.

2007-08 REVENUE BUDGET ROLL FORWARD COMMITMENTS

1. OPERATIONS, RESOURCES & SKILLS (CFHE) PORTFOLIO

		£k
Provisional outturn variance:	OR&S portfolio	251
	transfer from Corporate Support portfolio in respect of the Kent Works overspend	-276
		-25

Committed roll forwards:
None

UNCOMMITTED	**-25**

2. CHILDREN, FAMILIES & EDUCATIONAL ACHIEVEMENT PORTFOLIO

		£k
Provisional outturn variance:	CF&EA portfolio	-301
		-301

Committed roll forwards:
None

UNCOMMITTED	**-301**

3. KENT ADULT SOCIAL SERVICES PORTFOLIO

		£k
Provisional outturn variance:	KASS portfolio	1,497
	transfer from Finance portfolio to fund overspend in 2007-08	-1,497
		0

This overspending position is consistent with what was assumed would be met from the Finance portfolio underspend in 2007-08 when the 2008-11 MTP was set.

4. ENVIRONMENT, HIGHWAYS & WASTE PORTFOLIO

		£k
Provisional outturn variance:	EH&W portfolio	-1,612
	transfer from Finance portfolio for Emergency costs	-308
		-1,920

Committed roll forwards:

▪ Design of Borough Green & Platt Bypass Re-phasing of the design to planning stage (£40k spent in 2007-08)	160
▪ CTRL (Domestic Services) Impact Study Re-phasing of work from 2007-08	50
▪ Kent Waste Partnership (KCC and District Councils) To support the delivery of the joint waste strategy and associated action plans	325
▪ Replacement of MIDAS Financial & Management Information System Current system is 19 years old. Support and Licences expire at the end of 2008	450
	985

UNCOMMITTED	**-935**

5. REGENERATION & SUPPORTING INDEPENDENCE PORTFOLIO

		£k
Provisional outturn variance:	R&SI portfolio	-1,060
		-1,060

Committed roll forwards:

▪ Supporting Independence Programme Commitment to reduce the numbers of people dependent on welfare benefits (Target 9 of Towards 2010).	250
▪ Land restoration works at Shaw Grange Re-phasing due to planning decision impact. Legal obligation.	270
▪ Local Development Framework for Minerals and Waste Completion of work	220
▪ Lower Thames Crossing Study Re-phasing of work from 2007-08	50
▪ KCC Contribution to the Dover Pride Project Partnership working to support regeneration of Dover	50
▪ KCC Contribution to the Dover Priory Project Works to the Station Approach and public realm	100
▪ Bio-fuels Project Continuation of feasibility studies	40
▪ Completion of Regeneration Strategy production	40
▪ Empty Properties Initiative Additional support for 2008-09 as project going county-wide	40
	1,060

UNCOMMITTED	**0**

6. COMMUNITIES PORTFOLIO

		£k
Provisional outturn variance:	Communities portfolio	1,130
	transfer from Finance portfolio for mediation and litigation costs incurred on the original Turner Gallery	-328
		802

Committed roll forwards:

▪ Adult Education roll forward of overspend due to inability to repay £500k loan and £373k deficit due to lower than expected take-up of courses and unexpected costs of restructuring and premises rationalisation. The service will make structural changes to balance the budget over 2008-09 and 2009-10 against an agreed action plan.	-873
	-873

UNCOMMITTED	**-71**

7. PUBLIC HEALTH PORTFOLIO

		£k
Provisional outturn variance:	Public Health portfolio	-314
		-314

Committed roll forwards:

	£k
▪ Health Policy Officer	50
The roll forward of £50k to 2008-09 is essential to meet the staffing commitment for this year.	
▪ Health Watch	100
▪ Towards 2010 Target 50 - Health for Young People	144
A Hard Hitting campaign aimed at young people to prevent or discourage behaviours that are risky or harmful to their health.	
	294

UNCOMMITTED	**-20**

8. CORPORATE SUPPORT PORTFOLIO

		£k
Provisional outturn variance:	CS portfolio	-711
	transfer to O,R&S portfolio in respect of Kent Works overspend	276
		-435

Committed roll forwards:

	£k
▪ Home Computing Initiative	-262
▪ Well Being Healthchecks	125
The Work & Wellbeing Health Check initiative is a 3 year rolling programme which enables employees to attend a health screen conducted by a qualified nurse.	
▪ Strategic Development Unit - Gateways	98
Enhancements to the Gateway programme	
▪ Strategic Development Unit - What's On in Kent Website	84
Start-up costs for the What's On channel on Kent TV to deliver a guide to events in the county.	
▪ Strategic Development Unit - Kent TV	116
The roll-forward will be delivering the core Kent TV project (Towards 2010 target number 24)	
▪ Strategic Development Unit - Route Development Funding	30
Re-phasing of Route Development funding, required to investigate the provision of new air services that promote business or inbound tourism within Kent.	
	191

UNCOMMITTED	**-244**

9. POLICY & PERFORMANCE PORTFOLIO

		£k
Provisional outturn variance:	P&P portfolio	-207
		-207

Committed roll forwards:

- Climate Change Activities — 69

  To support delivery of corporate commitments under the climate change programme.

	£k
	69

UNCOMMITTED	**-138**

10. FINANCE PORTFOLIO

		£k
Provisional outturn variance:	Finance portfolio	-6,562
	transfer to Communities portfolio in respect of mediation and litigation costs incurred on the original Turner Gallery	328
	transfer to KASS portfolio	1,497
	transfer to EH&W	308
		-4,429

Committed roll forwards:

▪ Financing Items 2008-09 budget predicated on this planned underspend rolling forward	638
▪ Member Community Grants Grants which have been committed in 07-08 for projects internal to KCC, but the work was not completed by 31 March	8
▪ Shared Priorities Projects internal to KCC, agreed by Local Boards to be funded by 2005-06 second homes money, which were not complete by 31 March.	169
▪ Local Priorities Grants to District Councils for Local Priorities from 2007-08 second homes money, which have been requested to roll forward to 2008-09	102
▪ Local Scheme spending recommended by Local Boards Grants which have been committed in 2007-08 for projects internal to KCC, but the work was not completed by 31 March and allocation of residual budget for Canterbury & Swale - decision not ratified until April 08.	87
▪ PWC Audit Work This is for the second year of a call-off contract with PWC to provide specialist audit consultancy to supplement Internal Audit.	60
▪ Property Enterprise Fund Roll forward of an overspend representing the net revenue cost of borrowing against the £10m 'overdraft' facility which funds capital activity within the Fund. This cost will be offset in 2008-09 by interest earned on surplus of receipts over costs of acquisitions/disposals.	-12
	1,052

UNCOMMITTED	**-3,377**

PERFORMANCE REWARD GRANT 2007-08

	2007-08 Budget	Transfer to PRG Reserve	Portfolio
	£000s	£000s	
Children, Families, Health & Education:			
• Children - Preventive Strategy	1,320	0	CF&EA
	1,320	0	
Adult Social Services:			
• Social Care Training - Vocational Centres	130	21	KASS
• People with Learning Disabilities	431	0	KASS
• People with Physical Disabilities	145	0	KASS
• People with Mental Health problems	113	0	KASS
	819	21	
Communities:			
• Youth Offending Service	20	0	CMY
	20	0	
	2,159	21	

APPENDIX 3

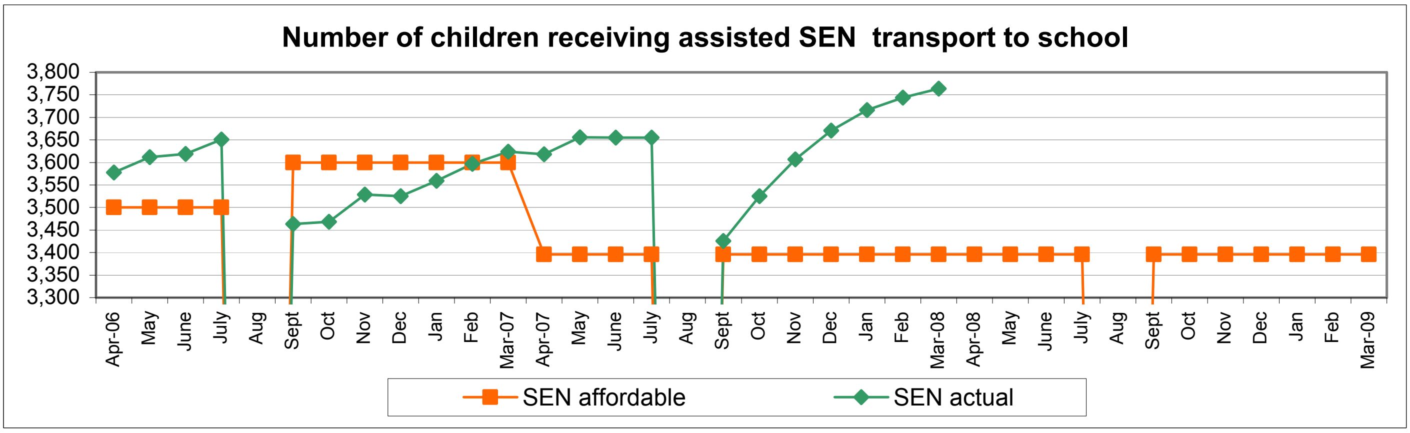
2007-08 FINAL MONITORING OF KEY ACTIVITY INDICATORS

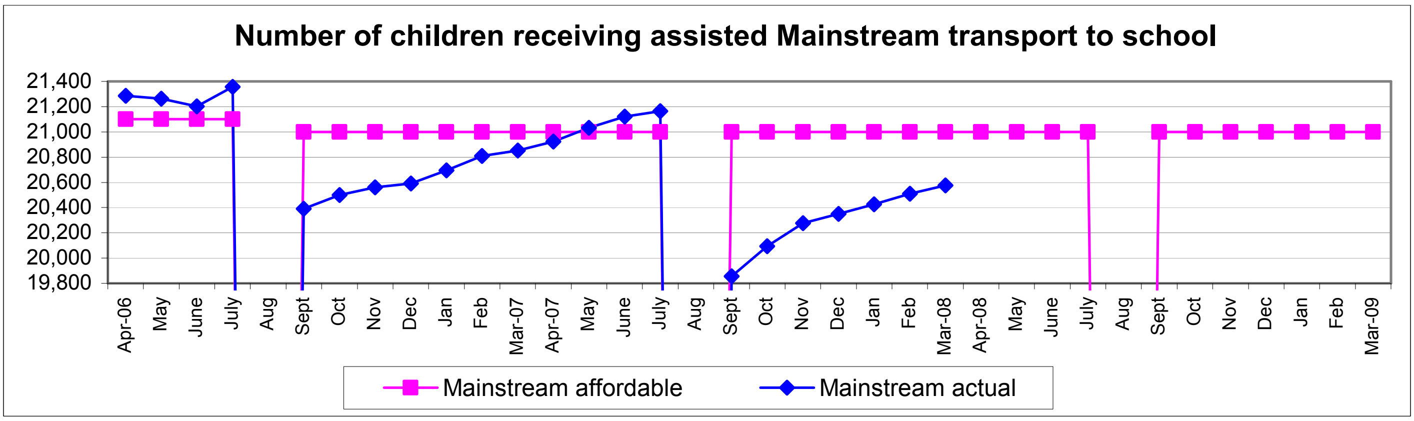
1. CHILDREN, FAMILIES, HEALTH & EDUCATION DIRECTORATE

CFHE Finance are currently reviewing these graphs with their Cabinet Members with a view to making some improvements. In particular they are keen to strengthen the links between the data in the graphs and the quarterly budget monitoring, e.g. KCC Foster Care placements could be expressed as client weeks rather than a target number of children.

1.1 **Numbers of children receiving assisted SEN and Mainstream transport to school**:

	2006-07				2007-08				2008-09	
	SEN		Mainstream		SEN		Mainstream		SEN	Mainstream
	planned	actual	planned	actual	affordable	actual	Affordable	actual	Affordable	Affordable
April	3,500	3,578	21,100	21,285	3,396	3,618	21,000	20,923	3,396	21,000
May	3,500	3,612	21,100	21,264	3,396	3,656	21,000	21,032	3,396	21,000
June	3,500	3,619	21,100	21,202	3,396	3,655	21,000	21,121	3,396	21,000
July	3,500	3,651	21,100	21,358	3,396	3,655	21,000	21,164	3,396	21,000
August	0	0	0	0	0	0	0	0	0	0
September	3,600	3,463	21,000	20,392	3,396	3,426	21,000	19,855	3,396	21,000
October	3,600	3,468	21,000	20,501	3,396	3,525	21,000	20,093	3,396	21,000
November	3,600	3,529	21,000	20,561	3,396	3,607	21,000	20,276	3,396	21,000
December	3,600	3,525	21,000	20,591	3,396	3,671	21,000	20,349	3,396	21,000
January	3,600	3,559	21,000	20,694	3,396	3,716	21,000	20,426	3,396	21,000
February	3,600	3,597	21,000	20,810	3,396	3,744	21,000	20,509	3,396	21,000
March	3,600	3,624	21,000	20,852	3,396	3,764	21,000	20,575	3,396	21,000





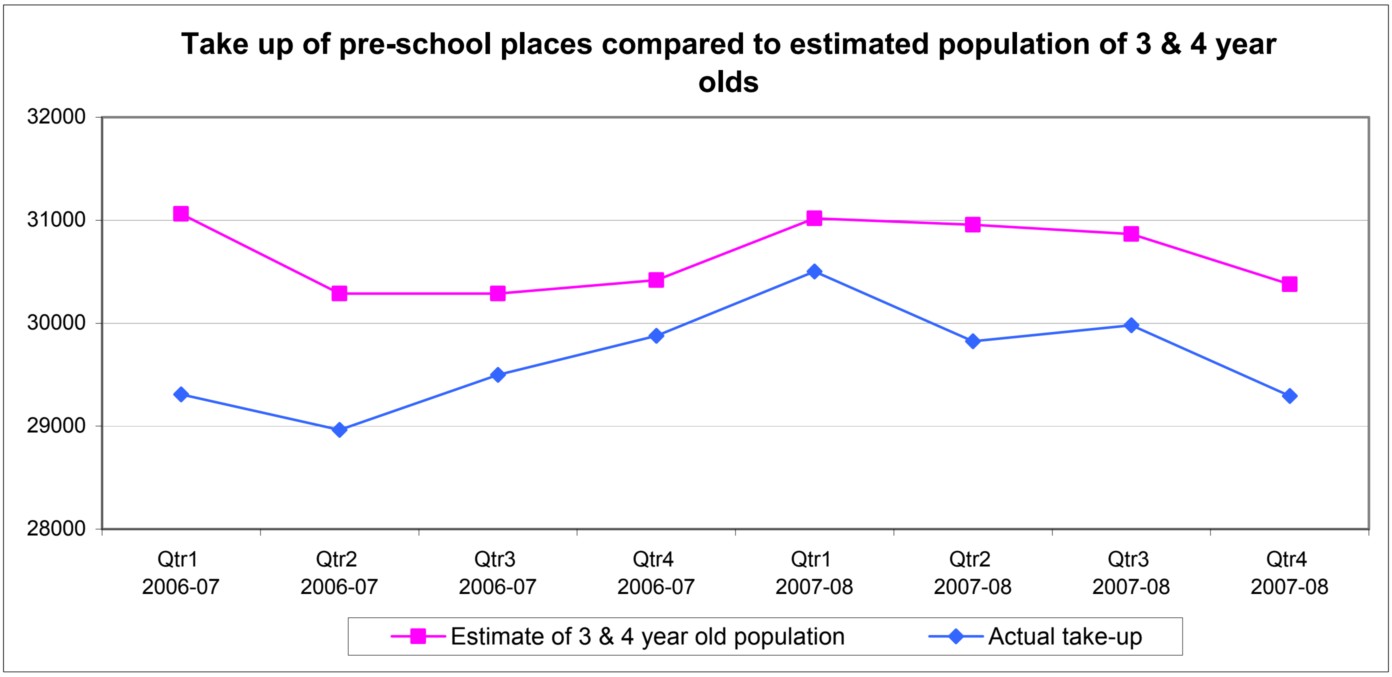
Comments:

- **SEN HTST** - The significant gap between the actual and affordable assisted SEN transport to school relates to the savings targets which have significantly reduced the affordable level from last year, and the fact that the service is currently unable to achieve these savings in full as previously reported. The final outturn on SEN transport was a £892k overspend. The affordable level has been calculated by dividing the budget (after it has been reduced by the savings target) by the current average cost per child.

- **Mainstream HTST** - There is a slight decrease in the actual number of children receiving assisted mainstream transport to schools and this has resulted in a £52k net saving.

1.2.1 **Take up of pre-school places against the estimate of 3 & 4 year old population, split between Private Voluntary and Independent Sector (PVI) places and School places**:

	2006-07			2007-08				
	Total places taken up	Estimate of 3 & 4 year old population	% take up	*PVI places taken up*	*School places taken up*	Total places taken up	Estimate of 3 & 4 year old population	% take up
April - June	29,307	31,062	94%	*21,027*	*9,475*	30,502	31,019	98%
July - Sept	28,963	30,287	96%	*20,323*	*9,496*	29,823	30,956	96%
Oct - Dec	29,498	30,289	97%	*14,691*	*15,290*	29,981	30,867	97%
Jan - March	29,878	30,419	98%	*17,274*	*12,020*	29,294	30,378	96%

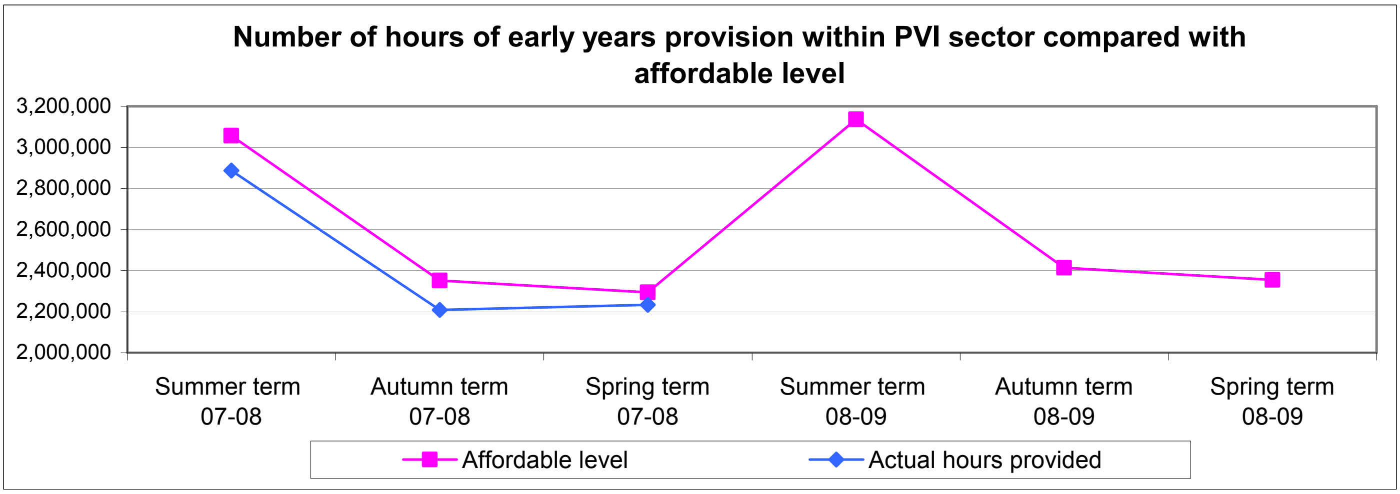


Comments:

- The total places taken-up for January to March has changed since the previous report as the previous figure was an estimate based on the take-up at the beginning of the term, but this has changed as parents are able to alter their take-up and the provider used mid term rather than just at the end of term.
- This graph shows that currently 96% of the estimated population of 3 and 4 year olds are receiving some level of early years provision, whether this be one session per week for 33 weeks or the maximum of five sessions per week for the full 38 weeks. This activity indicator is based on headcount and provides a snapshot position at a point in time, whereas the activity data in 2.2.2 below provides details of the number of hours provided in the Private, Voluntary & Independent sector, and correlates with an underspend on the Early Years budget within the Management Information Unit of £1.065m. As this budget is funded entirely from DSG, any surplus or deficit for the financial year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget. Therefore, as any unspent Early Years funding has to be returned to schools, the 07-08 underspend of £1.065m has been transferred to the schools unallocated reserve for DSG and hence is not included in the overall directorate outturn position.
- The split between PVI and school places is weighted more heavily to school places in the 3rd quarter as 4 year olds move into reception classes in mainstream schools at the start of the autumn term. This gradually balances back out again as more 3 year olds take-up PVI places throughout the remainder of the year. The number of school places taken up reduces in the 4th quarter as some of the children turn 5 and are no longer included in the count.

1.2.2 **Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:**

	2007-08		2008-09
	Affordable number of hours	Actual hours provided	Affordable number of hours
Summer term	3,056,554	2,887,134	3,136,344
Autumn term	2,352,089	2,209,303	2,413,489
Spring term	2,294,845	2,233,934	2,354,750
	7,703,488	**7,330,371**	**7,904,583**



Comments:

- The total number of hours of early provision within the PVI sector for January to March has changed since the previous report as the previous figure was an estimate based on the take-up at the beginning of the term, but this has changed as parents are able to alter the number of hours taken up and the provider used mid term rather than just at the end of term.
- The affordable number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current level of activity has led to an underspend of £1.065m which has been transferred to the schools unallocated reserve for DSG as detailed in 1.2.1 above.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.

1.3 **Number of schools with deficit budgets compared with the total number of schools**:

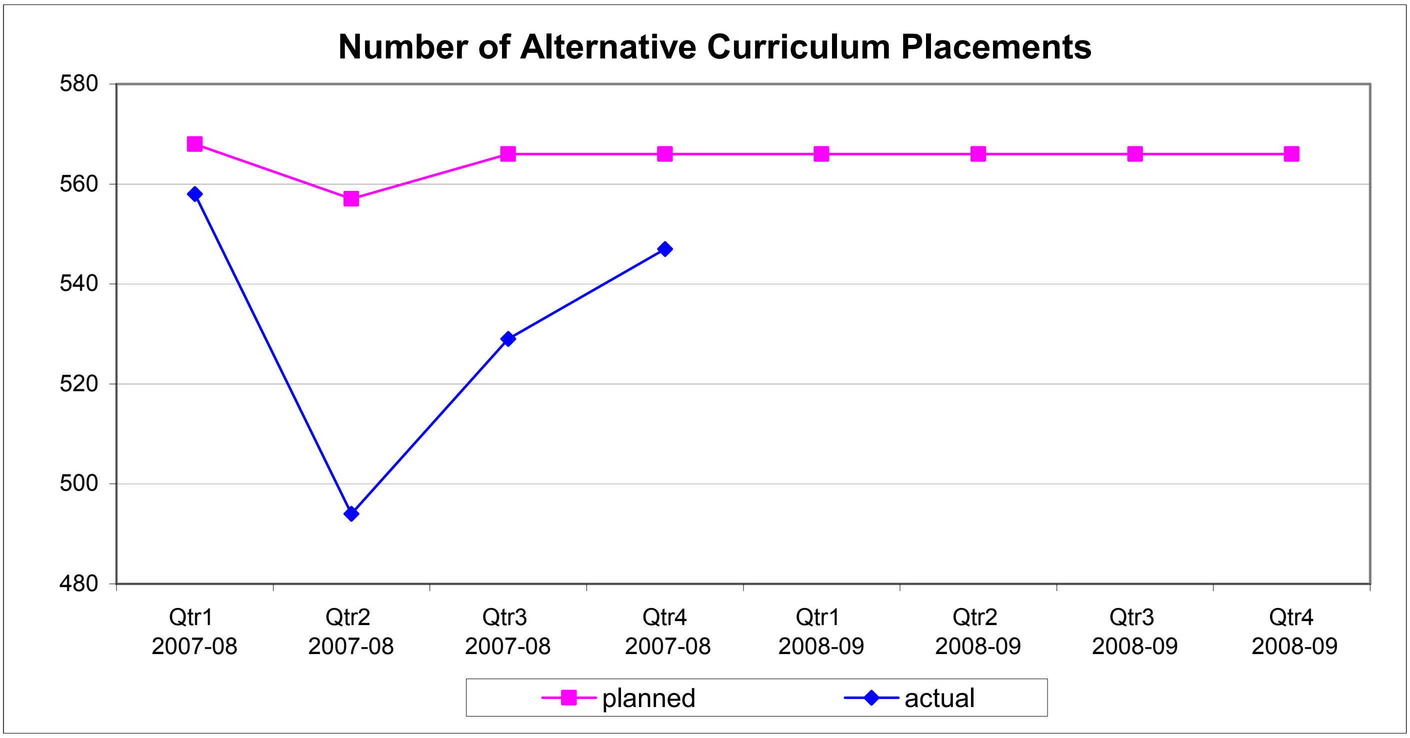
	2005-06 as at 31-3-06	2006-07 as at 31-3-07	2007-08 as at 31-3-08
Total number of schools	600	596	575
Total value of school revenue reserves	£70,657k	£74,376k	£79,360k
Number of deficit schools	9	15	15
Total value of deficits	£947k	£1,426k	£1,068k

Comments:
- Schools increased their reserves by £4.984m this year.
- KCC now has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the LA, which could ultimately mean suspending delegation.

- The CFHE Deficit and Compliance team are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.

1.4 **Number of Alternative Curriculum Placements**:

	2007-08		2008-09
	planned	actual	planned
April - June	568	558	566
July - September	557	494	566
October - December	566	529	566
January - March	566	547	566



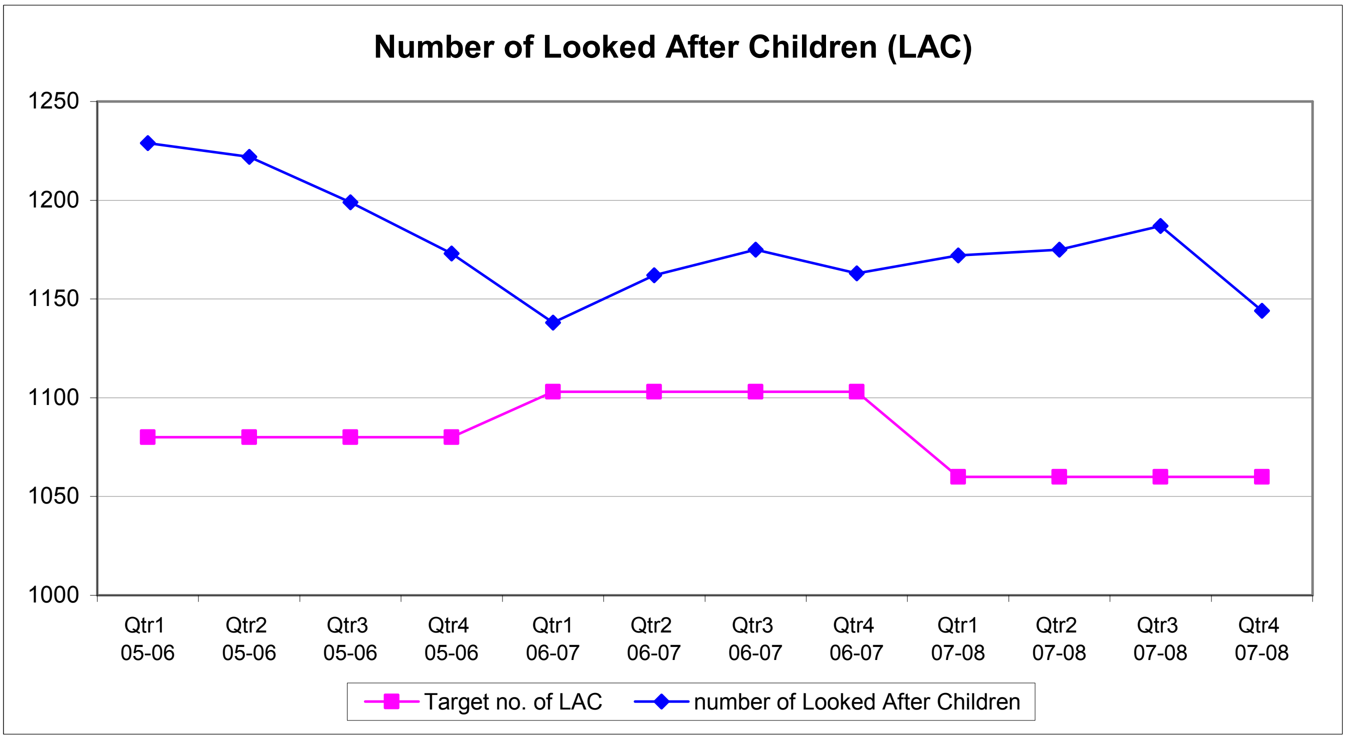
Comments:

- Full time alternative curriculum places need to be purchased 6 months in advance in order to secure them. From September 2007, Government guidelines required excluded pupils to be placed in full-time education within 6 days of being excluded. This target is now being met in the vast majority of cases.

- Please note that spare capacity is expected at this stage in the school year and is essential to cope with predicted demand throughout the school year.

1.5 **Numbers of Looked After Children (LAC)**:

	2005-06		2006-07		2007-08	
	Target	number of Looked After Children	Target	number of Looked After Children	Target	number of Looked After Children
Apr – Jun	1,080	1,229	1,103	1,138	1,060	1,172
Jul – Sep	1,080	1,222	1,103	1,162	1,060	1,175
Oct – Dec	1,080	1,199	1,103	1,175	1,060	1,187
Jan – Mar	1,080	1,173	1,103	1,163	1,060	1,144

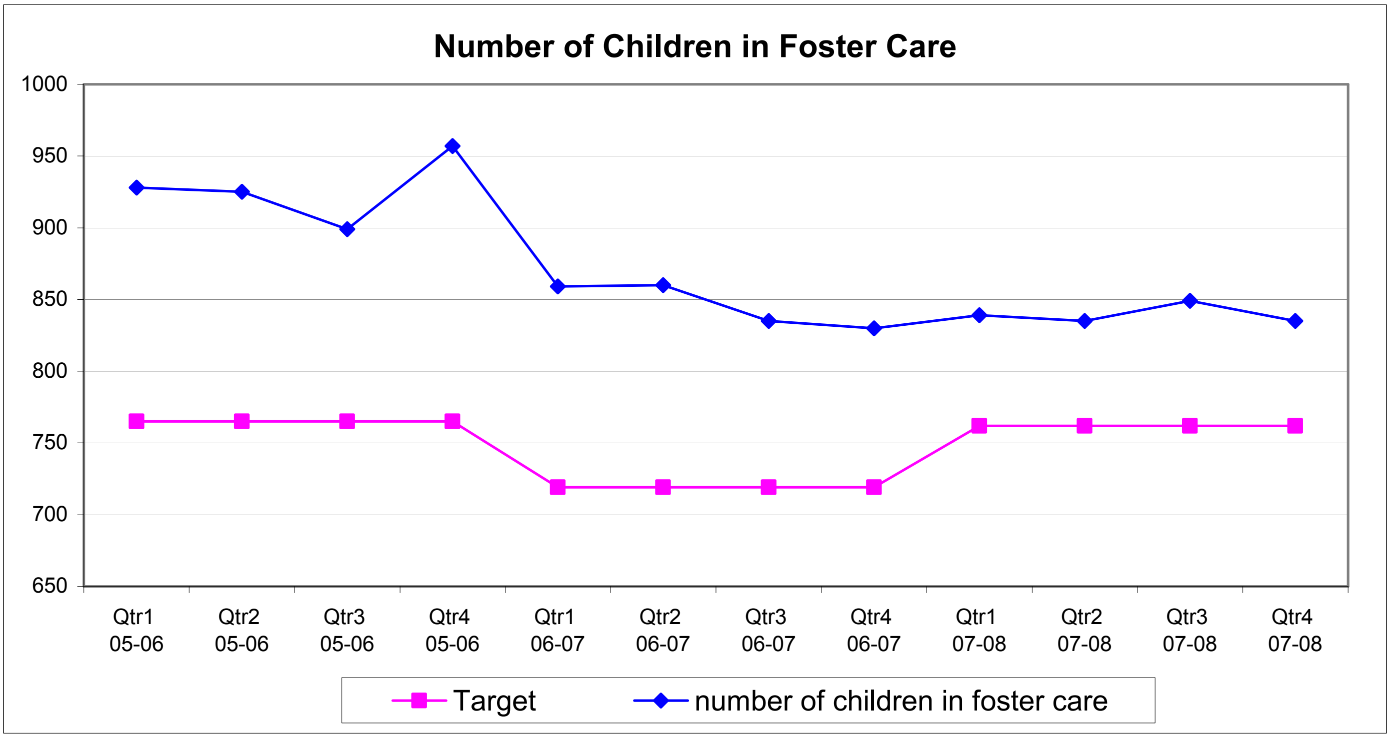


Comments:

- The current number of looked after children compared to the targeted level is of cause for concern.
- The target number of children does not represent the affordable level, but the position which the county is aiming to achieve.

1.6 **Number of Children in KCC Foster Care placements**:

	2005-06		2006-07		2007-08	
	Target	**number of children in foster care**	**Target**	**number of children in foster care**	**Target**	**number of children in foster care**
Apr - Jun	765	928	719	859	762	839
Jul - Sep	765	925	719	860	762	835
Oct - Dec	765	899	719	835	762	849
Jan - Mar	765	957	719	830	762	835



Comments:

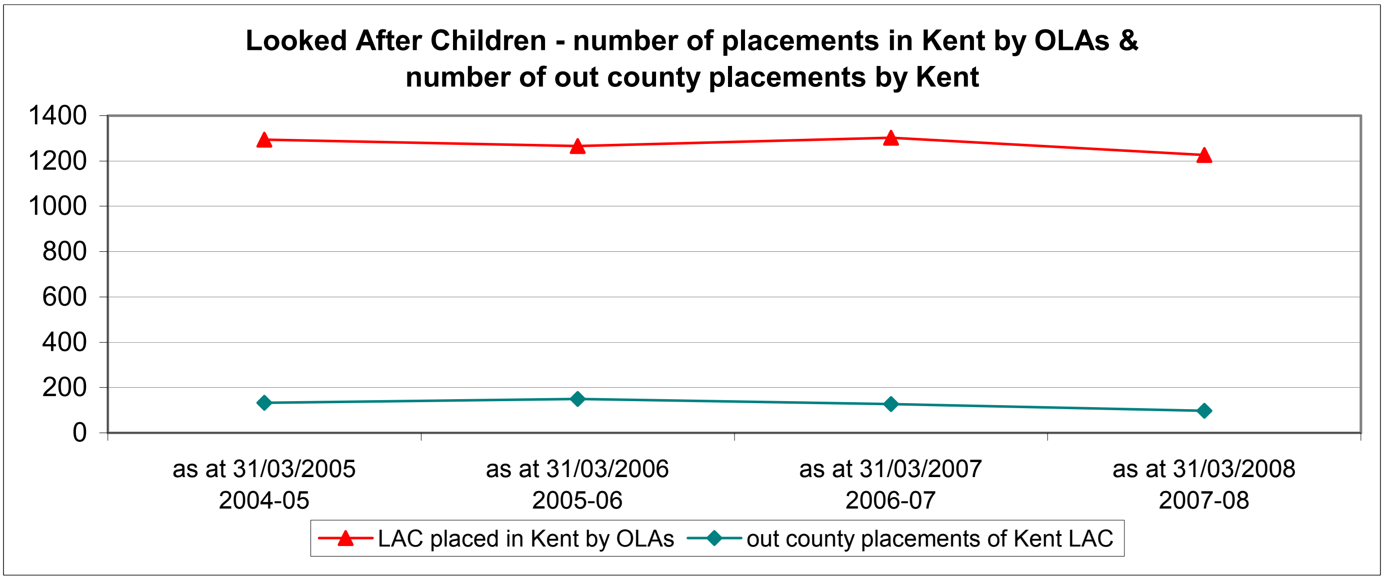
- The number of children in foster care represents the number of children placed in KCC placements. It excludes foster placements in the independent sector.
- The current number of children in foster care compared to the target is of cause for concern.
- The target number of children does not represent the affordable level, but the position which the county is aiming to achieve.
- The outturn for KCC In-House Fostering for 2007-08 was an overspend of £0.312m.

1.7 **Number of Placements in Kent of LAC by other Authorities**:

2004-05 as at 31/03/2005	2005-06 as at 31/03/2006	2006-07 as at 31/03/2007	2007-08 as at 31/03/2008
1,294	1,266	1,303	1,226

1.8 **Number of Out County Placements of LAC by Kent**:

2004-05 as at 31/03/2005	2005-06 as at 31/03/2006	2006-07 as at 31/03/2007	2007-08 as at 31/03/2008
132	149	127	97

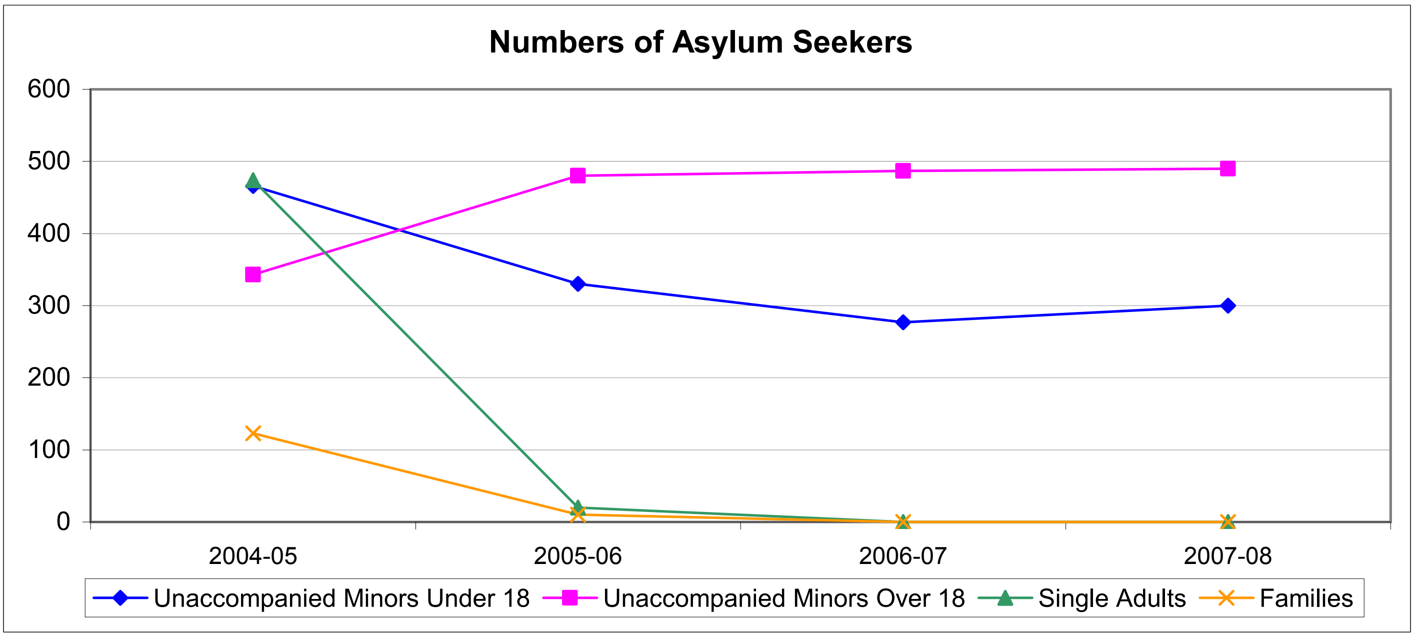


Comment:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken. The majority (over 99%) of Looked After Children placed out of the Authority are either in adoptive placements, placed with a relative, specialist residential provision not available in Kent or living with KCC foster carers based in Medway.

1.9 **Numbers of Asylum Seekers (by category)**:

	2004-05 31-03-05	2005-06 31-03-06	2006-07 31-03-07	2007-08 31-03-08
	Number	Number	Number	Number
Unaccompanied Minors Under 18	466	330	277	300
Unaccompanied Minors Over 18	343	480	487	490
Single Adults	474	20	0	0
Families	123	10	0	0

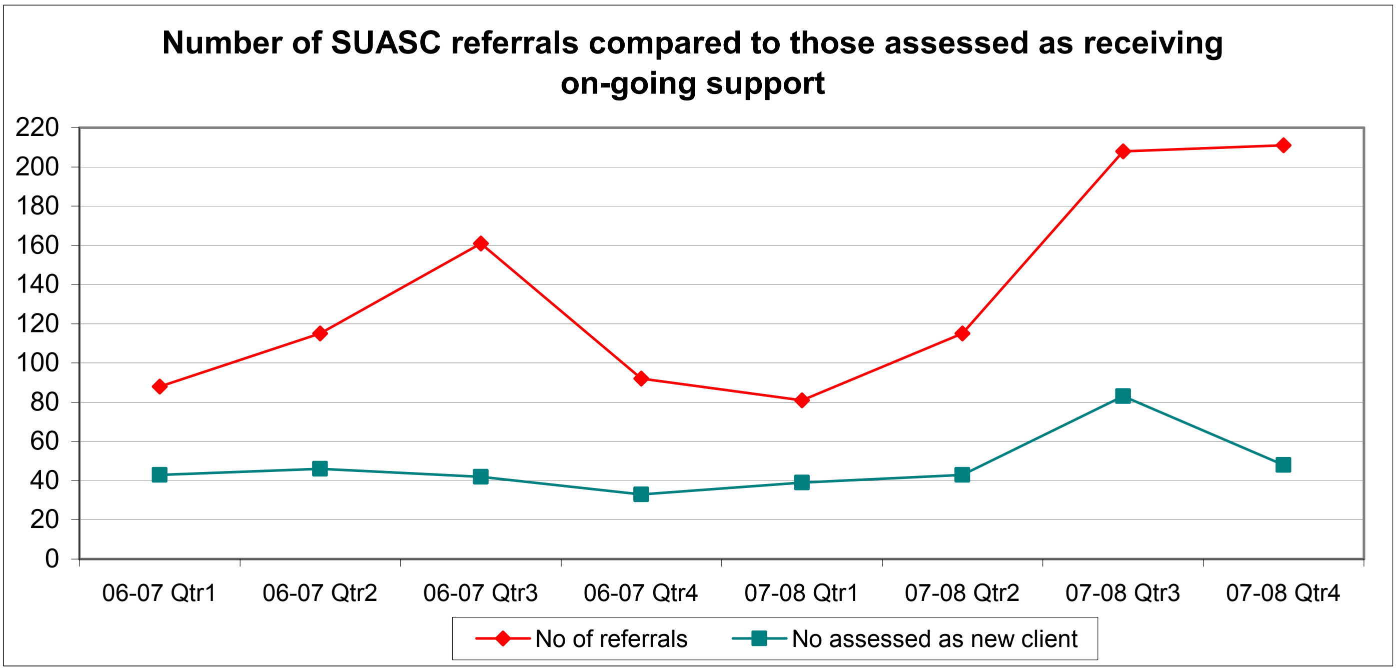


Comment:

- The numbers above refer to clients who have been assessed as qualifying for asylum. The numbers are slightly lower than originally forecast. This is a result of the numbers leaving the Service being higher than we originally anticipated.

1.10 **Numbers of Asylum Seeker referrals compared with the number assessed as qualifying for on-going support from Service for Unaccompanied Asylum Seeking Children (SUASC) ie new clients**:

	2006-07			2007-08		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April - June	88	43	49%	81	39	48%
July - Sept	115	46	40%	115	43	37%
Oct - Dec	161	42	26%	209	80	38%
Jan - March	92	33	36%	211	48	23%



Comments:

- The number of referrals in the fourth quarter is significantly higher than the forecast of 100. This represents the highest quarterly figure in over 3 years and it should be noted that the majority of these referrals (174) were received in January and February.

- For the full year we had 616 referrals, almost 50% higher than the original forecast of 430. In the second half of the year we had a total of 420 referrals which was 75% higher than the forecast of 240.

- The percentage of referrals that were assessed as being under 18 years of age and therefore eligible for a service, in the fourth quarter was only 23% and is significantly below the forecast level of 50%

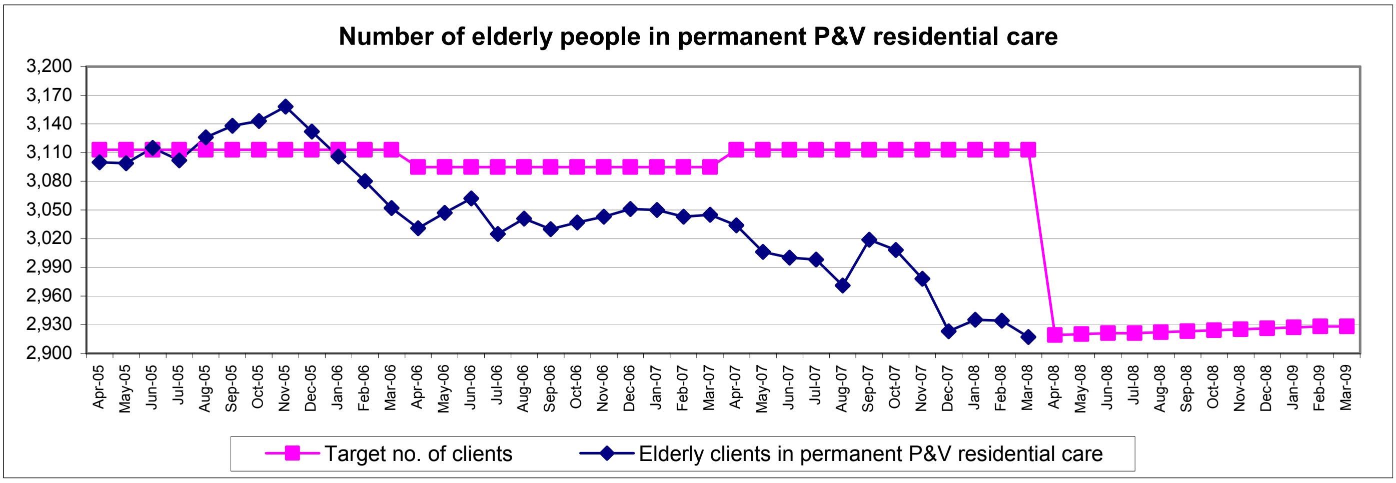
- For the full financial year, 210 referrals were assessed as being under 18 and this was broadly in line with our forecast figure of 215. However this represents only 34% of the referrals this year where the forecast was 50%.

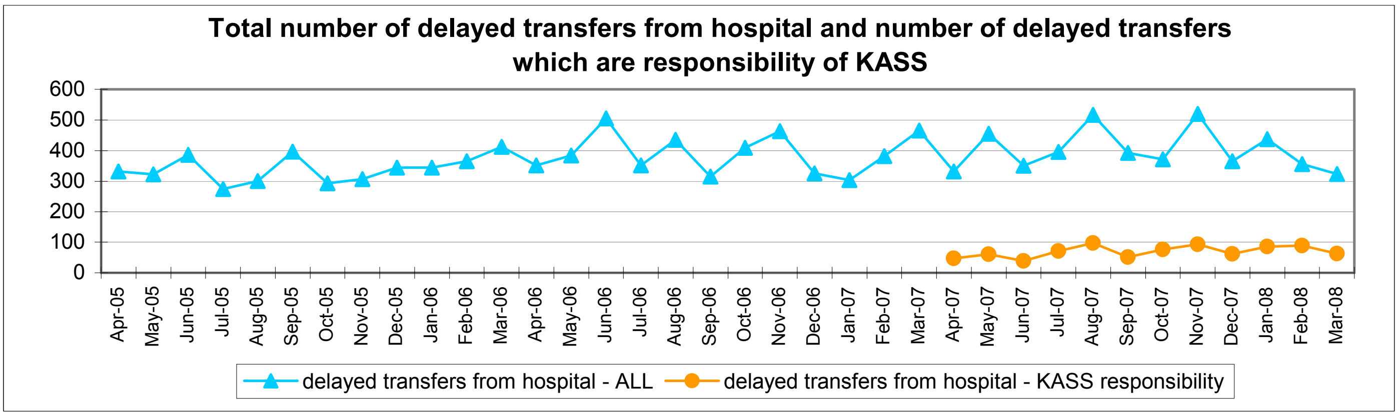
2. KENT ADULT SOCIAL SERVICES DIRECTORATE

Owing to delays in implementing SWIFT (client activity system), the activity data for the period August 2006 to March 2007 was entirely reliant on local records and manual counts. Since April 2007 SWIFT data has been used in conjunction with local records and manual counts to produce the performance information contained within this report. The information is regularly revisited as part of the on-going validation and data quality process and it is often the case that previous months' figures will change. This is more evident at year-end because of the work required to produce the statistical returns completed by the Directorate.

2.1.1 **Numbers of elderly people in permanent P&V residential care, including indicators on delayed transfers**:

	2005-06			2006-07			2007-08				2008-09
	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital	Target	Elderly clients in permanent P&V residential care	Delayed transfers from hospital (DTCs) All	Delayed transfers from hospital (DTCs) KASS	Target
April	3,113	3,100	332	3,095	3,031	352	3,113	3,034	332	47	2,919
May	3,113	3,099	322	3,095	3,047	384	3,113	3,006	455	61	2,920
June	3,113	3,115	386	3,095	3,062	505	3,113	3,000	351	39	2,921
July	3,113	3,102	274	3,095	3,025	352	3,113	2,998	395	71	2,921
August	3,113	3,126	301	3,095	3,041	435	3,113	2,971	517	97	2,922
Sept	3,113	3,138	397	3,095	3,030	315	3,113	3,019	392	51	2,923
Oct	3,113	3,143	293	3,095	3,037	409	3,113	3,008	372	76	2,924
Nov	3,113	3,158	307	3,095	3,043	463	3,113	2,978	520	93	2,925
Dec	3,113	3,132	344	3,095	3,051	326	3,113	2,923	365	62	2,926
Jan	3,113	3,106	344	3,095	3,050	304	3,113	2,935	437	86	2,927
Feb	3,113	3,080	365	3,095	3,043	382	3,113	2,934	356	89	2,928
March	3,113	3,052	412	3,095	3,045	465	3,113	2,917	323	63	2,928



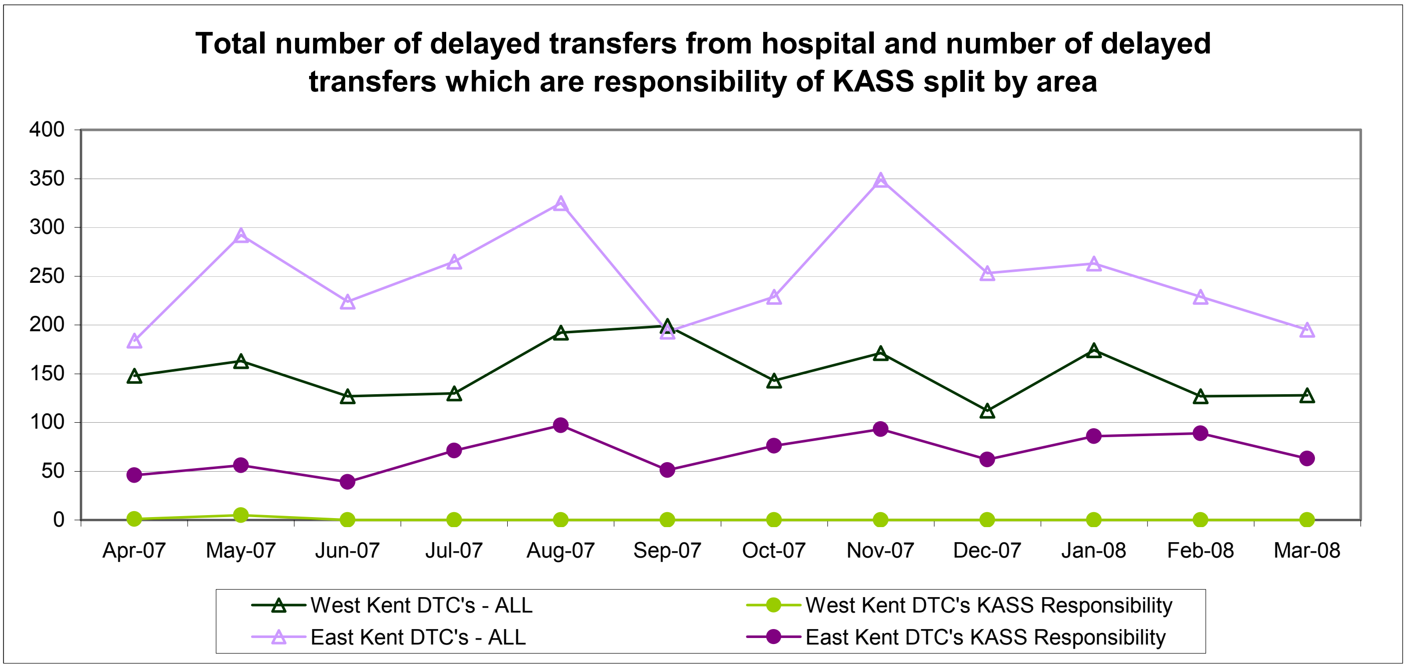


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Typically this may be because they are waiting for an assessment to be completed, they are choosing a residential or nursing home placement, or waiting for a vacancy to become available. This figure shows all delays, but those attributable to Adult Social Services, and therefore subject to the reimbursement regime, are a minority and these are also now shown on the graph. There are many reasons for fluctuations in the number of DTCs which result from the interaction of various different factors within a highly complex system over which we have very little influence. It should also be noted that each third month is a five-week month.

2.1.2 Indicators on delayed transfers, split between East and West Kent

2007-08						
	Delayed transfers from hospital (DTCs)					
	West Kent		East Kent		TOTAL	
	ALL	KASS	ALL	KASS	ALL	KASS
April	148	1	184	46	332	47
May	163	5	292	56	455	61
June	127	0	224	39	351	39
July	130	0	265	71	395	71
August	192	0	325	97	517	97
September	199	0	193	51	392	51
October	143	0	229	76	372	76
November	171	0	349	93	520	93
December	112	0	253	62	365	62
January	174	0	263	86	437	86
February	127	0	229	89	356	89
March	128	0	195	63	323	63

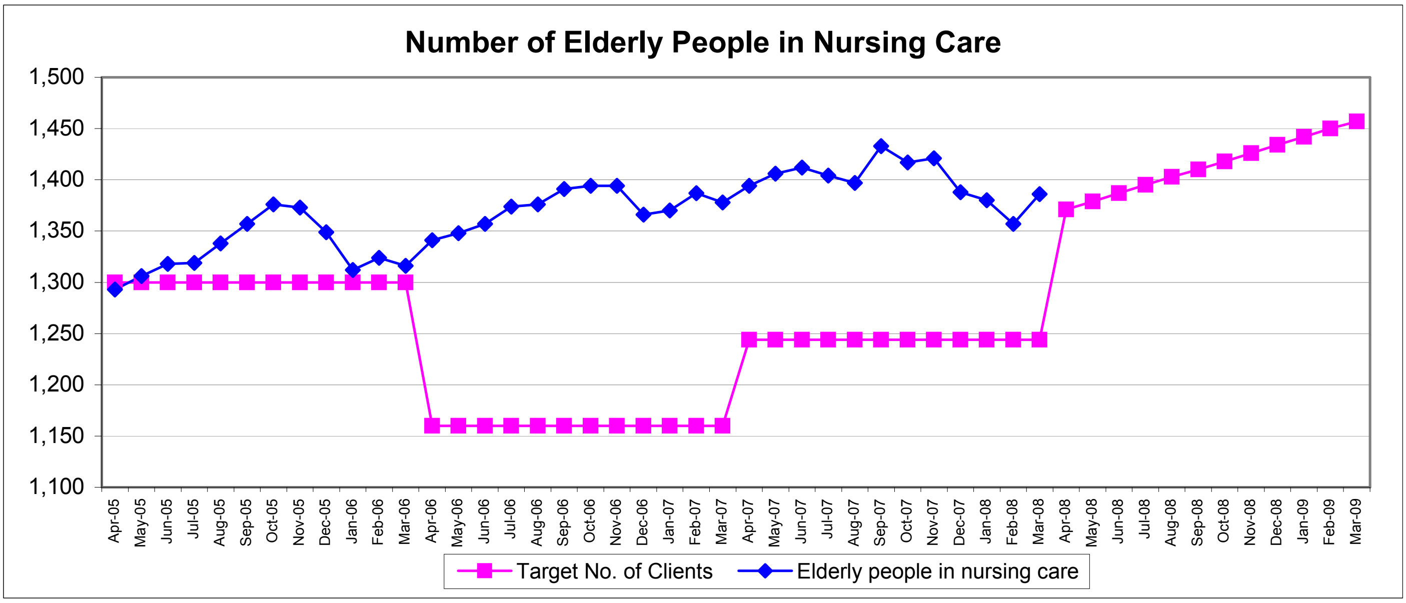


Comments:

- This graph analyses the data by KASS Area in order to reflect the differences in both the finances and performance of the East Kent and West Kent PCTs.

2.2 **Numbers of elderly people in nursing care:**

	2005-06		2006-07		2007-08		2008-09
	Target	Elderly people in nursing care	Target	Elderly people in nursing care	Target	Elderly people in nursing care	Target
April	1,300	1,293	1,160	1,341	1,244	1,394	1,371
May	1,300	1,306	1,160	1,348	1,244	1,406	1,379
June	1,300	1,318	1,160	1,357	1,244	1,412	1,387
July	1,300	1,319	1,160	1,374	1,244	1,404	1,395
August	1,300	1,338	1,160	1,376	1,244	1,397	1,403
September	1,300	1,357	1,160	1,391	1,244	1,433	1,410
October	1,300	1,376	1,160	1,394	1,244	1,417	1,418
November	1,300	1,373	1,160	1,394	1,244	1,421	1,426
December	1,300	1,349	1,160	1,366	1,244	1,388	1,434
January	1,300	1,312	1,160	1,370	1,244	1,380	1,442
February	1,300	1,324	1,160	1,387	1,244	1,357	1,450
March	1,300	1,316	1,160	1,378	1,244	1,386	1,457

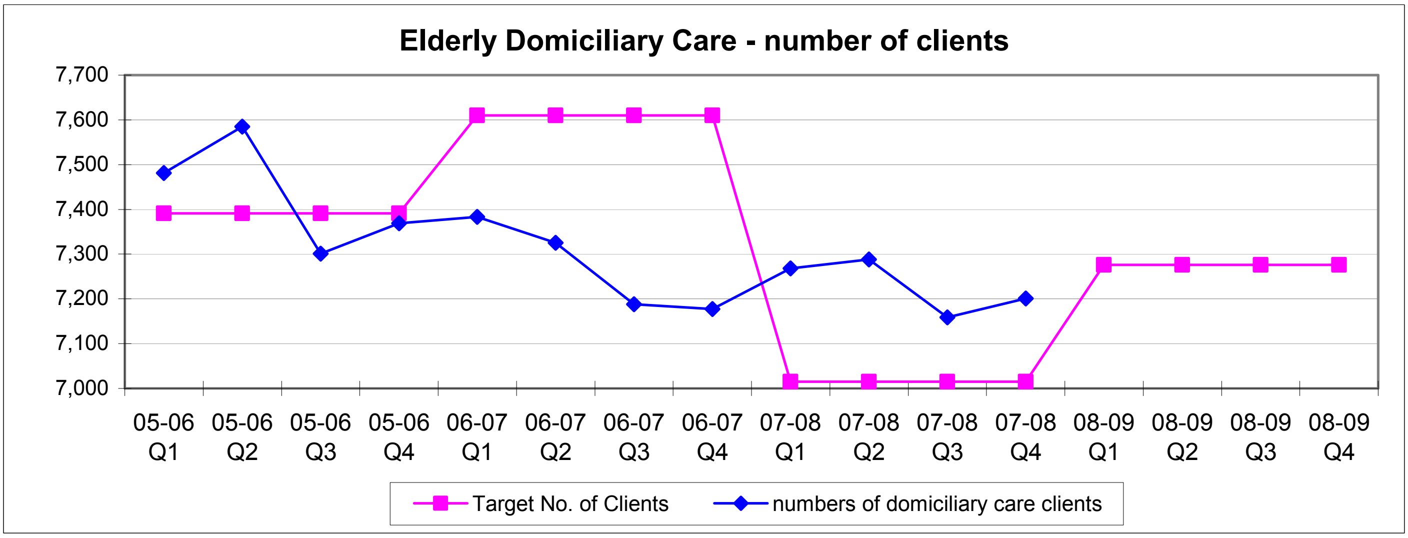


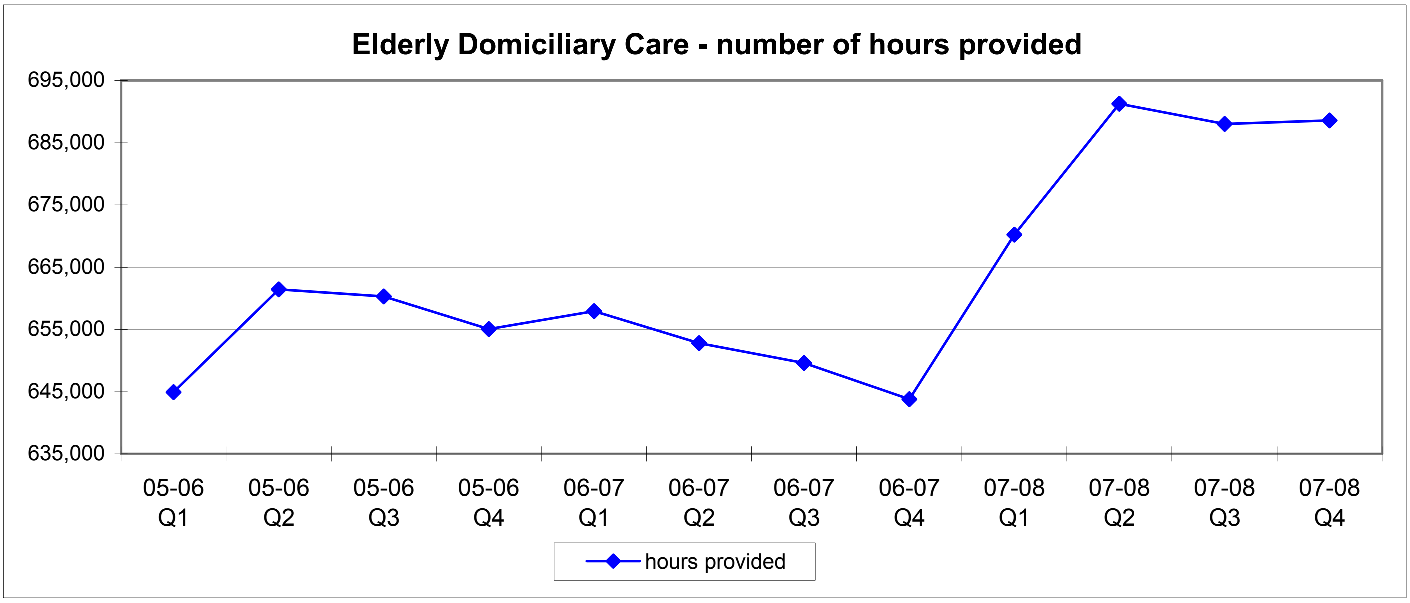
Comment:

- Increases in permanent nursing care may happen for many reasons. The main influences over the last year have been the closure of hospital beds in the East of the County. The knock on effect of minimising delayed transfers of care has resulted in an increase in the number of older people being admitted to nursing care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing more intense nursing care. The recent general downturn in placements is the result of higher than expected attrition.

2.3 **Elderly domiciliary care – numbers of clients and hours provided**:

	2005-06			2006-07			2007-08			2008-09
	Target	numbers of domiciliary care clients	hours provided	Target	numbers of domiciliary care clients	hours provided	Target	numbers of domiciliary care clients	hours provided	Target
Apr-Jun	7,391	7,481	644,944	7,610	7,383	657,948	7,015	7,268	670,203	7,276
Jul-Sep	7,391	7,585	661,415	7,610	7,325	652,789	7,015	7,288	691,231	7,276
Oct-Dec	7,391	7,301	660,282	7,610	7,188	649,624	7,015	7,159	688,032	7,276
Jan-Mar	7,391	7,369	655,071	7,610	7,177	643,777	7,015	7,201	688,571	7,276



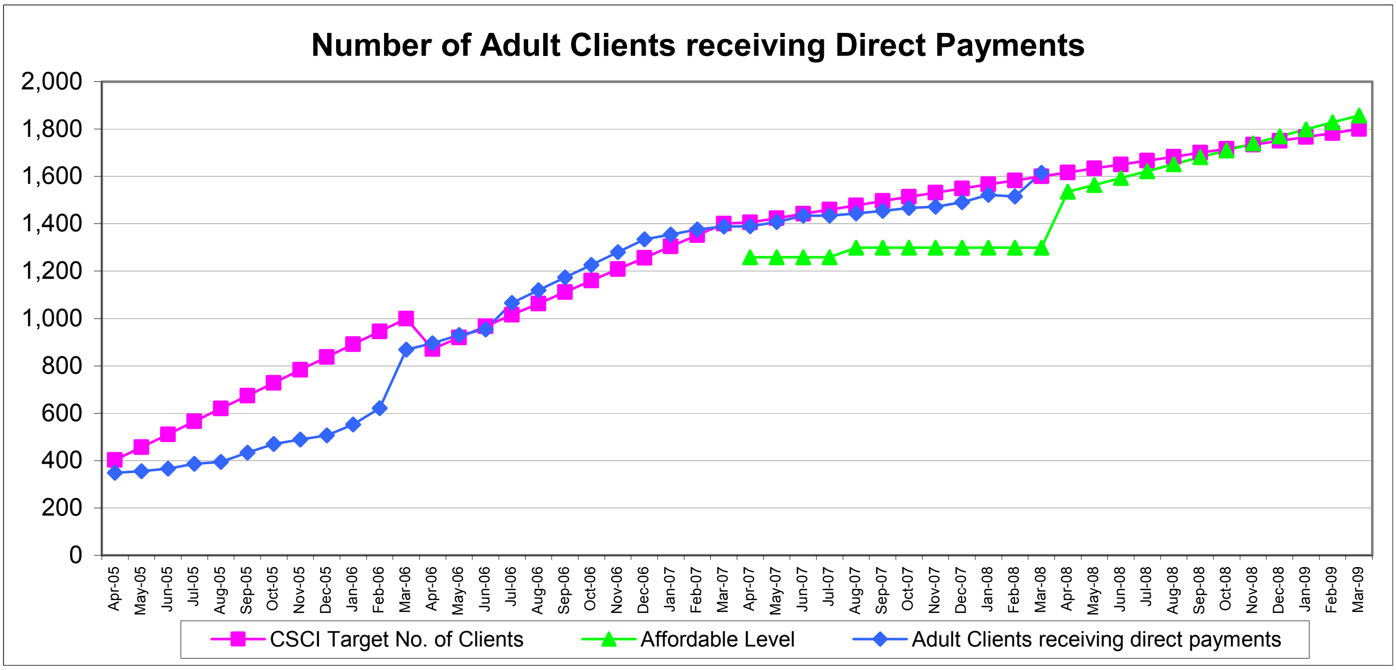


Comment:

- The number of people receiving domiciliary care, together with the number of hours provided, has increased in Quarter 4. In addition, the average number of hours provided per client has increased slightly and continues to reflect the increasing number of clients who require a higher level of support to enable them to remain within their own homes. Often this support could be through two care workers rather than one. As indicated earlier in the report the reduction in residential placements has also had an impact on activity, as this is often the alternative to seeking a permanent placement. Data quality issues in Swift make comparison with last year more difficult which might also explain the significant increase in clients.

2.4 **Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:**

	2005-06		2006-07		2007-08			2008-09	
	CSCI Target	Adult Clients receiving Direct Payments	CSCI Target	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level
April	403	349	871	896	1,406	1,259	1,390	1,617	1,535
May	457	355	919	930	1,424	1,259	1,407	1,634	1,564
June	511	366	967	954	1,442	1,259	1,434	1,650	1,593
July	566	386	1,015	1,065	1,460	1,259	1,434	1,667	1,622
August	620	395	1,063	1,119	1,478	1,299	1,444	1,683	1,651
Sept	674	434	1,112	1,173	1,496	1,299	1,454	1,700	1,681
Oct	728	470	1,160	1,226	1,514	1,299	1,467	1,717	1,710
Nov	783	489	1,208	1,280	1,532	1,299	1,472	1,734	1,740
Dec	837	507	1,256	1,334	1,549	1,299	1,491	1,750	1,769
Jan	891	553	1,304	1,355	1,566	1,299	1,522	1,767	1,799
Feb	945	621	1,352	1,376	1,583	1,299	1,515	1,783	1,828
March	1,000	868	1,400	1,388	1,600	1,299	1,615	1,800	1,857



Comments:

- Direct payments are increasing, however a body of evidence is growing which suggests that the introduction of direct payments is identifying some previously unmet demand/need. Work is ongoing to track all new direct payment clients to prove /disprove this belief.

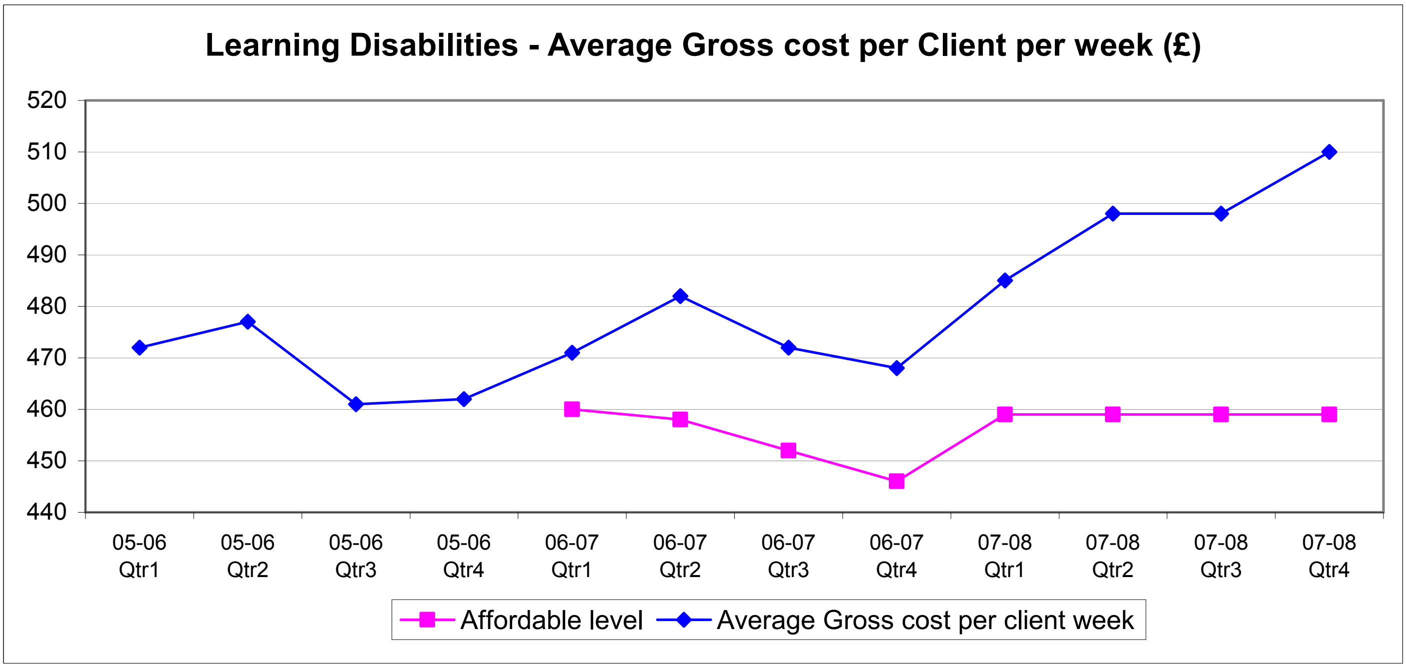
- It should be noted that the affordable level is 1,299, which relates to the budgets that are currently set for direct payments. This level has been increased since July to reflect budgets vired from other service lines, such as domiciliary and day-care, to recognise the move away from traditional services into self directed support.

- The financial forecast and variances being reported cover the ongoing costs of the 1,615 direct payment users we currently have.

- The original target of 1,662 clients was a self-reported target to the Commission for Social Care Inspection (CSCI). Following review the Directorate decided to assume a target of 1,600 clients by year-end which would still leave us in the top band. The actual number of clients in receipt of a Direct Payment by 31st March was 1,615, 15 higher than the revised target.

2.5 **Learning Disabilities – Average Gross Cost per Client per Week:**

	2005-06	2006-07		2007-08	
	Average Gross cost per client £	**Affordable level £**	**Average Gross cost per client £**	**Affordable level £**	**Average Gross cost per client £**
April - June	472	460	471	459	485
July - September	477	458	482	459	498
October - December	461	452	472	459	498
January - March	462	446	468	459	510



Comments:

- Targets did not exist prior to 2006-07 as this average cost is not a real performance indicator. It is merely intended to demonstrate the general upward trend in the cost of supporting clients with Learning Disabilities.

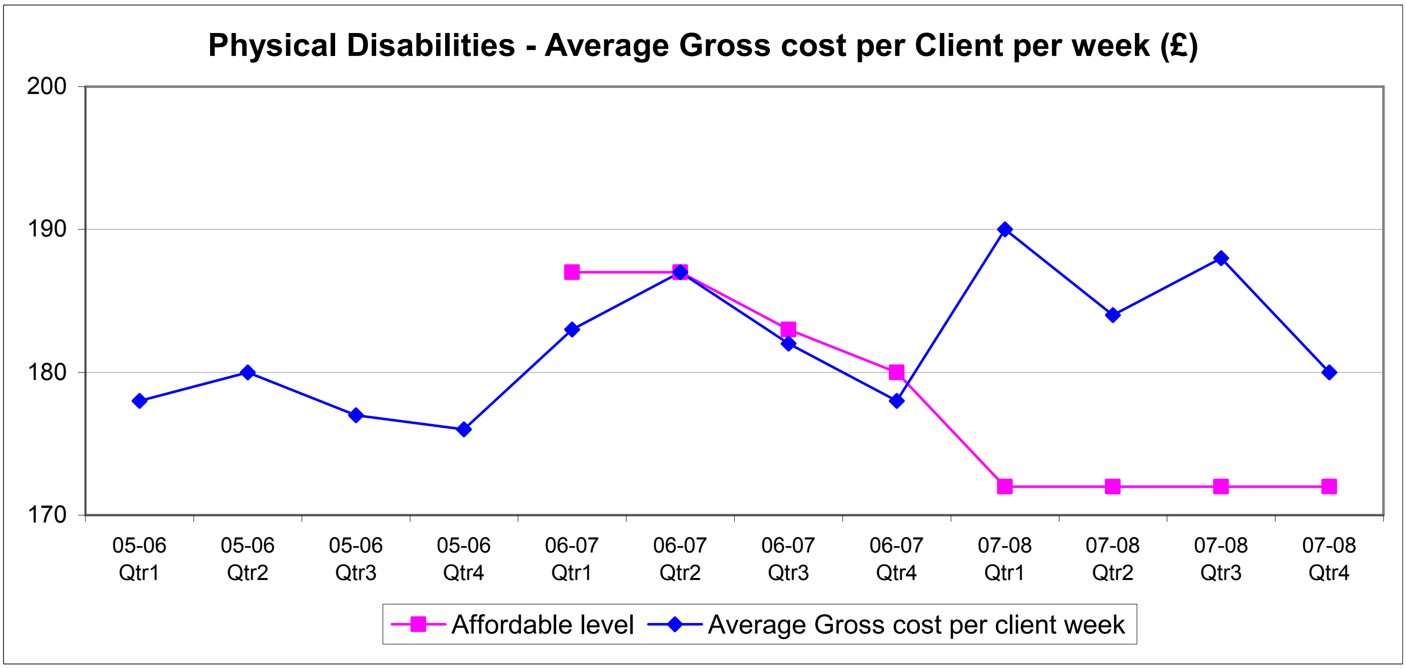
- This graph reflects the average cost per client week across all Learning Disability services, including those with the lowest levels of need.

- The basis for calculation has changed from last year in order to include both the costs of services provided by the private and voluntary sector and in-house service provision. The previous years' figures have been adjusted accordingly.

- There is no target for 2008-09 for this indicator as this indicator will be replaced by more detailed analysis around the cost of residential care in 2008-09.

2.6 **Physical Disabilities – Average Gross Cost per Client per Week:**

	2005-06	2006-07		2007-08	
	Average Gross cost per client £	Affordable level £	Average Gross cost per client £	Affordable level £	Average Gross cost per client £
April - June	178	187	183	172	190
July - September	180	187	187	172	184
October - December	177	183	182	172	188
January - March	176	180	178	172	180



Comments:

- Targets did not exist prior to 2006-07 as this average cost is not a real performance indicator. It merely attempts to demonstrate the general upward trend in the cost of supporting clients with Physical Disabilities.

- This graph reflects the average cost per client week across all Physical Disability services, including those with the lowest levels of need.

- The basis for calculation has changed from last year in order to include both the costs of services provided by the private and voluntary sector and in-house service provision. The previous years' figures have been adjusted accordingly.

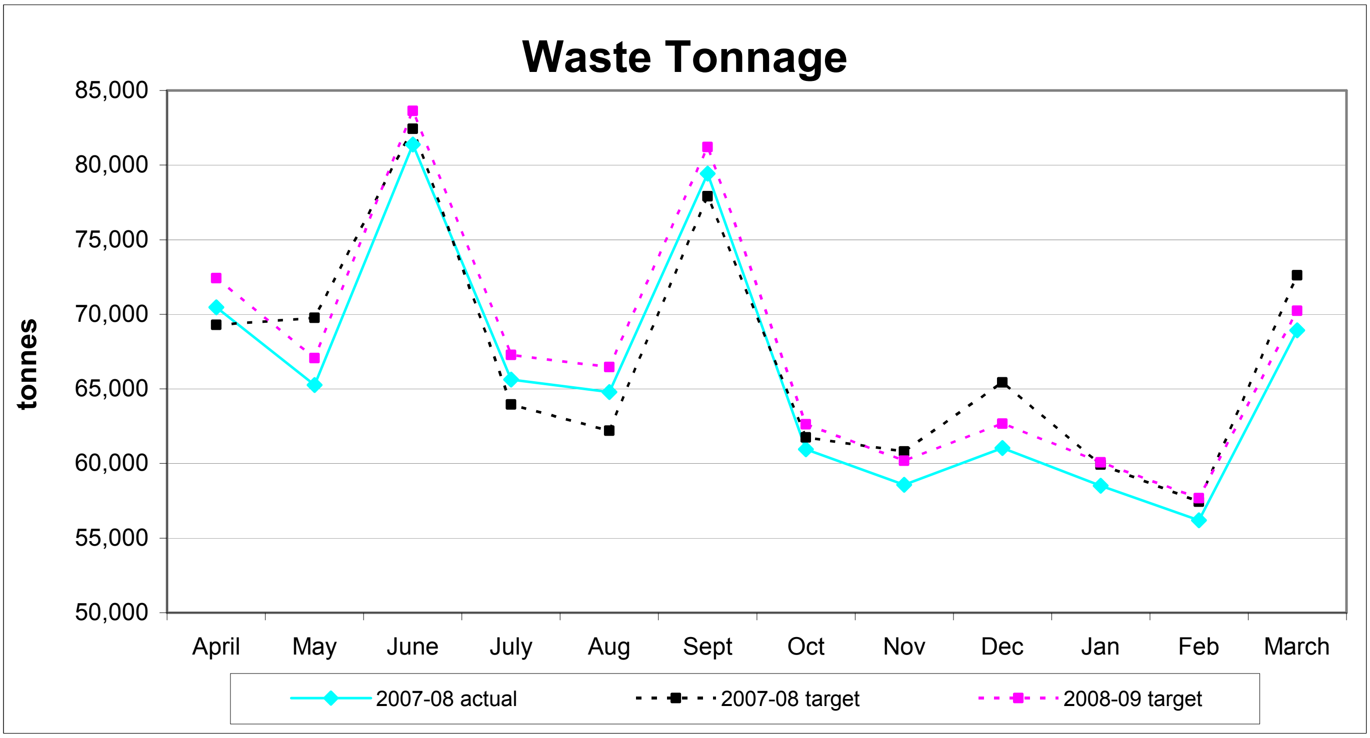
- There is no target for 2008-09 for this indicator as we do not propose to continue reporting on this indicator for 2008-09 because it is considered that the activity associated with this client group is less volatile than others and is not a high financial risk. If this position changes, we will consider the most appropriate replacement.

3. ENVIRONMENT & REGENERATION DIRECTORATE

3.1 Waste Tonnage:

	2005-06	2006-07	2007-08		2008-09
	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Business Plan Target *	Target
April	75,142	69,137	70,458	69,290	72,411
May	70,964	69,606	65,256	69,760	67,056
June	83,770	82,244	81,377	82,425	83,622
July	65,063	63,942	65,618	63,953	67,275
August	66,113	62,181	64,779	62,189	66,459
September	78,534	77,871	79,418	77,912	81,212
October	61,553	61,066	60,949	61,751	62,630
November	60,051	60,124	58,574	60,807	60,180
December	62,397	64,734	61,041	65,426	62,669
January	59,279	60,519	58,515	59,932	60,073
February	54,337	58,036	56,194	57,443	57,679
March	66,402	73,171	68,936	72,610	70,234
TOTAL	**803,605**	**802,631**	**791,115**	**803,498**	**811,500**

* there has been some minor re-alignment of the actual and profile tonnage since the first detailed monitoring report for 2007-08 to reflect outstanding data received from a number of district councils



Comments:

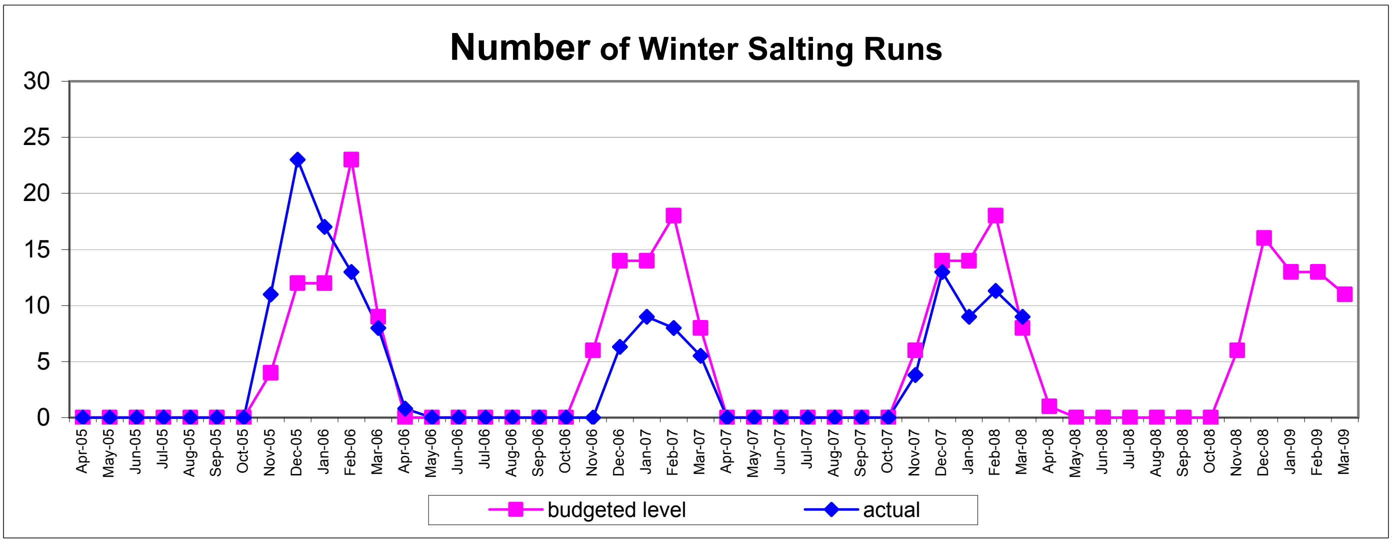
- Tonnage has declined from last year. Also the expected volume to be put through the Allington WtE Plant was significantly below expectation. As, in the early years, the cost of Allington processing is higher than standard Landfill, the budget benefits from reduced costs. So, even if the total tonnage to be managed was the same as last year, there would still have been an under spending on the budget, all other things being equal.

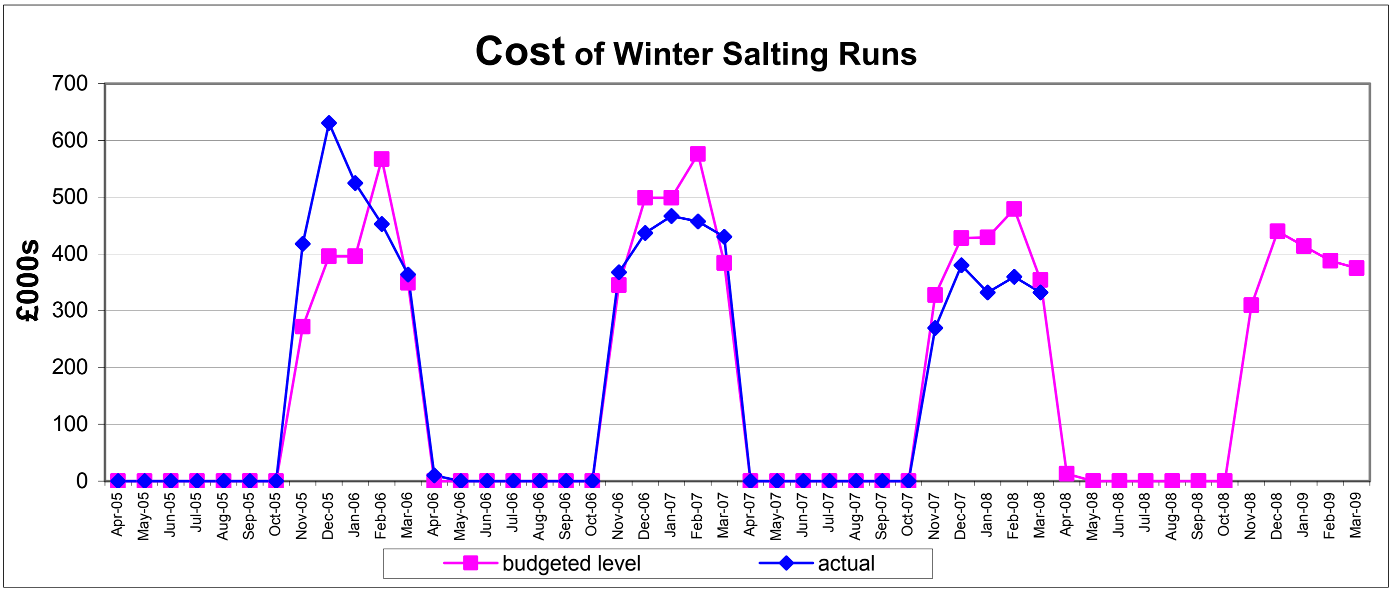
- The target tonnage profile has been amended slightly since the first detailed monitoring report for 2007-08, and the actual tonnage profile has been amended slightly since previous reports. This is to reflect outstanding data received from a number of district councils which had previously been estimated.

3.2 Number and Cost of winter salting runs:

	2005-06				2006-07				2007-08				2008-09	
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		No of salting runs	Cost of salting runs
	Actual	Budget level	Actual	Budget level	Actual	Budget Level	Actual £000s	Budget Level £000s	Actual	Budget level	Actual £000s	Budget Level [2] £000s	Budget level	Budget level [2] £000s
April	-	-	-	-	0.8 [1]	-	10	-	-	-	-	-	1	13
May	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	11	4	418	272	-	6	368	345	3.8	6	270	328	6	310
December	23	12	631	396	6.3	14	437	499	13	14	380	428	16	440
January	17	12	525	396	9.0	14	467	499	9	14	332	429	13	414
February	13	23	453	567	8.0	18	457	576	11.3	18	360	479	13	388
March	8	9	364	349	5.5	8	430	384	9	8	332	354	11	375
TOTAL	**72**	**60**	**2,391**	**1,980**	**29.6**	**60**	**2,169**	**2,303**	**46.1**	**60**	**1,674**	**2,018**	**60**	**1,940**

Note [1]: only part of the Kent Highways Network required salting
Note [2]: the 2007-08 & 2008-09 budgets exclude overheads, as these are now charged centrally





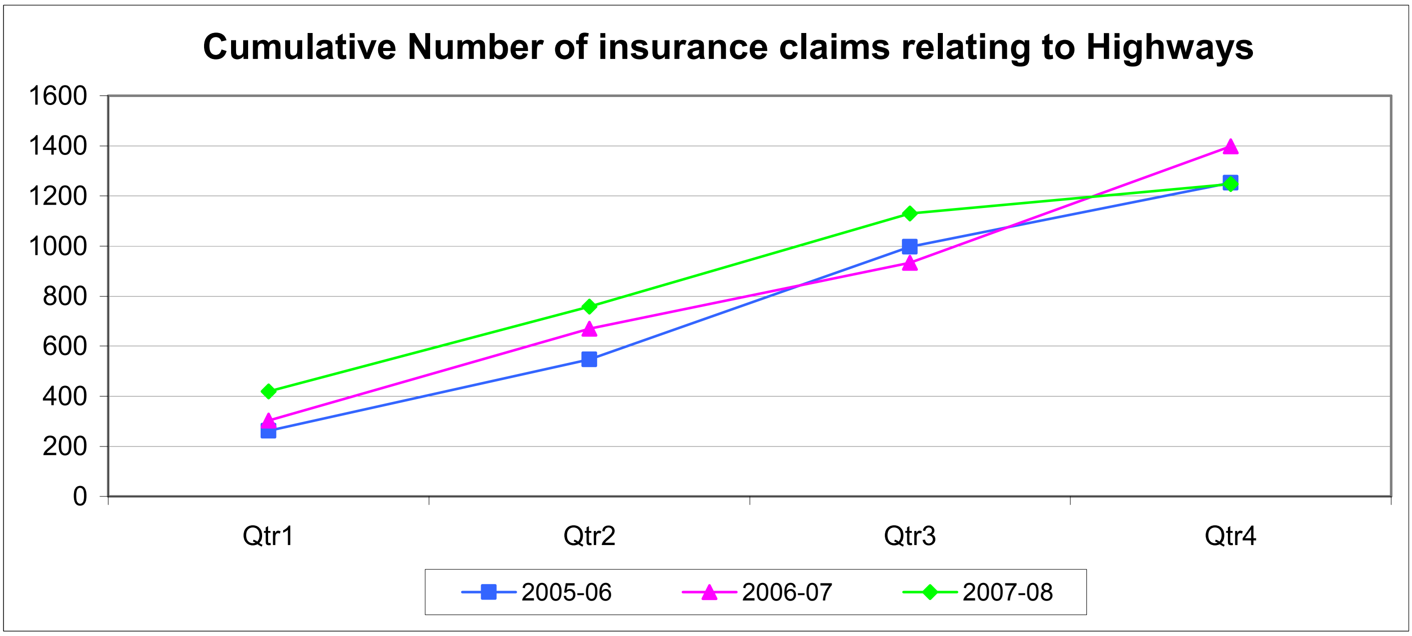
Comment:

- The charges for the Winter Maintenance Service reflect two elements of cost: the smaller element being the variable cost of the salting runs undertaken; the major element of costs, relating to overheads and mobilisation within the contract, have been apportioned equally over the 5 months of the salting period. The actual cost figures for November, December and January have changed since the previous report due to a previous overestimate of the overheads and mobilisation element of cost.

- In setting the 2008-09 Budget, a reassessment of the overheads and mobilisation element of the costs of the service has enabled a slightly lower budget to be set.

3.3 **Number of insurance claims arising related to Highways**:

	2005-06	**2006-07**	**2007-08**
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April – June	263	303	419
July – September	547	669	758
October – December	997	933	1,130
January - March	1,252	1,398	1,247



Comments:

- The increase in claims between 2005-06 and 2006-07 appears to reflect a national trend. Nearly all other county councils in South East England have reported a similar rise in 2006. Carriageway claims are starting to increase and this may be evidenced by the relatively high figure for the first three quarters of this financial year, though the last quarter of 2007-08 has seen a marked slowing down of claims received.

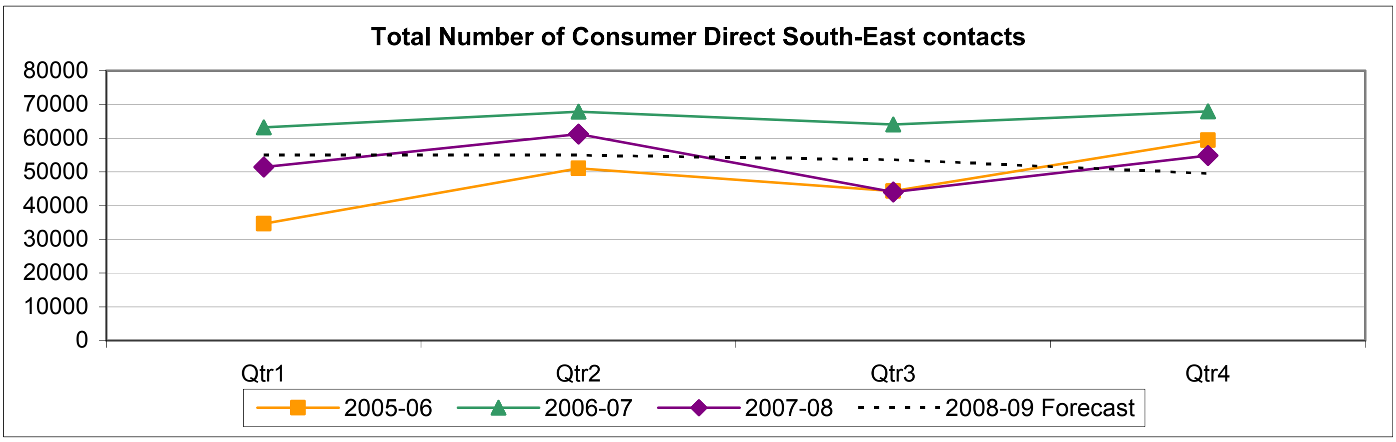
4. COMMUNITIES DIRECTORATE

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

	2005-06	*2006-07*	2007-08				
			Qtr1	Qtr2	Qtr3	Qtr4	*TOTAL*
	Total for the year	*Total for the year*	01/04/07 to 30/06/07	01/07/07 to 30/09/07	01/10/07 to 31/12/07	01/01/08 to 31/03/08	*Total for the year*
Bracknell Forest	*715*	*330*	209	271	188	199	*867*
Brighton & Hove	*7,116*	*5,834*	987	899	662	750	*3,298*
Buckinghamshire	*9,006*	*4,012*	614	708	690	643	*2,655*
East Sussex	*9,717*	*9,893*	1,843	2,047	1,705	1,909	*7,504*
Hampshire	*19,105*	*12,520*	2,237	2,167	1,554	1,693	*7,651*
Isle of Wight	*2,129*	*2,106*	346	446	349	373	*1,514*
Kent	*29,074*	*21,500*	3,571	4,028	3,115	3,231	*13,945*
Medway	*1,671*	*1,249*	267	358	248	251	*1,124*
Milton Keynes	*1,037*	*671*	85	91	101	78	*355*
Oxfordshire			**No immediate plans to switch**				
Portsmouth	*5,524*	*4,332*	571	547	548	523	*2,189*
Reading	*2,582*	*2,952*	534	564	536	479	*2,113*
Royal Borough of Windsor & Maidenhead *2	*809*		**Callers to RBWM are asked to redial CDSE direct**				
Slough	*1,826*	*1,717*	346	380	288	375	*1,389*
Southampton	*4,680*	*3,780*	24	374	454	329	*1,181*
Surrey	*21,660*	*19,278*	2,846	3,480	2,808	2,779	*11,913*
West Berkshire	*1,503*	*1,831*	278	261	179	282	*1,000*
West Sussex *3		*2,334*	1,441	1,257	991	1,060	*4,749*
Wokingham	*758*	*648*	176	170	171	166	*683*
Main English Landline *1	*60,248*	*127,064*	26,852	33,479	20,998	30,132	*111,461*
Main English Mobile *1	*7,712*	*25,073*	5,398	6,677	5,520	6,121	*23,716*
Calls handled for other regions	*2,532*	*6,373*	407	63	432	909	*1,811*
Call-backs handled for other regions		*1,017*	0	407	56	116	*579*
E-Mails		*8,546*	2,405	2,496	2,448	2,499	*9,848*
2007-08 TOTAL			**51,437**	**61,170**	**44,041**	**54,897**	***211,545***
2006-07 TOTAL by Qtr		***263,060***	***63,185***	***67,865***	***64,080***	***67,930***	
2005-06 TOTAL by Qtr	***189,404***		***34,616***	***51,015***	***44,334***	***59,439***	

			Qtr1	*Qtr2*	*Qtr3*	*Qtr4*	*TOTAL*
2008-09 FORECAST by Qtr			***54,927***	***54,962***	***53,601***	***49,498***	***212,988***

*1 – These are calls received directly on the 0845 number which, although known to be from one of the local authorities in the CDSE area, cannot be identified by individual local authority.
*2 – since 01/01/06 callers to RBWM Trading Standards are asked to redial CDSE direct
*3 – since January 2007, West Sussex calls and e-mails have been diverted to CDSE.



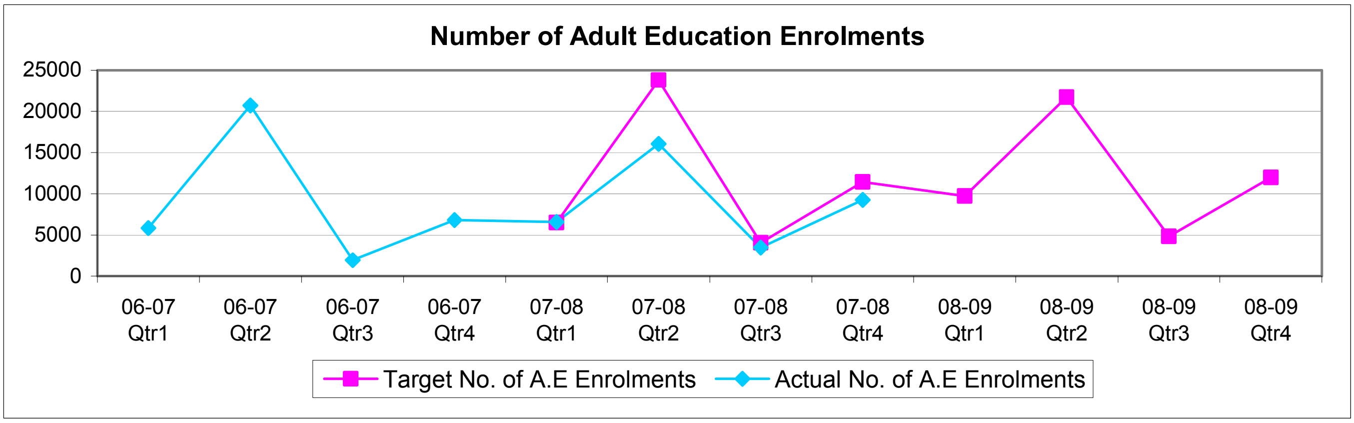
Comments

- Consumer Direct South East is funded according to the number of calls it receives. When it was established a reserve of £172k was set up to cover trading deficits. The impact of reduced call volumes means £103k of this reserve has been drawn down in 2007-08.
- We have been able to secure a quality bonus in 2007-08 which has increased the income per call.
- We are negotiating with Trading Standards South East Ltd (TSSL) and with partner authorities the extent to which they will cover potential trading deficits on CDSE in future. We are also working on decreasing the time taken to respond to calls to reduce costs.
- The longer term strategy remains to increase the call base so that the service is sufficiently large to be able to accommodate fluctuations in call volumes without the need for a reserve.

4.2 **Number of Adult Education Enrolments**:

	Financial Year			
	2006-07	**2007-08**		**2008-09**
	A.E Enrolments	Target	A.E Enrolments	Target
April – June	5,849	6,501	6,567	9,714
July – Sept	20,713	23,803	16,052	21,718
Oct – Dec	1,925	4,071	3,473	4,825
Jan - March	6,829	11,416	9,230	11,948
TOTAL	**35,316**	**45,791**	**35,322**	**48,205**

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



Comments:

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

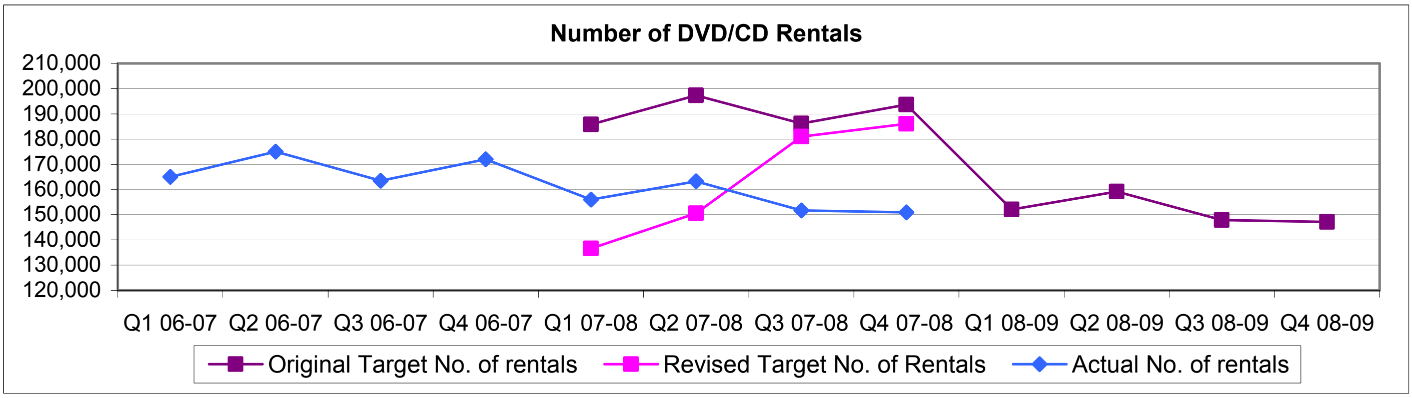
  Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life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

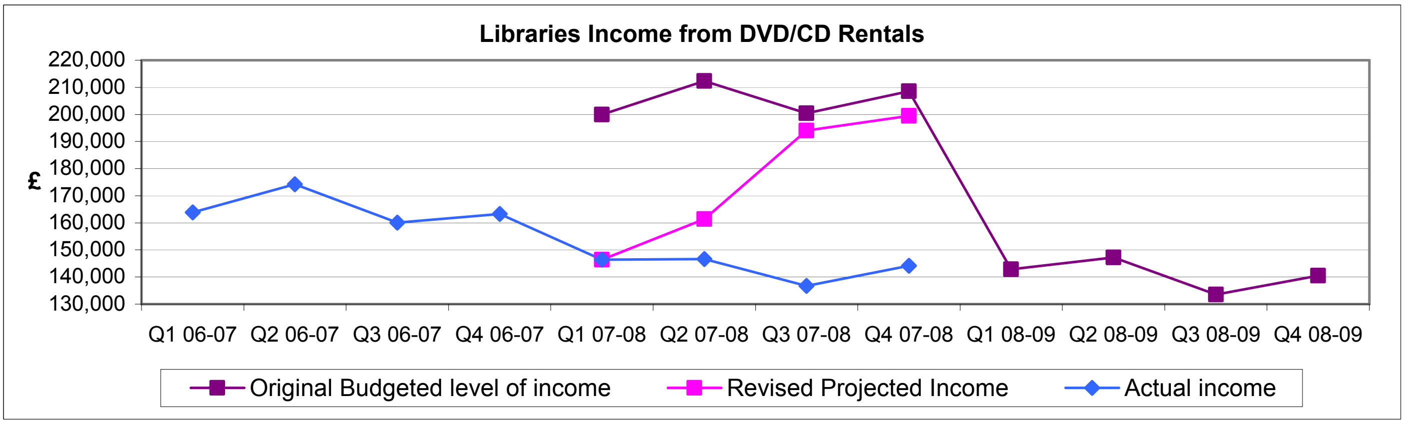
  The AE service has reduced expenditure on course provision as a result of lower than anticipated enrolments in 2007-08, however there remains a residual pressure on the AE budget which is largely as a result of a reduction in tuition fee income due to the reduced enrolments.

  The target numbers of enrolments for quarters 2 to 4 for 2008-09 are indicative at this stage and need to be negotiated and agreed with LSC in May 2008. The indicative figures are based on estimates used for curriculum plans to set the 2008-09 budget.

4.3 **Number of Library Audio Visual rentals together with income raised**:

	2006-07		2007-08						2008-09	
	No of rentals	Income (£)	No of rentals			Income (£)			No of rentals	Income (£)
	actual	Actual	Budgeted target	revised target	actual	budget	revised projected income	actual	Budgeted target	Budget
April – June	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437	152,059	142,865
July – Sept	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690	159,149	147,232
Oct – Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698	147,859	133,505
Jan – March	171,979	163,269	193,700	186,000	150,929	208,500	199,458	144,136	147,156	140,533
TOTAL	**675,367**	**661,415**	**763,000**	**654,056**	**621,767**	**821,200**	**701,381**	**573,961**	**606,223**	**564,135**





Comments:

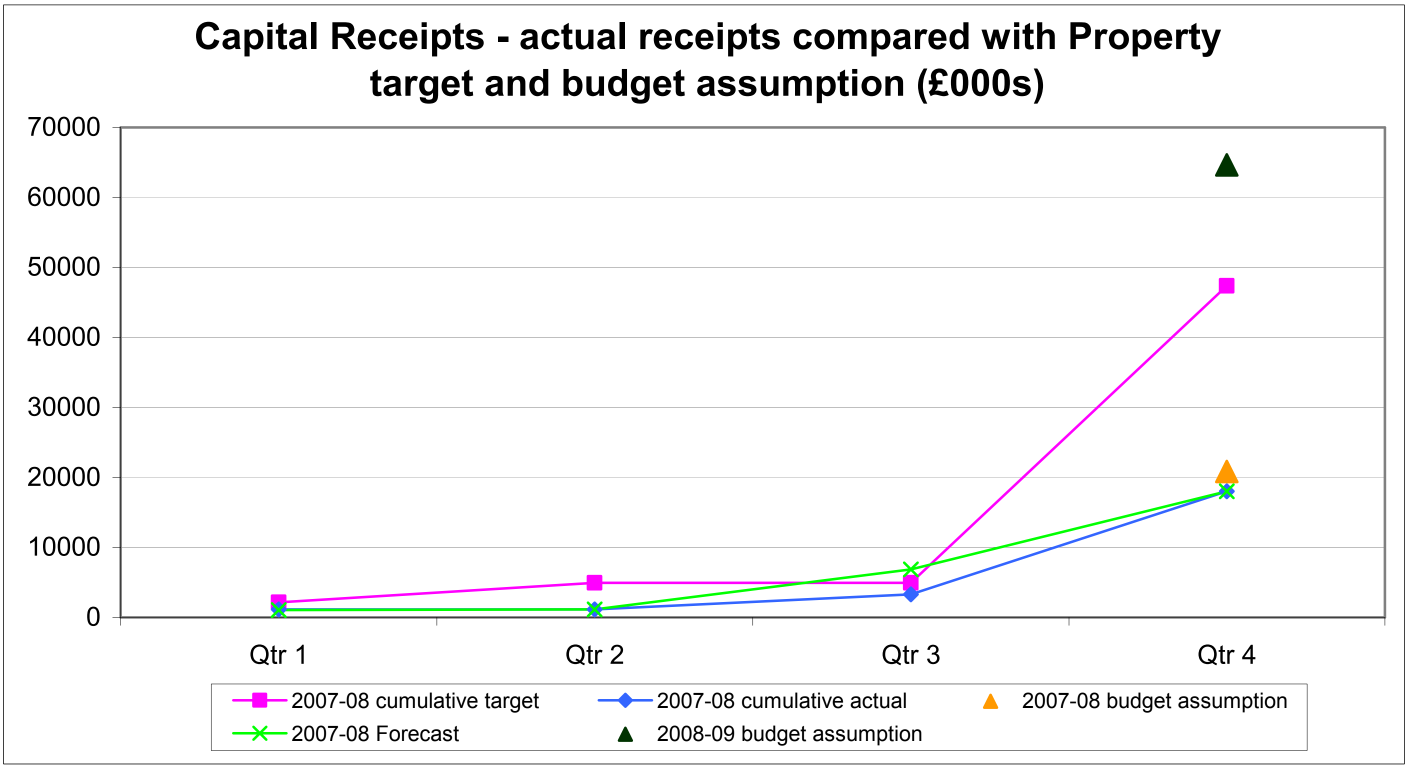
- Target figures for 2006/07 have not been shown as this data was not presented in monitoring reports last year
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for spoken word materials and DVDs has remained reasonably stable.
- Research undertaken by the service indicates issues can be increased if loans are offered for longer periods at a reduced fee. The service has also identified that it has a niche market for certain genres where demand can be sustained and there is little competition e.g. old TV shows.
- The service has reviewed its marketing strategy and set more realistic levels of rentals both in terms of volume and value. The service reduced expenditure on consumables to offset the estimated loss of £120k income from the original budget.
- The roll out of the revised strategy has not been as successful as the research indicated and we have fallen just over 30,000 issues short of the revised target. The service has been able to generate additional income from other merchandising in libraries not included in the original or revised budget to offset the £127k shortfall against the revised income budget.
- Targets and income budgets set for 2008-09 are based on a continued decline. The service increased income budgets from other merchandising to offset the loss of income from AV issues.
- In the first two detailed monitoring reports for 2007-08 the actual number of rentals only included those from visits to lending libraries, the rentals now also include postal loans and reference materials.

5. CHIEF EXECUTIVE DIRECTORATE

5.1 **Capital Receipts – actual receipts compared to budget profile**:

	2007-08				2008-09
	Budget funding assumption £000s	Cumulative Target profile £000s	Cumulative Actual receipts £000s	Forecast receipts £000s	*Budget funding assumption £000s*
April - June		2,150	1,148	1,072	
July - September		4,929	1,148	1,148	
October - December		4,929	3,288	6,866	
January - March		47,359	18,013	18,013	
TOTAL	***20,858**	****47,359**	**18,013**	**18,013**	**64,635**

** figure updated to reflect revised 2007-08 budget assumption per 2008-11 MTP*
*** this target was set at the beginning of the financial year when the budget funding assumption was £52,958k.*



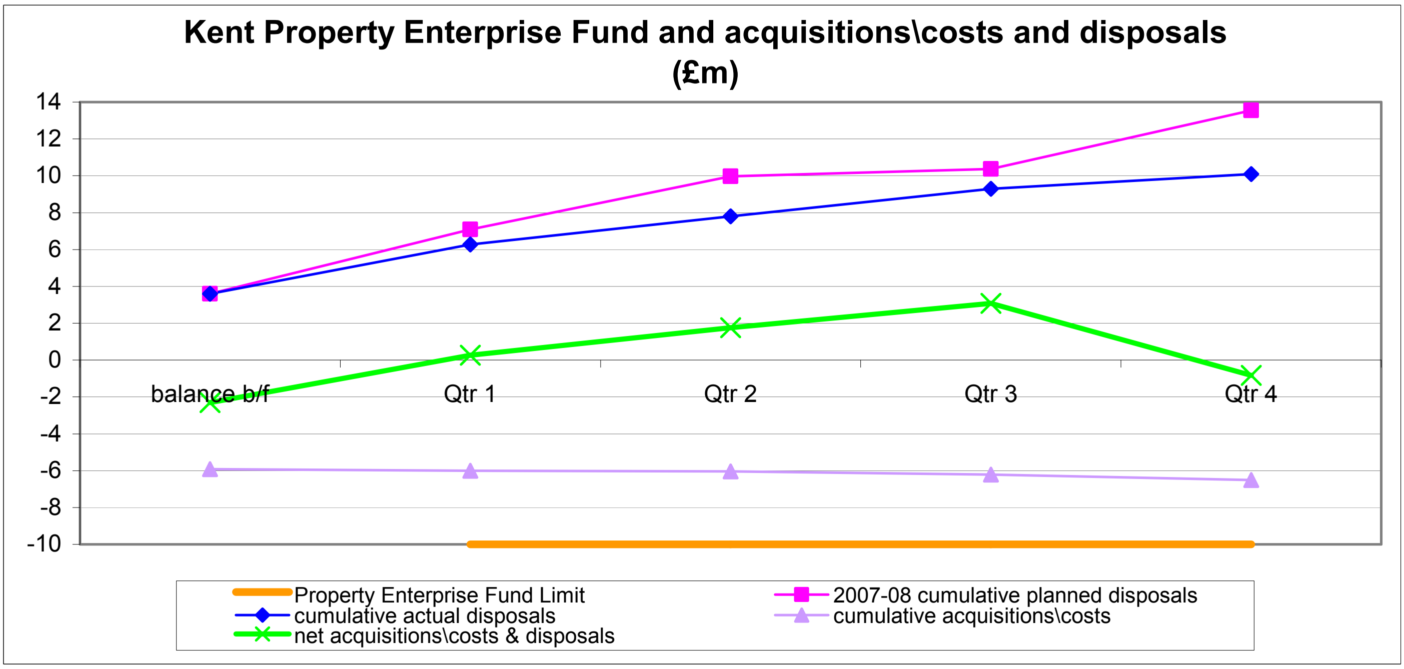
Comments:

- The table below shows a potential surplus of capital receipts over the funding requirement at the end of the current year of £2,067k. This "surplus" is earmarked to fund spend in later years of the capital programme (2008-09 and beyond) and is not therefore spare money.

	2007-08 £'000	**2008-09** £'000	**2009-10** £'000	**2010-11** **£'000**	**Total** £'000
Capital receipt funding per 2008-11 MTP	17,135	64,635	66,100	53,167	204,760
Property Group's actual receipts	18,013				
Receipts banked in previous years for use	857				
Receipt funding from other sources	332				
Potential Surplus\Deficit (-) Receipts	**2,067**				

5.2 **Capital Receipts – Kent Property Enterprise Fund**:

	2007-08				
	Kent Property Enterprise Fund Limit £m	Cumulative Planned Disposals (+) £m	Cumulative Actual Disposals (+) £m	Cumulative Actual Acquisitions\Costs (-) £m	Cumulative Net Acquisitions\Costs (-) & Disposals (+) £m
Balance b/f		3.606	3.606	-5.918	-2.312
April - June	*-10*	7.088	6.280	-6.013	0.267
July – Sept	*-10*	9.973	7.798	-6.040	1.758
Oct – Dec	*-10*	10.371	9.291	-6.210	3.081
Jan – March	*-10*	13.555	10.096	-6.514	3.582
Other commitments against Property Enterprise Fund					-4.410
Revised Property Enterprise Fund balance after funding commitments					**-0.828**



Comments:

- County Council approved the establishment of the Property Group Enterprise Fund, with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:
  - the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
  - the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

  Any temporary deficit will be offset as disposal income from assets is realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

  <u>Balance brought forward</u>

  In 2005-06, £0.541m of capital receipts were realised from the disposal of non-operational property. The associated disposal costs of £0.054m were funded from these receipts, leaving a balance of £0.487m available for future investment in the Kent Property Enterprise Fund. In 2006-07, £3.065m of capital receipts were realised from the disposal of non-operation property giving a balance of £3.606m for investment. The Fund was used to acquire land at Manston Business Park. Together with the costs of acquisition and disposal, costs in the year totalled £5.864m, leaving a deficit of £2.312m to be temporarily funded from the £10m borrowing facility.

The balances brought forward have been amended to account for receipts that have subsequently been confirmed as non-earmarked (disposals increased by £0.433m and costs increased by £0.030m).

Actual Disposals

At the start of 2007-08 Property Group identified £9.949m worth of potential non-earmarked receipts to be realised this financial year.

Disposals in the first half of the year were encouraging but the market hardened in the second half of the year affecting the ability to achieve the original target.

During 2007-08, the Fund realised a further **£6.490m** of capital receipts through the sale of 59 non-operational properties

Acquisitions\Costs

Outturn for costs of disposals (staff and fees) for 2007-08 was **£0.596m**.

Other Fund Commitments

The Fund has also been used in 2007-08 as follows:

i. the 2007-08 revenue budget included income of £3.3m of receipts to be generated by the Fund during 2007-08.

ii. to provide funding for the Eurokent Access Road scheme in Ramsgate, Thanet, contributing £1.110m in 2007-08 (with £3.580m committed in 2008-09 and £0.710m in 2009-10).

2007-08 Final Position

Taking all the above into consideration the Fund is in a deficit position of £0.828m at the end of 2007-08.

Opening Balance – 01-04-07	-£2.312m
Planned Receipts	£6.490m
Costs	-£0.596m
Acquisitions	-
Other Funding: - revenue budget support - Eurokent Access Road	 -£3.300m -£1.110m
Closing Balance – 31-03-08	**-£0.828m**

Revenue Implications

The Fund has also generated £0.096m of low value revenue receipts during 2007-08 but, with the need to fund both costs of borrowing (£0.107m) against the overdraft facility and a small deficit on the cost of managing non-earmarked properties held for disposal (£0.001m), the PEF is forecasting a £0.012m deficit on revenue which will be rolled forward to be met from future income streams.

2007-08 Final Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

Actual 2006-07	£237.059m
Original estimate 2007-08	£315.683m
Actual 2007-08	£247.999m

2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2006-07 Actual	2007-08 Original Estimate	2007-08 Actual
	£m	£m	£m
Capital Financing Requirement	1,010.127	1,131.934	1,071.090
Annual increase in underlying need to borrow	96.796	104.598	60.963

In the light of actual capital expenditure incurred, net borrowing by the Council did not exceed the Capital Financing Requirement.

3. Estimate of ratio of financing costs to net revenue stream

Actual 2006-07	11.33%
Original estimate 2007-08	12.01%
Actual 2007-08	11.13%

The lower ratio in the actual for 2007-08 reflects increased income from the investment of cash balances.

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management.

The operational boundary for debt was not exceeded in 2007-08.

(a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator 2007-08	Actual 2007-08
	£m	£m
Borrowing	1,084.0	949.32
Other Long Term Liabilities	8.0	0.53
	1,092.0	949.85

(b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc

	Prudential Indicator 2007-08	Actual 2007-08
	£m	£m
Borrowing	1,139.0	1,002.63
Other Long Term Liabilities	8.0	0.53
	1,147.0	1,003.16

5. Authorised Limit for external debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The limits for 2007-08 were:

(a) Authorised limit for debt relating to KCC assets and activities

	£m
Borrowing	1,121
Other long term liabilities	8
	1,129

(b) Authorised limit for total debt managed by KCC including that relating to Medway Council etc

	£m
Borrowing	1,179
Other long term liabilities	8
	1,187

The additional allowance over and above the operational boundary was not utilised in 2007-08 and external debt, was maintained well within the authorised limit.

6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Services

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2007-08

(a) Borrowing

Fixed interest rate exposure	100%
Variable rate exposure	30%

(b) Investments

Fixed interest rate exposure	100%
Variable rate exposure	20%

These limits have been complied with in 2007-08. Total external debt is currently held at fixed interest rates.

8. Upper limits for maturity structure of borrowings

	Upper limit %	**Lower limit** %	**Actual** %
Under 12 months	8	0	0
12 months and within 24 months	8	0	0
24 months and within 5 years	24	0	3
5 years and within 10 years	40	0	13.1
10 years and above	100	40	83.9

9. Upper limit for principal sums invested for periods longer than 364 days

	Indicator	Actual
1 year to 2 years	£35m	£39m
2 years to 3 years	£35m	£29m
3 years to 4 years	£35m	£27m
4 years to 5 years	£20m	£31m
5 years to 6 years	£10m	£0m
	£135m	**£126m**

The best value in long term investments has mostly been in the period of between 1 and 2 years duration and 4 and 5 years duration. A decision was taken to over-utilise against the Prudential Indicators for investments with these durations to take best advantage of the market yield curve. Additional long term investments have been made to capitalise on rates prior to a fall in the yield curve. Investments are still within the overall prudential limit with £126m invested against an overall allowance of £135m.

There has been some movement in the position since the last monitoring as call options have been exercised by borrowing banks and some deals have been replaced with deals with differing maturity.

Capital Budget Outcomes and Achievements in Recent Years

Over the last three years, Kent County Council, with a range of partners, has invested over £750 million to fund projects across the county which will improve life for thousands of Kent residents. Ever wondered where that money goes? Here are just a few of the most recent projects taking place and making Kent an even better place to live, work and visit.

Children and Families services

Much of this work has taken place in schools. The **Special School Review** (SSR) began three years ago and is midway through. Half of the buildings included in this review have now been either replaced or modernised at a cost of £55.2m. The transformation has been incredible, especially to the teachers and students who use the facilities. In one example, a panic alarm at a school was being triggered regularly. Since moving into the new part of the school it has only been set off once. The reasons for this, according to the teachers, were: a quiet environment, wide corridors and a clear line of sight around the building.

The national **Building Schools for the Future** programme has promised to rebuild or re-model every school in the next 15 years. Kent joined the programme in 2005 and progress has been fast and substantial, especially compared with the national picture. Spend on development costs so far are £10.6m with work starting on sites during the 2008 summer holidays.

Purpose built **vocational centres** have been built including those at Whitstable Community College and Thanet, as well as vocational centres being developed within schools. A total of £15.3m has been spent, making sure that young people can access vocational training (in skills such as hairdressing and beauty, bricklaying and mechanical engineering) alongside more traditional learning.

Thanet Skills Studio, at a cost of £4.5 million, offers training in the construction, engineering, motor vehicle, retail hospitality and catering sectors. It aims to inspire and motivate students, prepare them for the world of work and enable them to progress further training opportunities and employment. High quality careers education and guidance is an important part of the programme. Around 400 students in years nine to 11 from 14 Thanet secondary schools attend the Skills Studio one day a week as part of their GCSE options or vocational training. The centre works with a range of employers such as Peugeot and the Fifteen Foundation (Jamie Oliver).

Kent also now has a number of state of the art, all-ability, all-faith secondary **academies** up and running, two in new buildings (the Marlowe and the Folkestone Academy) with others due new buildings over the coming years. KCC first engaged in the academies programme in 2002 to help transform underachievement in some secondary schools. Partners include Microsoft, Pfizer, Roger de Haan Charitable Trust, Hewlett Packard and a range of higher education, charitable sectors, churches and independent schools. Marlowe Academy opened two years ago and passes in grades A*-C at GCSE level have more than doubled. Six academies opened in September 2007 and it is expected they will emulate this success.
We have spent almost £40m in the past 3 years on major maintenance, across hundreds of schools, which includes the cost of reducing the number of temporary classrooms by more than 40%.

Phase one of the **children's centre** programme is now complete, costing £4.6m. It has delivered nine Kent Children's centres and nine local Surestart centres. The centres serve children and families in their communities and provide integrated care and education for young children, health services and family support as well as a base for childminders. They are part of the Government's strategy to achieve better outcomes for children and families by improving children's social and education development and assisting parents.

The Ashford North Youth Centre, is a new £1.2m single storey building situated in the grounds of the old North School. The centre comprises of a social and activities area including a coffee bar and kitchen facilities. An acoustically insulated music room, adjacent media room, an art room and dance studio complete the activity spaces for use by young people. There is also a small one to one meeting room and a large central office which can be rented out to partnership groups.

Two children's resource centres (The Sunrise Centre and Windchimes, East Kent) have been built to support children with learning difficulties or physical disabilities and their families. Each centre has a house where children with the most complex needs can stay for few days to allow their families or carers a short break. The Sunrise Centre supports more than 200 families in South West Kent whose children have learning or physical disabilities and Windchimes will support more than 500 of these families from the Swale, Thanet, Canterbury and Dover districts.

Adult Social Care Services

Modernisation of learning disabled day services has improved facilities at the **Sevenoaks District Mencap-Hall.** Mencap Hall became a satellite base where adaptations were made to allow 70 contacts per week with people with learning or physical disabilities, in conjunction with visits to the Adult Education and Kippington Centres which provides facilities to enable people with a disability to increase independence by learning to cook and shop with staff.

The **Home Support Fund** supports between 80 and100 people (adults and children) each year to live independently in their own homes with increased confidence. Up to £1m is granted annually to provide adaptations from small equipment such as grab rails and adapting steps to major works like changing a room or extending a property. Hundreds of people have been able to stay in their own homes as a result of this.

Telehealth technology allows clients and health professionals to monitor their vital health indicators from their own homes, such as blood pressure and blood oxygen levels. Currently 250 people are using the system (with over 1,000 involved in trials), which sends the statistics straight through to GP's surgeries, at a total cost of £1.4m so far. This project has given help and confidence to not just those people using the service, but for their relatives and carers. Mrs X is just one example of the success of this project. Mrs X has diabetes, high blood pressure and pain from osteoporosis and has also suffered from angina and strokes. She was spending 57 days a year in hospital on average. Since she started using Telehealth, she has not had to go into hospital once. Her son, who had to give up work three years ago to support his mother, is now seeking a part-time job.

Westview and Westbrook are two facilities which formed an integrated health and social care centre designed to meet both the existing and future health and social care needs of Kent. One of the facilities offers 20 beds of health provision and 40 of social care, along with a day centre offering 75 places. The other offers the same amount of beds, with a day centre offering 120 places per week and a physical disability unit offering 105 places per week.

KCC provided £200,000 to Tunbridge Wells District Council in order to turn the YMCA into a community centre. The new **Sherwood Centre** has given a number of younger and older people a sense of purpose and the opportunity to explore and participate in the new activities. The centre has promoted social inclusion and a sense of belonging to a number of previously isolated people.

The **Better Homes, Active Lives Private Finance Initiative** has been nationally recognised by the Department of Community Local Government as a best practice example of delivering value for money. A partnership of 11 local authorities, it will provide 275 extra care apartments for older people, 58 flats for people with learning difficulties and seven for people with mental health problems. This has had a significant positive impact on the lives of those using these services and their independence by offering a genuine alternative to residential care.

Roads and Transport

The opening of the £29m **Leybourne and West Malling bypass** (October 2006) is benefiting the residents and businesses at Kings Hill as well as other local traffic. Traffic congestion has reduced and travelling times are now much shorter.

Fastrack cost £16m and is a new rapid transport system which connects Dartford, Gravesend, Bluewater and new developments at Ebbsfleet and Eastern Quarry. It is being operated to support the 30,000 new homes and 50,000 new jobs expected to be created in the area over the next 20-30 years. It received the Transport Times Bus Award and the UK Bus Awards Infrastructure Innovation Award.

Recent and upcoming road improvements include the **Rushenden Relief Road** (planning permission achieved for the £13.5m scheme), transformation of the **Ashford Ring Road** to two way operation (a £14m scheme), the **EuroKent Spine Road** (£6.8m) and replacing the County's network of **traffic signals** with LED technology (£2m) that will be cheaper to run in future. All these projects will continue to keep Kent moving.

Community Services

The £2.4m **Kaleidoscope** project renovated **Sevenoaks library** to provide a 21st century facility in the heart of Sevenoaks and addressed the problems of poor accessibility and declining usage. The 2007/08 figures show an increase of 48,000 visitors compared with the same time in 2004/05 before the centre closed. An additional £400k per annum is being spent on modernising specific libraries all over the county, with **Coldharbour (Gravesend), Allington (Maidstone), New Ash Green, Otford** and **Staplehurst** completed already. Rising visitor numbers and a higher level of satisfaction with the improved quality of the libraries are the result.

Adult Education courses in Folkestone can now be held in **The Cube**, a landmark building including three art studios, one fashion and textile room, a bespoke jewellery making/ silversmithing workshop, a gallery for internal and external exhibitions, a large health and fitness room, an IT suite and a modern café.

Additionally, a £3.2m scheme to provide a state of the art performing arts academy on the site of Hextable School was funded by the Arts Council, Hextable School and KCC and Swanley Town Council. **The Hextable Dance** is used by the school during the day and community groups at other times. Facilities include a main auditorium which can be used for dance or theatre productions, a separate dance and theatre studio, recording studio and ICT media suite.

Bewl Water Outdoor Residential Centre has welcomed over 4,000 young people to its 32 bed centre since opening in March 07, with around 10% of them taking advantage of the overnight accommodation. KCC contributed £200k to the build which allows young people to take part in water and outdoor activities.

With significant support from the Thames Gateway programme, the **visitor centre** at **Shorne Wood Country Park** is an amazing example of a sustainable building. Constructed primarily with timber from local woodlands, the centre generates much of its own energy from wind, solar power and sustainable wood fuel and also harvests rain. Shorne Wood is KCC's most popular country park with a quarter of a million visitors a year. The visitor centre is award-winning and showcases several examples of the actions we are taking to tackle climate change in Kent.

Gateways offer a convenient and friendly public service point in retail locations with access to all public services, including the county council, district and borough councils, NHS, police, fire, voluntary sector and Job Centre Plus. The focus is on the customer experience and shaping services around their needs. **Ashford Gateway** opened in October 2005 and there are over 5,000 customers per month. The **Mobile Gateway**, which will cover rural Mid Kent in its widest sense from Shepway to Ashford to Tunbridge Wells, was launched at the County Show in July 2007. **Thanet's Gateway Plus** (including the library) opened on 7 January 2008 and in its first day had 2,500 customers. The anticipated footfall is 400,000 a year, with the current weekly average running at 9,000 visitors. Library issues are up 28%. More Gateways are planned around the county between now and 2012, including Tenterden, Maidstone, Tunbridge Wells, Dover and Herne Bay.

Conclusion

Kent has a huge responsibility to spend its budget wisely. These projects are just a few examples of the many projects that have improved services and lives for the people of Kent, and helped to make Kent an even better county in which to live, work and visit.

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

To: Cabinet–16 June 2008

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

Classification: Unrestricted

Summary:

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

FOR INFORMATION

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1. Introduction

The Local Government Act 1999 introduced the statutory requirement for authorities to produce a Best Value Performance Plan (BVPP). The contents are strictly prescribed. The statutory deadline for publication is 30 June. This will be the last year that authorities will be required to prepare a BVPP.

Kent's BVPP is known as the KCC Annual Plan. The principal audiences are KCC's staff and Members as well as groups and organisations with an interest in our activities. It is nevertheless a public document and potentially an important means of communicating with local people directly.

2. Purpose of the KCC Annual Plan

The KCC Annual Plan goes further than the statutory minimum BVPP content requirements. It brings existing KCC planning processes together in one document and is an important mechanism for incorporating elements of Towards 2010, The Kent Agreement, Supporting Independence Programme, Vision for Kent and other Directorate priorities, for example.

It acts as a bridge between KCC's strategic objectives and corporate priorities and its service and financial plans, and avoids duplicating large amounts of detailed information contained elsewhere. It reports upon progress made against many priorities for the previous financial year as well as setting new targets for the current year and beyond. Much of the information included is therefore taken from existing Member approved information sources.

The KCC Annual Plan is also a central part of the Authority's performance management processes bringing together performance information and comparing KCC with other authorities.

The Annual Plan follows the Towards 2010 format with Directorate and Portfolio information being allocated under Towards 2010 headings.

3. Policy Overview Committee meetings

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

This year the process has been amended and instead the draft Annual Plan was submitted to each Policy Overview Committee (POC). This enabled each committee to focus specifically on areas which are the responsibility of their committee in relation to the policy objectives and performance targets set.

4. Completion of the Plan

The KCC Annual Plan 2008/09 is fairly close to completion. We are awaiting the Finance outturn and there are two targets left to complete within the performance indicator (PI) tables but these will be completed shortly.

The document will be proof read and a 'plain English' check undertaken prior to publication.

This year the Annual Plan will again be published on CD. The CD will also include the Vision for Kent, Towards 2010, The Kent Agreement, Supporting Independence documents, Medium Term Plan, The Children, Families, Health & Education Directorate Annual Review, Kent Adult Social Services Active Lives, and the People of Kent.

A published (hard copy) version of the Annual Plan will also be available.

5. Approval process and Member involvement

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

The terms of reference of Governance and Audit Committee require it to check compliance of the KCC Annual Plan with statutory requirements prior to its publication. Authority to do this was delegated to a small, cross-party group of Governance & Audit Committee members on 4 June, as there was no suitable date for this to be undertaken by the full committee prior to the publication date. County Council will be orally informed of their view on 19 June.

6. Publication

Copies of the KCC Annual Plan are sent to all Members of the County Council, the Authority's principal partners and relevant voluntary organisations, senior KCC managers and our external auditors, amongst others. Copies will also be sent to all libraries and KCC offices open to the public as in previous years.

A copy will be available on KCC's web-site by the end of June. This will be a web-based version to enable better access to the public and other interested parties. A copy is also available on KNET to allow access to all our staff.

7. External Audit

The requirement for such Plans to be externally audited currently remains. KCC's previous external auditor's reports on the last eight years Plans have been unqualified with no statutory recommendations in the last seven years.

An early draft of the Plan will be made available to our new appointed external auditors, the Audit Commission, in order to ensure KCC meets the statutory requirements prior to publication.

8. Recommendation

Cabinet are asked to NOTE the arrangements for publishing the KCC Annual Plan 2008/09 and to RECOMMEND the draft KCC Annual Plan 2008/09 to County Council for approval on 19 June.

Contact details:

Janice Hill
Performance Manager
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By: Peter Gilroy, Chief Executive
Paul Carter, Leader of the Council

To: Cabinet – 16 June 2008

Subject: POLICY FRAMEWORK

Classification: Unrestricted

Summary: Updating the authority's policy framework to reflect the current position.

FOR DECISION

Background

1. (1) Following the Best Value Review of Strategic Plans in 2002; and the Comprehensive Performance Assessment, the Policy Framework of the County Council has been reviewed regularly to ensure that it is sufficiently lean and effective. The Policy Framework defines those plans, which are agreed by the Council (or by a Policy Overview Committee with Council endorsement) and was last amended in December 2006.

(2) The policy Framework has been reviewed and the following amendments have been noted by the Communities Policy Overview Committee

New
Kent Strategy for 2012 Games
Childrens & Young People Plan

Deleted
Adult Education Development Plan
Young Persons Substance Misuse Plan
Trading standards Food Service Plan

2. (1) The Adult Education and Young Person's Substance Misuse Plans were statutory documents that are no longer required. The Trading Standards Food Service Plan is approved as part of the Unit Planning approval process.

Recommendation

3. (1) It is recommended that the attached list of plans go to the Council for approval as its current policy framework

Janice Hill.
Performance Manager
Performance Management Group
Ext. 1981

Policy Framework

PLANS AND STRATEGIES INCLUDED IN THE POLICY FRAMEWORK

Requiring Council debate and approval

Name of Plan
Annual Plan
Towards 2010
Vision for Kent (Community Strategy)

Requiring Committee approval and Council ratification

Adult Services Policy Overview Committee Name of Plan	Statutory	Duration of Plan	Next Plan Due	Notes
Active Lives	No	10 year vision from 2007, originally published in 2000	Will be revised in 2010-11	Policy document revised in 2006-7 with the new Directorate
Adult Services Framework	No	3 yearly with an annual review		New document re integrated services
Better Care, Higher Standards	Yes	Reviewed in 2 years	2010	Charter of standards rather than plan
Mental Health National Service Framework Local Implementation Plan	Yes	3 yearly		Reviewed annually
Supporting People	Yes	5 yearly Updated annually	April 2010	
Workforce Strategy	No	Annual		Social Care personnel document
A new Ambition for Old Age: Next Steps in Implementation of the Older People National Framework.	Yes	Reviewed in 3 years	April 2009	

Children's Services Policy Overview Committee **Name of Plan**	**Statutory**	**Duration of Plan**	**Next Plan Due**	**Notes**
Accessibility Strategy	Yes	Three years, 2003 to 2006 2007-2010	March 2010	Reviewed annually
Children's and Young People Plan	Yes	Three years, 2006 to 2009 –(2010) being refreshed due for publication October r 2008	2011	Multi-agency plan covered under the Children Act 2004
SEN Policy and Action Plan	Yes	Four years, reviewed annually	Sept 2011	SEN Code of Practice

Communities Policy Overview Committee **Name of Plan**	**Statutory**	**Duration of Plan**	**Next Plan Due**	**Notes**
Adult Education Service Strategic Plan 2008-2011	No	3 years	2008	New plan currently being drafted
The Strategic Framework for Sport in Kent 2008-2012	No	4 years, 2008-2012	2012	Monitored by a Kent and Medway Sports Board involving partner organisations
Kent Strategy for the 2012 Games	No	2007 – 2012	2012	Plan is phased – 2nd phase is 2008 –2012, 3rd phase is 2012 itself, 4th phase is beyond 2012.
Children's & Young People Plan	Yes	Three years, 2006 to 2009 –(2010) being refreshed due for publication September 2008	2011	Multi-agency plan covered under the Children Act 2004
Community Safety Framework	No	3 yearly	2008	Currently being drafted
Cultural Strategy for Kent	No	TBC	July 2009	New Document
Youth Justice Self-Assessment	Yes	Annual	Autumn	New Youth

& Improvement Plan			2008	Justice Planning Framework 2008/9
Adult Treatment Services Plan	Yes	Annual	Early 2009	Drug Action Plan

Environment & Regeneration Policy Overview Committee **Name of Plan**	**Statutory**	**Duration of Plan**	**Next Plan Due**	**Notes**
Environment Strategy	No	10 years	Before 2013	
Kent Prospects	No	2007-2012	2012	Biennial progress reports produced
Local Transport Plan 2	Yes	Five years 2006-2011	March 2011	Delivery report 2008: Draft to be produced by July 08 and final to be agreed with GOSE by Dec 08
The Joint Municipal Waste Management Strategy	Yes	20 years	2027	Most recent JMWMS was 2006
Kent & Medway Structure Plan)	Yes	2006-2021 (dwellings to 2016)	None	Current plan will be the last, being replaced by the South East Plan
Kent Minerals Local Plan (to be replaced by Minerals Development Framework)	Yes	Approx 10 years	N/A	Adopted 1996
Kent Waste Local Plan (to be replaced by Waste Development Framework by 2007)	Yes	Approx 10 years	N/A	Adopted 1998
Minerals and Waste Development Framework	Yes	2006-2026	Current	In preparation. Timetable to be approved by KCC members and GOSE in April-May 2008 for adoption in 2010. Will be subject to quinquennial reviews

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

To: Cabinet – 16 June 2008

Subject: **“BETTER DAYS FOR PEOPLE WITH LEARNING DISABILITIES IN KENT”**

Classification: Unrestricted

Summary: This report:

1. Restates the current Members agreed strategy (1999) for the Modernisation of Learning Disability Day Services.
2. Restates the refreshed and accessible strategy for consultation “What makes a good day?” and the questionnaire.
3. Provides brief detail and outcomes of the consultation programme.
4. Requests approval from Cabinet for publication and launch of new strategy for Kent “Better Days for People with Learning Disabilities in Kent”

Introduction

1. (1) In March 1999 Members were advised of the outcomes from an extended consultation on Day Services for people with a learning disability. Since the report Kent Adult Social Services has implemented many changes to the services it commissions and runs to meet the strategic objectives and address the identified shortcomings.

(2) Kent has a range of services that are well developed, forward thinking and active, but at the same time other services that have not recognisably changed over the past few decades. It is accepted that there needs to be greater consistency across services in Kent to ensure all people with learning disabilities are able to have greater choice and lead fulfilled lives.

(3) In April 2007 a presentation was made to ASSPOC detailing a refreshed and accessible strategy to improve days for people with learning disabilities in Kent. The strategy has implications not just for Kent Adult Social Services but also on all directorates of KCC, especially Communities and Children, Families and Education.

(4) A consultation on the strategy “What makes a good day?” took place between August and November 2007.

(5) Both the strategy “What makes a good day?” and accompanying questionnaire “Your say on what makes a good day?” were designed and checked with the assistance of people with learning disabilities.

Policy Context

2. (1) A re-launch and a well managed implementation of this refreshed strategy will support KASS/KCC to achieve a number of its aims within the following documents/policies.

- Our Health, Our Care, Our Say
- Valuing People and Valuing People Now
- Active Lives
- Towards 2010
- Supporting Independence Programme
- PSA 2 target 9 (employment)
- Individualised Budgets and Self-Directed Support
- Employment Strategy (LD)
- Modernising Learning Disability Day Services in Kent

(2) Ensuring people with learning disability are able, as full citizens, to access mainstream services including leisure, adult education and work opportunities is the responsibility of all parts of the Local Authority and its partners.

(3) Consultation on “What makes a good day?” took place just prior to the launch of the national consultation document Valuing People Now. "What Makes a Good Day" has a large number of similarities to Valuing People Now and will help Kent’s implementation of Valuing People Now.

Consultation

3. (1) The consultation involved

- Presentation and discussion at District Partnership Groups
- Two large workshops for East and West Kent
- Two Member’s briefings
- Agreement of Partnership Board
- Presentation to Modernisation Board, ASSPOC and Chief Officers Group
- Support of people with learning disabilities to ensure all documents were accessible
- Distribution of 4,500 draft documents and questionnaires
- Creation of online questionnaires
- Events at most of Kent’s day services for people with learning disabilities
- Events with a number of advocacy organisations
- Meeting with families and carers
- Discussion with commissioning teams

(2) The work was undertaken by the Business Change Manager/Project Team/County Project Board, in conjunction with Kent Partnership Board for people with a learning disability, lead individuals and organisations.

(3) During consultation a number of Members requested that the agreed document be presented to full Council.

Findings

4. (1) 4,500 copies of the draft document “What makes a good day?” were circulated to day services, District Partnership Groups, Members of KCC, District Councils, Integrated Teams, all Departments of KCC, Schools, Adult Education, Voluntary Organisations, PCT’s, providers of day and residential services, Advocacy Services, and Carers groups

(2) We received 375 questionnaires complete. It is believed that a number of these were completed as group activities but they have only been counted as a single entry unless it has been stated otherwise. Over 80% of the questionnaires were returned as filled by people with a learning disability, with the next largest group represented by families/carers.

(3) 96% agreed we consulted with the right people

(4) 95% agreed with the vision statement

(5) There was strong agreement with the 6 Key Principles with each having a minimum of 89% agreement, however, it was suggested that 2 of the principles were combined.

(6) There was strong agreement with the "9 signs of a good day," with each having a minimum of 79% agreement.

(7) Although agreement levels were very high The Good Day Programme has amended the draft document to improve the strategy further in line with the comments and feedback we received.

(8) Findings of the consultation were presented to and discussed at ASSPOC on 29 January 2008.

Comments and Feedback

5. (1) The consultation generated a great deal of comment and feedback, a few examples follow:-

(2) Some comments on the Vision Statement

"Although we have come a long way in teaching people about accepting us with learning disabilities as "normal" human beings. There is still much more work to do."

"Having the right information to inform choice is important."

"We need to make sure everyone, even those with high support needs, are supported."

(3) Some comments on the 6 Principles

"As long as the money is spent on the right thing and everyone has a say in how it is spent."

"There is a lack of supported employment availability."

"We should decide what to do with the money."

(4) Some comments on the "9 signs of a good day."

"*When I sit in by myself all the time, time goes very slowly. When I am left sitting on my own at the centre it makes me feel sad. I would like to go to college but not just to do the course they want me to do like bloody life skills every year!"*

"STOP SEGREGATING PEOPLE"

"Please can I have a job? I worked hard to learn the bus route. I worked hard at work. I enjoyed earning some money to buy Dr Who magazines. I use the public bus service, when I used the minibus for day centre it was unreliable."

(5) Some overall comments

"This seems like a really good plan. I hope everyone can stick to it."

"It was difficult to understand - Big Words."

"What makes a good day? Being listened to, not dictated to! Good, regular respite to recharge OUR batteries."

Redrafting the Strategy

6. (1) The consultation concluded and the strategy has now been redrafted using the information gained during the consultation period. The Good Day Programme undertook this work with the support of a number of people with learning disabilities.

(2) The final draft document is written in an accessible format and we will look to create a number of other formats – DVD, audio and different languages on demand.

(3) The attached final draft documents were presented to and approved by Kent's Partnership Board for People with learning disabilities 8 May 2008.

(4) Further to Cabinet agreement the strategy will be formally launched and published.

Conclusion

7. (1) The paper is to present the document "Better Days for People with a learning disability in Kent" to Cabinet.

(2) The strategy is viewed as a refining and redefining of previous strategies in 1999 and 2003. The new strategy provides a countywide framework to support local programmes of change and improvement.

(3) Although the majority of the feedback and comments are very supportive there is still a great deal of work to be done to change people's attitudes and perceptions of people with learning disabilities. There is a need to ensure that satisfaction with services is monitored as change is implemented.

(4) This process has again shown that the best advocates for people with learning disabilities are people with learning disabilities themselves.

Recommendations

8. (1) Cabinet is asked to agree and approve the document “Better Days for people with learning disabilities in Kent”

(2) Cabinet is advised that KASS will monitor levels of satisfaction with services, from both people with learning disability and family carers, as changes are implemented

Appendix

Appendix 1 – “Better Days for people with learning disabilities in Kent”

Background Papers

Review of Day Services for people with a Learning Disability		March 1999
Modernisation of Learning Disability Day Services in Kent		May 2003
“What makes a good day?”	ASSPOC	Jan 2008

Author: Dee Watson
(Business Change Manager)
07740 184588

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By: Roger Gough, Cabinet Member for Regeneration and Supporting Independence

Adam Wilkinson, Managing Director, Environment & Regeneration

To: Cabinet 16th June 2008

Subject: Ashford's Future – proposed formalisation of the Ashford's Future Partnership Board and the related incorporation of a Special Purpose Vehicle

Classification: Unrestricted.

Summary: This paper informs Members of the proposal for formalising and restructuring the Ashford's Future Delivery Board. It also seeks approval for the County Council's participation in the establishment of a Special Purpose Vehicle (SPV) as a key new element in delivering growth to Ashford.

Introduction: The current delivery structure in Ashford

1. (1) The Ashford's Future Delivery Board (AFDB) is an informal partnership comprising the key organisations with a role to play in delivering successful, sustainable growth in Ashford. The Founding Partners comprise ABC, the County Council, SEEDA and EP. Other organisations represented on the Board currently include the Environment Agency, Highways Agency, Housing Corporation, and Robyn Pyle of Land Securities as a private sector representative.

(2) The informal partnership has worked effectively to date, and has secured additional partner and Government resources that have funded masterplanning and other technical studies; some significant land purchases, especially in the town centre; the funding of the Ashford's Future Core Team; a range of projects to kick start growth, including 'green space', economic development and voluntary sector capacity building projects.

(3) This activity has been driven and co-ordinated by the Ashford's Future Core Team and by an executive officer group drawn from the partners, in support of the AFDB.

(4) The Ashford Growth Area is entering a new phase of delivery. Given the scale of infrastructure that needs to be provided to support the doubling of the size of the town it is acknowledged that the Ashford's

Future Partnership will need to adapt and strengthen its programme and project management capacity. Accordingly it is proposed that current arrangements be revised to ensure the efficient delivery of key projects, and the securing of resources.

The rationale for change

2. (1) In 2006 a review of delivery arrangements in Ashford was undertaken by consultants on behalf of the DCLG. Their report (entitled the Bell Report) recommended that the Delivery Board should be reduced in size, that it should have stronger private sector representation, and be able to accept developer and other contributions.

(2) The Ashford's Future partners commissioned a further study by Genecon (Economic and Spatial Regeneration Consultants). Genecon confirmed the widespread view that the existing informal arrangements for co-ordination between the Ashford's Future partners needed to be put on a more formal basis in order to strengthen delivery capacity. This is the purpose of the proposed Partnership Agreement. The Genecon Study also identified a range of reasons for establishing a SPV for specific purposes.

(3) At the County Council's instigation, the need for an SPV has been questioned with DCLG. The case was put that the same outcome could be achieved by strengthening the existing partnership arrangements and that a SPV may be inefficient in financial terms as the local authorities can borrow at a cheaper rate than the SPV. The SPV may also be liable to Corporation Tax and VAT, and Stamp Duty Land Tax might be payable on any transfer of land assets. The SPV might not draw in additional private sector finance other than through the kind of joint ventures with developers that are already proposed under existing arrangements.

(4) However, DCLG has made it clear in discussions that future Growth Area Funding for Ashford would be dependent on a commitment to the establishment of an SPV under private sector influence.

(5) In addition, it is accepted that private sector input in the form of an SPV will bring expertise, challenge and a new approach. The SPV will also bring a culture change and a perception that Ashford is entering a new phase of delivery. It should be noted however, that the SPV is only one part of the equation. **It will not provide the solution to all Ashford's infrastructure funding requirements.**

Restructuring the Ashford's Future Delivery Board

3. (1) It is proposed to formalise and rename the current Ashford's Future Delivery Board (AFDB) to the 'Ashford's Future Partnership Board' (AFPB), and to put in place revised membership arrangements. This will continue to be a public sector-led partnership, retaining the responsibility for developing and championing the overall Programme for Development for Ashford. This document, approved by the AFDB, and submitted to Government, sets out key project priorities for Ashford's growth, for all main partners to support and assist in delivering. DCLG has subsequently awarded Growth Area (GAF 3) funding to Ashford totalling £23m for the three year period 2008 to 2011, providing a significant statement of commitment to the Ashford Growth Area.

(2) A Partnership Agreement between the four Founder Partners (ABC, KCC, SEEDA, and EP) will establish a formal (though non-legally binding) decision-making framework and will replace the existing informal arrangements on which the Partnership has been operating. Partner decisions will include formal approval of the Programme for Development and agreeing funding priorities, committing founder partners to support the growth agenda, the allocation of GAF and similar monies and - in the future - tariff funding.

(3) Cabinet is invited to nominate or confirm the Board Member for the AFPB on behalf of KCC.

(4) The AFDB has also agreed on the incorporation of a company limited by guarantee to act as a special purpose vehicle (SPV) to support the delivery of the Ashford's Future Programme. The company will have four public sector directors and four private sector directors, including a private sector Chairman, Robyn Pyle.

(5) The Founding Partners (Ashford BC, Kent CC, SEEDA and EP) are each in the process of seeking their necessary approvals to participate in the SPV and revised Ashford's Future Partnership Board.

The Proposed SPV

4. (1) The SPV will have two clear functions. Firstly, ensuring the delivery of key projects, to include bringing forward town centre sites where a number of different partners are involved in delivery, addressing a number of infrastructure constraints (including transport and flood risk management), and providing a more focused, better co-ordinated and better-resourced structure. A draft list of priority projects for the SPV has been endorsed by the AFDB, and is listed at the end of this report. In delivering projects the SPV's role will be to lead or to co-ordinate in order to ensure the efficient delivery of projects.

(2) Secondly the SPV is to provide a programme management function on behalf of the AFPB. In this role the SPV will ensure that all organisations with a responsibility for projects identified in the Partnership's Programme for Development are delivering on time and on budget, and will report to the AFPB.

<u>SPV Staffing and Structure</u>

(3) The SPV will have a board of directors (the SPV Board) comprised of representatives from ABC, KCC, SEEDA and EP, and up to four directors chosen from the private sector one of whom would act as Chair of the Board and who will exercise a casting vote at Board level. The AFDB has approved the appointment of Robin Pyle, a Director of Land Securities as Chair of the SPV, and the three other private sector directors, Vince Lucas (South Eastern), Bill Brisbane (retiring director from

Roger Tym) and Courtney Collins (retired director from Gledes). The four founder members (ABC, KCC, SEEDA, EP) will each nominate a Director

(4) **Cabinet is invited to nominate a Director for the SPV Board.**

(5) To date, activity has been driven and co-ordinated by the Ashford's Future Core Team and by officers drawn from the partners, in support of the AFDB. It is proposed that a new SPV team will subsume the functions of the existing Ashford's Future Core Team. The existing team has been reviewed, and staff currently employed by ABC are in the process of being transferred (under the TUPE Regulations) to the new SPV where appropriate. It is anticipated that the SPV team will be fully operational by the Autumn 2008.

(6) The Managing Director Judith Armitt has been appointed and will take up post in June. Judith will be employed by Ashford Borough Council on an interim basis pending transfer to the SPV in the event that the Founder Partners agree to proceed with the proposed arrangements. Job roles have been developed for the other core staff in the SPV team. Where ABC employees are likely to have their contracts of employment transferred to the SPV, matters are being handled in line with TUPE Regulations and ABC's employment policies.

(7) There are currently informal arrangements operating in the Ashford's Future team whereby County Council officers work alongside members of the team to develop and deliver specific projects. This is particularly effective for transport projects. A similar arrangement of staff allocation is proposed for the SPV where necessary to strengthen project delivery and to ensure co-ordination with inter-related projects. For clarity, there are no plans to formally second or otherwise transfer the employment of any County Council officers to the SPV.

(8) The SPV team has been operating in transitional form since April 2008 to coincide with the start of the Growth Area Funding (GAF) 3 period, being fully operational by the Autumn. This is requiring work on a number of fronts, including finalising a number of documents, namely:

a) The non-binding Partnership Agreement between the four Founding Partners (Ashford Borough Council (ABC), the County Council, the Regional Development Agency (SEEDA), English Partnerships (EP)) to put the overall Ashford's Future Partnership on a more formal basis (see para 3(2) above);
b) The SPV company documents (see para 4(9) below);
c) The SPV Business Plan that will outline the activities that the SPV proposes to carry out in delivering aspects of the Programme for development;
d) Accountable Body Procedures that will detail the role, responsibilities and procedures to be undertaken by Ashford Borough Council in receiving and allocating GAF and other monies;
e) Financial Regulations and other procedural documents for the SPV.

SPV Company Documents

(9) The SPV Company documents comprise:

a) A Memorandum and Articles of Association for the Ashford SPV, and
b) A Members' Agreement between the four 'Founder Members' of the SPV (ABC, KCC, SEEDA, EP) to regulate their approach to the operation of the SPV.

(10) The Members Agreement is a document that requires that certain decisions can only be made by the unanimous agreement of the Members. In effect, this provides the County Council with a de facto veto for important matters. This list of decisions is set out in the Members' Agreement (and reproduced at Appendix 1) and includes matters such as: approving the company's draft Business Plan prior to submission to the AFPB for approval, agreeing any variation to the business or objectives of the company, agreeing to the admission of new members of the company, acquiring and disposing of land, applying for Planning consents, applying for grant funding and appointing private sector directors.

SPV Membership Control

(11) All Companies, including the SPV, are operated at two levels, that is, by the Members and the Directors. The Members of the Company are the owners of the Company and certain decisions can only be made by the Members. Such decisions include changing the objects and winding up of the Company. The Articles provide that new members may be admitted to the company; however this can only be done with the unanimous approval of the Founder Members, meaning that KCC would have an effective right of veto over the admission of new members. The County Council, as opposed to any individual, will be the Company Member. Clearly it would be impractical for all membership decisions to be the subject of formal reports to the County Council. It is therefore recommended that delegated authority is given to the County Council's representative on the AFPB to make certain Company Member decisions, in consultation with the Director of Law and Governance and Director of Finance.

Directors Control

(12) The second level of operation of a Company is via the Directors. Directors are appointed to manage the Company on behalf of the Members. As stated above, the documentation provides that the Directors of the Company will be four nominees of the Public Sector partners and up to four individuals from the private sector.

(13) This therefore establishes a 50/50 split between Private and Public sectors, although the Chair of the Board will be from the private sector and will have a casting vote. Director decisions will be made by simple majority.

(14) It is proposed that Directors should not have any direct financial interest in Ashford. Where there is any perceived conflict of interest, the private sector Directors will be expected to abstain from voting.

The SPV Business Plan

(15) The SPV Business Plan has been drawn up (and is currently in draft form) in response to the Programme for Development, and details the activities to be carried out by the SPV in delivering aspects of the PfD. The documents require the SPV to act in accordance with a Business Plan that has been given prior approval of the Members under the Members Agreement. The SPV Business Plan will be the subject of a further report to seek approval of the County Council.

Feedback and Approval from DCLG

(16) The Ashford's Future Team has been managing the interface between AFDB and DCLG, and we are assured that DCLG has been kept informed of developments and is satisfied with progress. The DCLG has already confirmed GAF funding of £23m for Ashford. The DCLG has confirmed its intention to meet the core operating costs of the SPV team in order for the SPV to be viable.

Implications for the County Council

Towards 2010

5. (1) The proposals support the delivery of a number of Towards 2010 targets, including (1) Jobs, (3) Town Centre Regeneration, and (40) Housing development and infrastructure.

Legal Issues

(2) The County Council's Director of Law and Governance is satisfied that the proposed legal documents adequately safeguard the County Council's position with respect to its participation in the proposed arrangements.

Financial implications

(3) The DCLG has indicated that the adoption of an SPV structure by the partners will be a pre-requisite for securing DCLG funding, and English Partnerships have indicated that it would be more likely to invest in the Ashford Growth Agenda if an SPV were in place. The SPV will be a company limited by guarantee, with each of the Founding Members liable for a contribution of £1 towards any debts that may be outstanding on the winding up of the company. The creation of an SPV on these terms does not, therefore, represent a direct financial risk to KCC, although it is possible that KCC may be asked to give specific financial guarantees to support the arrangements (albeit such obligations are likely to be shared equally between the four Founding Partners).

(4) Ashford Borough Council is the Accountable Body for GAF 3 government funding and other monies, and receives and holds the funding on behalf of the Founding Partners. Funds are then drawn down by partner organisations responsible for specific projects in delivering the Programme for Development.

(5) For projects where the County Council is the lead organisation, funding will be drawn down from ABC by the County Council in accordance with Accountable Body procedures and GAF 3 Funding Guidance. These monies are both outside and additional to the County Council's own budgets.

Partner roles, contributions and risks

(6) ABC has an Accountable Body role (see above), and acts as AFPB Chair. This is appropriate in terms of local accountability and there are safeguards in the company documents/Partnership Agreement about where funding should be prioritised and the approval mechanisms for the overall Programme for Development, which will ensure that other Founding Partners will have appropriate influence. The County Council intends to use its positive bilateral relationship with ABC to ensure that ABC does not in fact dominate or control AFPB to the County Council's detriment.

(7) It was anticipated that partners would contribute assets to the SPV, and that the SPV would attract private sector investment. Asset and other contributions to the SPV by the partners are not yet clear. SEEDA is currently exploring the most cost-effective way of making assets available to support delivery in Ashford. Officers consider that in order for the SPV to be effective, particularly in terms of delivering key town centre sites, it is essential that SEEDA's assets (especially those acquired with DCLG funding) are either donated or loaned to the SPV on terms agreed with the SPV and the Founder Members. The County Council's position is that it will only provide contributions in kind to the SPV, through the provision of dedicated specialist staff to deliver particular projects eg transport. It is not proposed to transfer funds from the County Council's base budgets to the SPV.

(8) Advice is awaited from SEEDA's consultants on tax and vat implications and the outcome of this advice will inform the final shape of the SPV to ensure that it is capable of meeting its original intentions ie to drive forward regeneration and infrastructure delivery but in the most tax efficient way.

Consultations

6. (1) Ashford Borough Council's Executive Committee approved the proposals on 6th March 2008.

(2) The broad terms of reference for the Partnership Agreement, SPV Board and SPV team were agreed by the AFDB at its meeting on the 13th December 2007.

(3) This matter was reported to the County Council's Environment and Regeneration Policy Overview Committee on 31st January 2008, where the POC gave in principle support to the establishment of the SPV, subject to funding being available to cover the costs.

Reporting

7. (1) The SPV will provide quarterly monitoring reports to the AFPB on the Programme for Development. Reports will include updates on project delivery with information on milestones, outputs, risks, issues to be addressed and budgetary information and such additional information as the AFPB may reasonably request from time to time.

(2) The KCC representative on the AFPB will have responsibility for ensuring there is appropriate co-ordination within KCC and will report to Cabinet on progress. The SPV Business Plan - which will define the scope of its activities - and Ashford's Future Programme for Development will also be reported to Members for approval. Approval of subsequent amendments to the Business Plan may be delegated to the representative of KCC as Founder Partner, such representative acting in consultation with the Director of Law and Governance and the Director of Finance.

(3) The County Council's normal democratic processes will therefore not be compromised.

(4) The process of developing the new arrangements has highlighted the need for a strengthening of the County Council's own procedures, business planning, reporting and decision-making in respect of the Ashford Growth Agenda. It is important to ensure that corporate objectives and resources are agreed prior to inputting to the Ashford Growth Agenda. Accordingly processes and procedures are being developed and Chief Officers will be responsible for ensuring their effective implementation.

Policy Framework

8. (1) The proposed decision is in accordance with the Policy Framework as set out in the Constitution.

Conclusions

9. (1) The proposals as detailed in this paper will help take forward the growth agenda in Ashford, enabling more effective delivery and reflecting the County Council's priorities. KCC is already heavily involved in supporting growth proposals in Ashford. The establishment of the SPV should help to ensure that KCC resources are more effectively deployed, together with an improvement in the collective capacity of the Ashford's Future Partnership to deliver a coherent and co-ordinated programme of projects and other activity to deliver growth in Ashford.

(2) The commitments and structures will provide robust governance arrangements, and should reassure Cabinet Members that the arrangements for the Ashford SPV incorporate the necessary safeguards.

(3) The Government's confidence in Ashford's ability to deliver growth through these new arrangements is being demonstrated by the securing of Growth Area Funding.

(4) The success of the new arrangements will depend largely upon the County Council's and other partners' level of engagement. It is important to ensure there is an integrated approach to the Growth Agenda across all Directorates. This is necessary in order to ensure the delivery of the County Council's commitments under the PfD, to allocate adequate resources in terms of funding and staffing, and also to protect KCC's service delivery interests. The developing KCC Regeneration Strategy should also provide the opportunity for the County Council to confirm its commitment and future contributions.

Recommendations

10. (1) Subject to resolution of the matters referred to in paragraph (2) below and subject to funding being made available by DCLG and/or other sources to cover the establishment and operating costs of the SPV: **Cabinet is requested:**

(a) to agree to the County Council becoming a Member of the Ashford's Future SPV;

(b) to authorise KCC's entry into a Partnership Agreement and Members' Agreement as outlined in this report;

(c) to make appointments to represent the County Council on the AFPB and of a representative to attend general meetings of the SPV and exercise the County Council's voting rights as a member of the SPV on behalf of the County Council;

(d) to delegate sufficient authority to such appointees to enable them fully to exercise the rights and discharge the duties relating to such appointments, acting as necessary of such in consultation with the Director of Law and Governance and Director of Finance;

(e) to nominate a Director on the SPV Board to manage the Company on behalf of the Company Members on such terms as the Director of Law and Governance shall approve.

(2) **To note** the following matters to be resolved:

(i) The Director of Law and Governance to review and approve the proposed reporting regime of the SPV to the AFPB, and be satisfied this facilitates robust scrutiny by the AFPB of the Programme Management function; and

(ii) Approval of finalised arrangements by EP, SEEDA, DBERR (if required in respect of EP and SEEDA) and DCLG (in respect of all AFPB and SPV arrangements and in particular in respect of DCLG's funding of such arrangements).

(3) **To grant** delegated authority to the Managing Director of Environment and Regeneration in consultation with the Cabinet Member for Environment and Regeneration and the Director of Law and Governance to approve the final versions of the following documents on behalf of the County Council: the SPV Memorandum and Articles of Association, the Members' Agreement and the Partnership Agreement and authority for the Director of Law and Governance to execute those documents on behalf of the County Council.

(4) **To request** all County Council Managing Directors to consider the implications of the proposed Ashford's Future SPV and Programme for Development on their service areas.

(5) **To note** that a further report will be submitted seeking approval of the terms of the Ashford's Future Programme for Development and the SPV Business Plan.

Background Documents: Available from the Author below:

1. Partnership Agreement
2. Memorandum and Articles of Association
3. Members Agreement
4. Accountable Body Procedures – report to ABC Executive
5. Ashford's Future Programme for Development
6. The relationship between the AFPB and the SPV
7. The proposed SPV staffing structure
8. Genecon Report
9. Bell Report

11. Explanation of Terms:

ABC – Ashford Borough Council
AFDB - Ashford's future Delivery Board (current name for Partnership Board)
AFPB – Ashford's Future Partnership Board – new name for AFDB
DBERR – Department for Business Enterprise and Regulatory Reform
DCLG – Department for Communities and Local Government
EP – English Partnerships
Founder Members – public sector Members of the SPV (ie ABC, KCC, SEEDA, EP)
Founding Partners – relates to membership of Ashford's Future Partnership, and parties to Partnership Agreement (ie ABC, KCC, SEEDA, EP)
LDV – Local Delivery Vehicle (Government-sponsored body to deliver Growth Agenda in Growth Areas)

Partnership Agreement – Non-legally binding agreement between the Founding Partners
PfD – Programme for Development; document describing the intended delivery activities and outcomes for growth, by the Ashford's Future Partnership
SEEDA – South East England Development Agency

(AF) SPV – (Ashford's Future) Special Purpose Vehicle; the LDV proposed to be set up as a company limited by guarantee

12. Top 10 Priority Projects for the SPV

The following projects have been approved by the AFDB as priorities for ensuring delivery in the period 2008 to 2011:

- M20, Junction 9 and Drovers Roundabout
- Victoria Way
- Elwick Precinct
- Dover Place and Station Improvements
- Construction Skills Academy
- Enterprise Centre
- Marketing Strategy
- Broadband
- Sustainable Energy Supply
- Greenspace Infrastructure

13. Author Contact Details

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Appendix 1: "Material Matters" as defined in the Draft SPV Members Agreement

The following matters require the unanimous approval of all four Founding Members (ABC, KCC, SEEDA, EP):

1. The approval of, amendment to or variation of any Key Document.

2. Approving the Business Plan prior to adoption by the Company.

3. Approving any matter for which provision has not been made in relevant Business Plan for that Financial Year.

4. The approval of any matter which is outside the normal course of the Business;

5. The approval of, amendment to or variation the Financial Regulations.

6. Any variation to the Business and/or Objectives of the Company.

7. The admission of new members to the Company.

8. A variation to the maximum number of Directors to be appointed to the Board and the composition of the Board.

9. Any decision to waive the confidentiality restrictions imposed on any of the Founder Members or Directors under this Agreement.

10. The appointment or removal of any person as Managing Director and the terms of appointment of the Managing Director.

11. Determining whether any Director (or any person recruited to work for the Company) shall be entitled to remuneration or reimbursement of expenses in connection with the performance of his or her duties for the Board and determining the level and terms upon which such remuneration will be payable where such remuneration is outside the parameters of the Business Plan.

12. Forming any subsidiary of the Company, or acquiring any interest in any other company, partnership, limited partnership. limited liability partnership, trust or other body (incorporated or otherwise) and/or entering into joint ventures or partnerships.

13. Subject always to paragraph 17 of this Schedule acquiring, disposing or agreeing to acquire or dispose of (in each case) any freehold or leasehold interest in or licence over land (including the exercise of an option);

14. Entering into or making any contract, or incurring any capital expenditure with a total cost to the Company of more than [£x]. ***[DN: Parties to consider in conjunction with Financial Regulations]***

15. Taking any step which will result or may result in a winding up of the Company.

16. Making any petition or passing any resolution to wind up the Company or making any application for an administration or winding up order or giving notice of the intention to appoint an administrator or filing a notice of appointment of an administrator unless in any case the Company is at the relevant time insolvent and the Founder Members reasonably consider (taking into account their fiduciary duties) that it ought to be wound up.

17. Disposing or charging any land or assets which were initially transferred to the Company by a Founder Member, or which were financed in whole or in part by a Founder Member.

18. Entering into (or agreeing to enter into) any borrowing arrangement and giving any security in respect of such borrowing.

19. Entering into any grant funding agreement.

20. Applying for Growth Area Fund monies and other funding.

21. Applying for planning consents and lodging appeals against planning authorities.

22. Altering:

22.1 the name of the Company;

22.2 the registered office of the Company;

22.3 the accounting reference date of the Company;

22.4 the place of business of the Company;

23. The categorisation of any Reserved Matter as a Material Matter.

24. The variation of any Reserved Matter and the approval of what constitutes a Reserved Matter, being such matters as cannot be delegated by the Board from time to time.

25. Any other matters which the Founder Members shall, with Member Approval, determine to be a Material Matter.

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By: Mark Dance, Cabinet Member for Operations, Resources and Skills

Graham Badman, Managing Director, Children, Families, Health and Education

To: Cabinet – 16 June 2008

Subject: **EDUCATION AND SKILLS BILL**

Classification: Unrestricted

Summary: This report provides a summary of the Bill's key provisions and provides an initial estimate of the costs and implications for Kent.

For Information

History and Background

1. (1) The Education and Skills Bill has been described as landmark legislation. It builds on the aspiration first set out in the Fisher Education Act of 1918 (which raised the school leaving age from 12 to 14) that young people should remain in at least part-time education until the age of 18 – a provision that was never enacted as a result of the post-World War I austerity.

(2) The Bill implements many of the key changes recommended in the 2006 Leitch Review of Skills final report: *Prosperity for all in the global economy – world class skills.* That report made a series of recommendations, accepted by Government, that increased participation in learning by both young people and adults was essential to realise the Leitch ambition that the UK achieve world class skills by 2020. This would bring key benefits to young people and adults, employers, the UK economy and wider society.

(3) One of the key Leitch recommendations was that, once the Government's 14-19 Diploma reforms were successfully on track, the law should be changed so that all young people must remain in full or part-time education or workplace training up to the age of 18.

Raising the participation age

2. (1) The key provision in the Bill is the introduction of the requirement to remain in education or training beyond the current statutory school leaving age of 16. The participation age will be raised in two stages:

- to age 17 from 2013, and
- to age 18 from 2015.

Summary of key elements of the Bill

3. (1) A summary of the key elements of the Bill is set out below:

Raising the participation age:

- new duty on young people to participate in education or training;
- new duty on parents to assist their children to participate;
- new duty on local authorities to ensure participation by young people, including a new duty to identify those young people not participating;
- new duties on employers to provide training or release young people for the equivalent of one day per week to undertake training (where employer does not provide training) and to check whether a young person is participating before employing them;
- new duty on providers to inform local authorities if young people drop out of provision;
- new powers for local authorities to issue Attendance Notices, Fixed Penalty Notices and, ultimately, to initiate youth court proceedings for non-compliance by young people;
- new powers for local authorities to issue enforcement notices and financial penalties against employers for non-compliance by employers in relation to the provision of or release of young people for training;
- transfer of support service functions currently undertaken by Connexions services to local authorities;
- transfer to local authorities of current Connexions service responsibility to assess the future education and training needs of young people aged 16-19 with SEN (or up to 25 for those with learning difficulties);

Adult Skills:

- duty on the Learning and Skills Council (LSC) to secure the proper provision of courses to allow learners over the age of 19 to attain functional literacy, numeracy and first full level 2 qualifications;
- duty on LSC to ensure learners aged over the age of 19 can attain functional literacy, numeracy and first level 2 qualification, and those aged 19-25 can attain first full level 3 qualifications, without having to pay tuition fees;

Other provisions:

- changes to existing legislation to improve the provision of impartial careers education information and guidance in schools;

- a minor change to existing legislation to require local authorities to consider journey times when determining post-16 transport policy statements, and a duty for local authorities to have regard to religion or belief of sixth form students when authorities exercise their travel functions;

- changes to the status and functions of the Qualifications and Curriculum Authority (QCA) to create a new independent regulator for England, the Office of the Qualifications and Examinations Regulator (Ofqual);

- changes to the regulation and inspection of independent schools/colleges and other education providers (including non-maintained independent special schools), including provision for new minimum standards;

- a minor change to existing legislation to enable governing bodies of maintained schools to require pupils to attend alternative provision to improve behaviour and attendance; and

- minor changes to enable new regulations governing the constitution and membership of local Schools Forums.

National cost and benefit implications

4. (1) The Impact Assessment, produced by the DCSF alongside the publication of the Bill on 29 November 2007, estimates that the average annual cost of raising the participation age to 18 will be £774 million (present value). £583m is the additional costs of increased participation beyond the Government's current 90% participation aspiration.

(2) A further £99m annually is estimated specifically for increased participation by young people with Special Educational Needs (SEN). The additional burden on Connexions services of tracking and engaging young people to ensure participation by those who will be the most difficult to engage is estimated at £38m annually.

(3) The DCSF Impact Assessment assumes there will be no additional transport costs to local authorities arising from increased participation on the basis that the additional costs will be funded through additional formula grant from central government and from income generated by local post-16 transport charging schemes.

(4) The DCSF estimate that the average annual benefit to the UK economy of all young people participating in education or training beyond the current 90% participation aspiration will be around £2.4 billion for each cohort of young people, discounted over their lifetimes (in 2016-17 prices). This estimate of the benefits excludes wider benefits of increased participation by more young people such as improved health and reductions in crime.

Implications for Kent

5. (1) At this stage it is very difficult to estimate the likely cost implications of increased participation to age 18 for Kent. This is because the detailed

methodology used by DCSF in estimating the national costs provided in the Impact Assessment is not clear. Our best estimate is that the costs of increasing participation from the current 74% level of participation in education and training by 17 year olds in Kent (latest available data for 2005), compared to the 76% national level, is that this could cost around £29 million annually.

(2) KCC's provisional cost estimate for increased participation by young people with SEN is that this will cost £623,000 annually (£515,000 for the cost of young people continuing to participate in special schools; £29,000 for those with severe and complex needs, and an additional £79,000 for pupils in specialist units attached to mainstream schools).

(3) KCC's provisional cost estimate for additional transport costs arising from the increased participation requirement is that this will cost £358,000 annually (£173,000 for young people continuing in school sixth forms or FE colleges; £138,000 for those continuing in special schools and £47,000 for those with severe and complex needs or staying on in specialist units).

(4) There will also undoubtedly be significant transport costs for individual schools and colleges in transporting young people between schools and colleges to facilitate local access to the new 14-19 Diplomas being delivered by local consortia arrangements of providers. The additional funding being allocated for the implementation of the new 14-19 Diplomas includes a sparsity factor to recognise some of the additional costs of transport in rural areas, but this is likely to be significantly below the additional funding institutions will need to find for additional minibuses to transport young people between institutions.

(5) Total additional annual costs for Kent could therefore amount to £30m.

Implementation

6. (1) The main provisions of the Bill, raising the participation age first to age 17 and then to 18, are expected to be implemented from 2013 and 2015 respectively. Most of the other provisions in the Bill will be subject to commencement orders, where DCSF Ministers will have a degree of discretion over when particular provisions are implemented. A handful of the Bill's provisions will come into effect immediately on Royal Assent or within 2 months. These include the assessments for those with learning difficulties and the various (mostly technical) admission arrangement changes not originally included in the Bill but introduced via Government amendments towards the end of the Commons stages of the Bill.

Recommendation

7. (1) To note the implications of the Education and Skills Bill including significant future costs for Kent.

Background documents:

8. Education and Skills Bill
   DCSF Impact Assessment of the Education and Skills Bill
   House of Commons Library Research Paper 07/87 Education and Skills Bill

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By:	Cabinet Member for Finance - Nick Chard Director of Finance - Lynda McMullan Head of Audit and Risk - Janet Dawson
To:	Cabinet – 16 June 2008
Subject:	**ANNUAL GOVERNANCE STATEMENT - DRAFT**
Classification:	Unrestricted

Summary To present for discussion, the Draft Annual Governance Statement.

INTRODUCTION

1. This report contains the Draft Annual Governance Statement for discussion.

ANNUAL GOVERNANCE STATEMENT

2. Kent County Council is required to prepare an Annual Governance Statement (AGS) with effect from 2007/08. The requirement was introduced in the Good Governance Framework, CIPFA SOLACE 2007, which sets out six principles of corporate governance underpinned by a number of supporting principles and specific requirements.

3. The AGS should include an evidence-based overview of how the Authority has adopted the principles of the Framework and adheres to its requirements.

4. The statement should also give and overall statement on the internal control environment throughout the Authority for the year. The statement must be included in the Authority's final accounts.

NEXT STEPS

5. The Director of Finance will formally submit the AGS, along with the supporting evidence, to the Chief Executive and Lead Member recommending that they sign the statement for inclusion in the final accounts. This will be completed prior to the full cabinet meeting on 16 June.

6. The AGS will then also be presented to the Governance and Audit Committee on 30 June.

BACKGROUND PAPERS

7. Full details of the evidence base include the following;

- Head of Internal Audit annual opinion (summary of internal audit assurance work for 2007/2008)
- Managing Directors' assurance statements on Risk, Governance and Internal Control
- Detailed list of risk and governance arrangements in place and operating in the Council throughout the year.

RECOMMENDATIONS

(a) That the help and support provided by officers during this process be acknowledged.

(b) Members are asked to NOTE and provide COMMENT on the AGS.

Janet Dawson
Head of Audit and Risk
Ext 4614

Annual Governance Statement

Scope of responsibility

Kent County Council (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. KCC also has a

duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, KCC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

In 2004 KCC approved and adopted a code of corporate governance, which is consistent with the principles of governance set out in the CIPFA *Good Governance Standard* (2004). This is included in the Constitution and is available on our website. KCC is in the process of updating the code of governance so that it explains how KCC has complied with CIPFA/SOLACE Framework *Delivering Good Governance in Local Government.*

This statement explains how KCC has complied with the CIPFA SOLACE Framework, identifying areas in which our governance arrangements can be strengthened. This statement also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts an Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The governance framework has been in place at the Authority for the year ended 31 March 2008 and up to the date of approval of the annual report and statement of accounts. The governance framework is aligned with the principles of good governance set out in CIPFA SOLACE Governance Framework (Delivering Good Governance in Local Government, 2007). The Authority is committed to fulfilling its responsibilities in accordance with the highest standards of good governance, underpinned by the ethical behaviour of officers and members.

The Governance Framework

Fundamental to the success of the Authority is engagement with citizens and service users in the development of the Authority's vision, priorities and intended outcomes. The Authority's vision was developed in consultation with over 40 partners, including district councils and local businesses. It is comprised of 9 themes, each with its own vision and monitored through a number of targets which links the vision to corporate and directorate plans and strategies, including Kent Agreement (the Public Service Agreement) and its 12 'stretching targets'. The Authority will report on progress towards the vision annually and during this process will take the opportunity to consider whether the vision needs to be refreshed. It is agreed that the vision is likely to be refreshed on a 5 year cycle.

The Authority has a Residents Panel, runs campaigns on local issues and regularly consults with its service users and stakeholders. Consultation takes place at many levels including corporate consultation, directorate and service specific consultation and consultation with partners. For example, the Children, Families and Education directorate consulted with about 40,000 children to inform the directorate plan. Also, the Authority has a Customer Care charter which is in the process of being reviewed, following feedback from customers.

The Council and the Leader are responsible for ensuring Best Value throughout the Authority. The objectives and targets through which this will be achieved are set out each year in the 'Annual Plan'. Authority-wide and directorate specific processes are in place to monitor progress against the objectives and targets on a regular basis. The Authority is rated 4 Star by the Audit Commission and assessed as 'improving strongly'.

The Constitution of Kent County Council sets out the roles and responsibilities of: the Overview and Scrutiny Committees; the Standards Committee; the Executive and the Council. It also sets out functions delegated by the Council to Committees and Officers and includes the Member and Officers Code of Conduct.

The Members Code of Conduct sets out the obligations of Members, how personal and prejudicial interests should be managed and 10 general principles governing Members' conduct. On election Members were made aware of the Code of Conduct during their induction process. It has since been revised and was communicated to Members.

The Code of Conduct for Employees is available on the Authority's intranet site and is included in the Constitution. It explains that citizens and service users expect high standards of conduct of all Authority employees and provides guidance on how to achieve this. Employees are made aware of this Code of Conduct through the corporate induction process.

The Standards Committee is responsible for ensuring that decisions are made with consideration of appropriate ethical standards.

The Constitution contains a statement on Resource Management Responsibilities which includes the Authority's Financial Regulations such as its Standing Orders and the Scheme of Financial Delegation. These are prepared and maintained by the Chief Finance Officer and Chief Executive and endorsed by the Leader and the Governance and Audit Committee.

The Governance and Audit Committee is comprised of 13 members representing the 3 main political parties. Its' responsibilities are set out in the Constitution and include:

- Monitoring the Authority's compliance with key controls and relevant standards
- Ensuring all Best Value processes comply with legal and audit requirements
- Discussing the basis of the annual audit with the external auditors and Cabinet
- Receiving reports from the external auditor on their work
- Overseeing the work of Internal Audit
- Overseeing the Authority's complaints procedure and receiving reports from the Complaints Ombudsman
- Agreeing the risk management policy and monitoring the effectiveness of risk management.

The Governance and Audit Committee meets 4 times annually to discharge its responsibilities.

2008 saw the launch of the 'Strategy for Staff' which was developed with the objective of enabling staff to feel pride in themselves and the work they do at the Authority, thus achieving their full potential and providing excellent customer service. This will be achieved through: developing an excellent workforce; continuous improvement; providing excellent management and inspiring leadership; facilitating open communication and engagement with staff and providing a rewarding career structure and remuneration package. The Authority is committed to providing a healthy, lively and vibrant work environment where staff feel supported and enabled to work effectively, safely and with fun.

The Authority's Whistleblowing Policy was launched by Personnel and Development in April 2006 and is available on the Authority's intranet site. It encourages members of staff to raise concerns if they become aware of behaviour which is likely to breach legislation, including health and safety legislation. The policy explains how members of staff can raise concerns internally and externally and steps that will be taken by the Authority after an individual has 'blown the whistle'.

The Authority has dedicated considerable resource to understanding its partnership governance arrangements. In April 2007 Partnership Guidance was approved which defines a key partnership, classifies partnerships and sets out the fundamental considerations when establishing a partnership and in managing a partnership, including partnership risk management. In June 2007, Internal Audit reported a list of 'major' and 'significant' partnerships to the Governance and Audit Committee and by August 2007 had completed a formal risk assessment of those partnerships in accordance with the Partnership Guidance. The audit found that partnership governance arrangements are largely appropriate, although, the Authority is committed to improve further the management of partnership risk.

Internal control environment

The internal control environment is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council has demonstrated its commitment to improving system and processing controls as well as general risk management awareness and effective governance arrangements. Management has accepted and implemented a number of key Internal Audit recommendations and engaged in open and challenging discussions about points raised in Internal Audit reports and other assurance reports. All these points are indicative of an improving internal control environment.

Overall, there are no significant weaknesses in the overall system of internal control and controls are generally in place and operating effectively, however there are some areas where improvements are required and the Authority is committed to delivering these improvements over the next year. The areas include:

- The process around recruitment and CRB checks. During 2007/08 Internal Audit has undertaken reviews in CED, KASS, Communities and CF&E on recruitment and CRB checks. Although some areas had good controls in place, there were other areas where the relevant checks were not being carried out, in particular on volunteers. In addition, processes were not always in place to follow up staff where CRB checks were required. The sample of schools visited, during the year however, showed a big improvement in the CRB checking process. Senior management, including the Chief Executive and Director of Personnel and Development have personally overseen the implementation of recommendations, which has been confirmed in a follow up audit carried out in March 2008.

- Business Continuity Planning and Disaster Recovery was raised in the 2006/2007 Statement of Internal Control and although individual Business Continuity Plans are being completed and tested, not all have not been finalised and there is further work required to embed this fully across the Authority.

- Kent Adult Social Services (KASS) continue to face a number of operational challenges with regard to the SWIFT system, which they have identified and are actively working toward resolving. This includes inherent weak security (password) controls within the system and limited audit trails being available to monitor user activity. The suite of reports available to users also requires further development in order to allow the quality of the data held by the system to be analysed / monitored in more detail.

  Furthermore, more clearly defined performance targets are required for the support provided by the application vendor. *(report currently in draft)*

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of committees and management within the Authority with responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by work undertaken by the external auditors and other review agencies and inspectorates.

In recent years Internal Audit has reviewed Authority-wide governance arrangements or specific elements of the Authority's governance arrangements. In 2007/08 Internal Audit reviewed the Authority's governance arrangements against the requirements of the CIPFA SOLACE Governance Framework. It found that overall governance arrangements are appropriate and made a number of minor recommendations for improvement.

The Governance and Audit Committee has an ongoing role in the review of the effectiveness of the Authority's governance framework. Throughout the year it has received and considered reports regarding the work of Internal Audit and External Audit and on Risk Management, Complaints, Treasury Management and Value for Money. In March the committee agreed to self-assess its effectiveness using an Audit Committee effectiveness questionnaire provided by the Head of Internal Audit and Risk. The results of this exercise are not yet known.

The Standards Committee is responsible for promoting and maintaining high standards of conduct by Members of the Council. It endeavours to address any concerns regarding Members conduct and will deal with any reports from the Standards Board of England. During 2007/08 the Standards Committee considered the appointment of independent members from other Standards Committees to deal with specific allegations or complaints, considered the findings of the Internal Audit on Ethical Standards and resolved that the proposed new Code of Conduct for Members be recommended to the Authority for adoption.

The Cabinet Scrutiny Committee meets monthly to scrutinise the decisions taken by Cabinet or individual Cabinet Members. The Committee Chair and Spokesmen decide which decisions require scrutiny and decisions that are not in accordance with the approved policy or budget are automatically referred for scrutiny.

Committee members scrutinise decisions by questioning the relevant Cabinet Member and Managing Director. Citizens and stakeholders can participate in this process by: attending meetings as they are held in public; suggesting decisions for scrutiny and submitting written comments on decisions already called in for scrutiny.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

There are no significant governance issues. However, the review of our governance arrangements has enabled us to identify elements of the governance framework which we are committed to strengthen further, such as:

- Further embedding of and engagement with the Council's risk management framework

- Management of risk with partners
- Training and development opportunities for Members
- Continued improvement to the internal control environment, with specific focus on the areas detailed above

Additionally, we recognise that we need to complete the revision of the Code on Governance and publish it as soon as is possible.

We propose over the coming year to take steps to address the above matters to enhance further our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: ……….................…………………………………………………………………

Leading Member (or equivalent) & Chief Executive (or equivalent) on behalf of [the authority]

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By: Keith Ferrin: Cabinet Member for Environment, Highways and Waste
Adam Wilkinson: Managing Director - Environment and Regeneration

To: Cabinet

Date: 16 June 2008

Subject: Dartford Crossing Tolls

Summary The County Council's response to the Department for Transport's proposals for tolls at the Dartford Crossing is outlined

For Information

1. Introduction

1.1 The Department for Transport (DfT) has issued two consultation papers on the Dartford – Thurrock River Crossing tolls. The first, published in December 2006 and reported to Cabinet in February 2007, consulted on proposed increased toll charges at the crossing. The second was issued in February 2008 gave proposals for a local discount scheme.

2. 2006 Proposals

2.1 The 2006 consultation paper proposed that tolls for cars and lorries should be raised (eg toll for cars from £1 to £1.50) but making the Crossing free between 10pm and 6am. It also proposed that the charge for Dart Tag users (cars only) would only pay £1 per crossing (but need to buy £30 worth in advance) and floated the idea of a local discount scheme for residents living near the Crossing. It also set out that the DfT were to commission a study to address capacity issues in the longer term.

2.2 In its response, attached as Annex 1, the County Council considered that toll levels should be kept at existing levels but that more of the profits (in the form of grant) should be made available to improve local transport in the Kent Thameside area and to bring forward motorway and trunk road schemes in Kent leading to the Crossing. The County Council offered no view on the local discount scheme as there would be difficulty in defining the local area coverage. KCC also supported the commissioning of the DfT capacity study, which was actually let in February 2008 – 14 months later.

3. 2008 Proposals

3.1 DfT consulted on a local discount scheme which is proposed to be available for residents living in Dartford District and the Thurrock Unitary areas who, for a £10 annual registration fee will get 50 free crossings (ie 20p each) and pay 20p for any additional crossings beyond the initial 50. DfT intends for the discount scheme and increased tolls to be introduced in the Autumn, depending on the response to this consultation.

3.2 Under present arrangements, KCC has received £1m per annum in 'supported' borrowing for local integrated transport schemes in Kent Thameside, but last year we did not spend this as we were a floor funded authority. With the introduction of the local discount scheme, locally targeted funding (to KCC and Thurrock Council) would be discontinued and the remaining profits from the tolls would go towards ‘national transport projects’. From April this year, KCC will be receiving a twelfth of £1m per month in grant until the local discount scheme is introduced later this year.

3.3 In its response, attached as Annex 2, the County Council supported the retention of tolls at the Crossing at current levels if urgently needed local and strategic improvement schemes in the County such as M25 Chevening – Godstone (Junctions 5-7); M20 Coldharbour – Wrotham (Junctions 3-5) and M25/M26 east facing slip roads at Sevenoaks are funded but considered that if there is no benefit to the wider community in Kent, the tolls at the Crossing should be withdrawn. As a result of the proposals, the net profits from the Crossing, currently at some £50m per year, would increase, yet transport spending in Kent would reduce. The response was also critical of the proposed local discount scheme which has chosen to give reduced crossing charges to residents living in an arbitrary area where, say, people living in Stanford-le-Hope in Thurrock will benefit, yet residents in Gravesend will not, despite being some 4km closer to the Crossing

Recommendation

The report is for information only

Contact :
Mick Sutch 01622 221612

Background Documents:
Consultation Paper: Dartford – Thurrock River Crossing; Discount charges fro local residents using the crossing – Department for Transport, February 2008.
Proposed Changes to charges at the Dartford- Thurrock River Crossing: consultation document - Department for Transport, December 2006

Annex 1

Consultation on the Proposed Changes to Charges at the Dartford – Thurrock River Crossing

Response from Kent County Council March 2007

Dartford Crossing Toll Charges

The County Council considers that toll rates at the Crossing should be retained at present levels, on condition that a significant share of the net revenue (over £52m in 2004/5) is used to improve local transport in the local area in Kent Thameside and on improvements to the motorway and trunk road network leading to the Crossing - the M25 and, in Kent, the M20 and M2/A2 corridors. This could be used to fund schemes not already in the Highways Agency's Targeted Programme of Improvements and to bring forward schemes in the programme which are subject to slippage. In the longer term, the profits should also be used to finance the construction of an additional crossing of the Thames.

Any funding of local transport schemes in the future should be in the form of grant rather than 'supported' borrowing as currently the County Council cannot afford to spend its allocation of £1m from the tolls because it is a floor-funded authority.

The County Council does not support the proposed increases in toll charges as set out in the consultation document.

There is no strong view on giving local residents a discount as there is difficulty defining what the local area should be and who should qualify and who should not. If any discount is offered, it should be through a further reduction in the Dart-Tag rate to encourage more drivers to purchase them which would reduce congestion at the toll booths.

To further reduce congestion at the toll booths, the Government should fully investigate the use of electronic toll systems at the Crossing which can operate without vehicles having to slow down excessively. Such a proposal has been put forward to the DfT by the CPRE.

Lower Thames Crossing study

The decision by Government to consider a Lower Thames Crossing (LTC) is welcomed by the County Council and the study should consider the following issues:

Stakeholder Engagement

The study must be inclusive and involve significant input from and consultation with key stakeholders such as Kent and Essex County Councils as well as Medway Council.

Demand

Current future flow levels should be established at the Dartford Crossing both in terms of total vehicles and HGVs and current and future delays forecast due to the

congestion through the Crossing and toll booths. A range of time horizons should be identified – say 2015 (before possible start of road pricing), 2025 and 2035.
Capacity of the Dartford Crossing

All means of increasing the capacity of the existing crossing should be investigated, including use of enhanced electronic devices.

Scenario Testing

Scenarios including Do Nothing, Do Minimum (enhance capacity at existing crossing), Increased Infrastructure at Dartford and options for a Lower Thames Crossing should be considered.

Role of a Lower Thames Crossing

The County Council considers that the LTC should be a strategic link to relieve the Dartford Crossing, to provide an alternative route to the ports and Channel Tunnel via the A2/M2 as well as serving future development within the Thames Gateway and beyond. North of the river, the LTC should link form a new link to the M11.

Crossing for Road and Rail?

The study will have to look into whether a crossing for rail freight is viable. The amount of rail freight passing through the Channel Tunnel is pitifully small (some four trains per day in each direction and some1.5 million tonnes per annum) and new capacity crossing the Thames would help to make railfreight more competitive by avoiding congested lines through London. However, having a combined road/rail structure would be very expensive and the approaches would have to be designed differently (gradients on the railway have to be much less severe).

Location

The location of any crossing will have to take account of physical constraints and would therefore have to be located to the east of Gravesend

Benefits/Impacts

The overall transport, economic and regeneration benefits of a Crossing will have to be evaluated along with the beneficial and adverse impacts on communities and the wellbeing of settlements. Additionally the effects on nationally and internationally important natural environment to the east of Gravesend will need to be assessed.

Integration with the Wider Network

The ability to integrate a strategic crossing with the existing road and rail network in Kent and the impacts associated with any consequential links with these networks will also have to be taken into account. Additionally, the effects of the crossing on traffic flows on the wider road network have to be assessed between the Crossing and Dover and improvement schemes worked up to accommodate significant increases.

It is likely that the A2/M2 corridor would come under the greatest pressure and schemes to address problems such as the capacity of M2 Junction 5, dualling the section between Lydden and Dover and Brenley Corner interchange need to be considered.

The opportunities of adopting dual-routing of cross- Channel Traffic – Dover Eastern Docks via A2/M2 corridor and Channel Tunnel/Dover Western Docks via M20/A20 should be fully investigated. This would enable ferry-related traffic flows to and from Dover to be separated out to reduce the severe impact of lorry traffic (air quality, severance and congestion) on the length of A20 Town Wall Street and the centre of the town. This will be increasingly important if the Dover Harbour Board develop the Western Docks for ferry traffic.

Funding

Funding these improvements should come from the Dartford Crossing tolls and from the imposition of a charge on lorries crossing the Channel and passing through Kent. Last year over 3.6m lorries passed through the port of Dover and the Channel Tunnel and the forecast growth of this traffic will be around 5% per year.

The County Council has long advocated the use of a Brit Disc which would be levied on these vehicles and it is heartening that the problem has been recognised by Government who carrying out feasibility study into a time-based charge or vignette. This study is due to be completed in October and a charging regime should be introduced as soon as practicable to generate funding to support these road improvements, lorry parking and inspections of the roadworthiness of lorries.

If and when a Lower Thames Crossing is built, a significant proportion of subsequent net revenue should also be devoted to local transport schemes in the local area of Kent Thameside and on improvements to the motorway and trunk road network leading to the Crossing.

Annex 2

Consultation on the Proposed Changes to Charges at the Dartford – Thurrock River Crossing

Response from Kent County Council May 2008

Kent County Council has supported the retention of tolls at the Crossing at current levels so that urgently needed local and strategic schemes in the County can be funded in the future. In particular, it was hoped that funding to support public transport schemes in Kent Thameside would continue and be enhanced and, in the form of grant, more schemes could actually have been built. It therefore is extremely disappointing that the proposal is to withdraw funding for local schemes in Kent Thameside after having, at last, to be giving the County Council grant instead of borrowing approval.

There is an urgent need to bring forward strategic trunk road schemes in Kent leading to the Crossing such as the M25 (Junctions 5 to 7 – Chevening to Godstone) and M20 (Junctions 3 to 5 – Wrotham to Maidstone (Coldharbour). In the longer term, it will be necessary for an additional crossing of the Thames to be built downstream from Dartford. The net profits from the Dartford Crossing tolls currently generate some £50m per year and with the increased charges, this will rise significantly in the future. The County Council considers that the increased profits should be targeted at local and strategic schemes in the area of the Crossing and not go towards unspecified national transport projects.

As to the proposed local discount scheme, the choice of the local area for discounted charges is totally arbitrary, with only residents of Dartford Borough and Thurrock Unitary Council areas being eligible. This means that residents in Stanford-le-Hope (in Thurrock) qualify for the discount, but residents in Gravesend do not, despite the fact that the centre of Gravesend is some five kilometres nearer the Crossing.

If it is decided not to allow any benefit to the wider community in Kent from a crossing which was originally constructed as a joint Kent/Essex County Council project it is our view that the crossing should not be tolled given sufficient monies to pay for the future maintenance of the crossing have already been raised.

By: **The Managing Director of Environment & Regeneration**

To: **Cabinet 16th June 2008**

Subject: **The Sub-National Review and Kent's Response**

Classification: **Unrestricted**

Summary: **The report gives an outline of the Government's objectives and proposals for the Sub-National Review (SNR) and then discusses each substantial area of change and Kent's potential reaction**

1. Introduction

This report considers the main proposals of the Government's Consultation Document on the Sub-National Review and KCC's response. The consultation runs until 20th June. The Government proposes to introduce the changes through primary legislation in a Community Empowerment, Housing and Economic regeneration Bill in the next session of Parliament. Cabinet Members have previously considered the Government's evolving policy on this matter at their Away Day on 22nd November.

2. The Government's Objectives and SNR Summary

The SNR is designed to enable central and local government and other partners to work together to 'maximise prosperity in all parts of England and tackle deprivation and inequality'. It seeks to ensure that decisions are taken 'at the right level'. The reforms are intended to provide an environment that enables business to adapt to and create technologies and opportunities. It is also intended that the reforms will contribute to increased employment and wealth, reducing the disparities between the regions.

To that end Government propose that:

- R.D.A.s will take over responsibility for regional planning.
- They will develop a single integrated regional strategy working closely with local authorities and others to achieve 'co-ownership'.
- Through a regional Leaders' forum, local authorities collectively will have responsibility for signing off the draft strategy and for scrutinising delivery.
- The regional Leaders' forum should be streamlined, manageable and representative of all types of authority and sub-regions.
- If the R.D.A. cannot reach agreement with local authorities in the region, the strategy will be referred to the Secretaries of State for the Department for Business Enterprise and Regulatory Reform and the Department for Communities and Local Government.
- R.D.A.s will remain business-led, although they will need to change significantly to reflect new responsibilities.

- R.D.A.s will become increasingly strategic, delegating funding of programmes to local authorities and others 'where appropriate'.
- R.D.A.s will agree the balance of their funding across various policy areas with local authorities and other parties.
- Each region will set a target to raise 'the sustainable total rate of economic growth'.
- There will be a new economic duty on local authorities and possibly only upper tier authorities, to undertake economic assessments of their area.
- There is to be an emphasis on sub-regional working across local authority boundaries and via Multi Area Agreements (MAA's), to realise economic potential.
- The Government is consulting on whether sub-regional arrangements should go further and have a statutory basis.
- R.D.A.s will work with partners to develop and manage the change process.

The consultation states that there can be regional flexibility in how local government representation is formulated, rather than any flexibility over substantive responsibilities.

3. <u>The Main Provisions of the Review:</u>

A. <u>Governance, Scrutiny and Influence</u>

Under the proposals in Chapter 3 of the SNR:-

i. The R.D.A.s will obtain responsibility for regional planning, a function currently undertaken by Regional Assemblies. They will be required to balance economic, social and environmental issues through the planning system, whose principal function of achieving 'sustainable development' will not alter. R.D.A.s will remain business led. Appointments to R.D.A. Boards will in future reflect the new R.D.A. responsibilities.

<u>*Comment*</u>

Two principal concerns arise from these proposals:-

1) *The SNR document talks about "strengthening the connection between citizens and economic decisions". Yet the intent to hand regional planning to the R.D.A., is transferring power from a largely indirectly elected organisation, the Regional Assembly, with 70% local government representation , to a central government controlled quango, placed in charge of the preparation of the Regional Plan.*
2) *Moreover, it is difficult to see how an organisation that is business-led can balance satisfactorily, the economic, social, environmental and natural resource protection themes underpinning the concept of the Planning Acts and planning system. There is apparent a fundamental conflict between the legislative objectives of the Planning Acts and the R.D.A. composition.*

ii. The SNR proposes that R.D.A.s will become more strategic in the field of economic development, delegating 'where appropriate' single pot funding for economic development and regeneration. Local authorities in consequence are seen as playing an increasing role in delivery. The R.D.A. will retain the regional services best delivered at the regional level, e.g. inward investment and support for innovation.

The R.D.A. will need to be assured that: (i) local authorities or partnerships have the capacity to undertake delegated tasks, and (ii) have a sound rational and monitoring system in place for delegated programmes.

The question is asked in the consultation,'How should R.D.A.s satisfy themselves that sufficient capacity exists for programme management?'

<u>*Comment*</u>

If the intention of the SNR is to ensure greater delegation of responsibility for economic development to an appropriate level, the consultation question starts from the wrong basis. The presumption should be that agreed programmes should be delegated to the local delivery level. Local government and county government in particular, are highly experienced at delivering investment and re-skilling programmes through its capital works and education programmes. The SNR should work on that understanding.

The challenge for Kent and other upper tier authorities which already deliver 80% of local governance, is to ensure that the skills capacity and teams are recruited and in place from the outset of programme implementation. A 'contract of delivery' akin to an LAA, or a future enhancement of that arrangement is all that is required.

iii Local Government involvement at the regional level

The SNR proposes a range of initiatives to sign off and scrutinise the work of the R.D.A. and in particular the Regional Strategy:

- A local authority Leaders' Forum, of all local authorities in the region.
- A smaller scrutiny committee selected from the above.
- Ultimate responsibility and accountability to Parliament through the Secretary of State for B.E.R.R. (para 3.19)
- Potentially the introduction of regional committees in Parliament (para 3.21), although this measure is ultimately a matter for Parliament.

<u>*Comment*</u>

SECL have rightly commented that it is very unclear how this range of accountabilities or relationships, together with the presence of a Regional Minister, offers any sort of streamlining of organisation.

The overall direction of the scrutiny seems to be away from local accountability through the local democratic system, to stronger accountability to BERR and the Secretary of State. Parliament is already a congested place for legislation and scrutiny of central Departmental and ministerial performance. Once strategic directions have been established, it would greatly assist a democratic society, if other directly elected agencies were allowed to fulfil their role for more local regional programmes and delivery.

The Government believes it is for local government to determine the structure for the leaders' forum, recognising the large differences in the size of English regions. They do require them to be:

- streamlined, manageable and able to make strategic and long term decisions,
- representative of local government,
- with enough authority to sign off strategies on behalf of all local authorities.

<u>*Comment*</u>

SECL have, at recent Away Days, considered the structure of the Forum and the future shape of the R.D.A. Board.

SECL's desire is to have at least 50% local govenrment representation on the SEEDA Board, because its enhanced responsibilities are currently being considered by DCLG. SECL and SECCE are also in negotiation with SEEDA and the regional minister regarding the option for a SEEDA plus local government partnership board' to oversee the Integrated Regional Strategy. The current offer from Government is understood to be 50% of seats for local government, with representatives from 4 counties, 2 unitaries and 2 Districts.

The SNR consultation question on this matter simply asks whether you agree that local authorities should determine how they set up a local authorities' leaders' forum for the region. If not, what would you propose instead?

Of more importance for a successful SNR is the establishment of the principles, that

1) *Local Government through the forum and through substantial representation on the R.D.A. Board should be involved in the preparation of the Integrated Regional Strategy and other policy from inception to finish. Accountable local government should not be confined to 'sign-off' policy for which, otherwise, it had no ownership.*
2) *Secondly, local authority involvement should recognise the part conferred on principal planning authorities by Section 4(4) of the Planning Act, as main advisers and authors of sub-regional planning policy.*

3) *That Governance arrangements for local government involvement should recognise the relative capabilities of upper and lower tier authorities to have the capacity, expertise and flexibility to deliver economic development programmes.*

The SNR consultation places the duty for providing for consultation with stakeholders, both local government and other, upon the R.D.A. They are similarly vested with the role of considering transitional arrangements.

Comment

Local government in the South East of England has in response to the SNR organised L.G.A. members into a South-East Branch of the Association. It is believed that this organisation will play a significant role in helping the R.D.A. to formulate its ideas for transition and for the involvement of other stakeholders in Regional Planning and Governance.

Regional Funding Allocations

The SNR Consultation reports that the process for regions to advise on regional budgets for transport, housing and economic development was well received. It announces that the Government will commit to a second round of Regional Funding Allocations later in the Summer and that it will include additional funding streams for transport, the European Regional Development Fund, and housing and regeneration delivery grants for the growth areas and other programmes to be managed by the Homes and Communities Agency.

Government guidance in the Summer will set out the amounts allocated for the period 2008-2011 and regions will be asked to advise on strategic priorities within those programmes.

(B) An Integrated Regional Spatial and Economic Strategy

The Government propose that the Integrated Regional Strategy will set out a high level vision for the next 15 to 20 years and will ensure a closer alignment between economic and spatial planning to support "sustainable economic growth". They also expect other regional strategies on housing, transport and culture to be integrated into the new document.

The strategy will steer the activities of not only the R.D.A. but local authorities and others. It should set out which places and sectors should be priorities for investment. It should also influence the policies, plans and decisions of central government and its agencies. The Plan will be the upper tier of the Development Plan for the area and will also set a growth objective above past trends.

Despite this range of purposes, the strategy is intended to be succinct, covering the range of subjects listed Appendix 1.

<u>Comment</u>

The need to have a single regional strategy rather than one for planning purposes and another for economic development, with supplementary policies on other subjects, has long been recognised and the concept is welcome.

There remains an inherent conflict between the stated purpose of the strategy for 'sustainable <u>economic</u> growth' with the purposes of planning, which is to balance economic, environmental, social and natural resource interests. It is evident that the two principal departments of government, BERR and CLG, are using the term 'sustainable' in different ways, and the gap is visible.

The required contents of the Regional Strategy listed at para 4.13 (at Appendix 1) omit the important function of a regional plan to enhance and protect the natural environment.

The strategy is intended to meet key principles of working:

1) effective engagement with shareholders and the public
2) a robust evidence base
3) effective sustainability appraisal including scoping of issues and appraisal of options
4) independent testing in public (via an E.I.P.)
5) sign off by the R.D.A. and the regional leaders' forum

The process (para 4.20) is intended to be clear, open and transparent.

<u>Comment</u>

These proposals include the statement that all local authorities must be involved in the full life cycle of the strategy. This concept of involvement collectively from start to finish is important to democratic accountability at the regional level.

The requirements for the strategy in its evidence base, explanation of options, selection and testing are onerous. The suggestion that this could be done for a full plan <u>within</u> 24 months is not credible. A 3 to 4 year cycle is more likely and of itself would be a significant improvement on present Regional Planning practice where 5 years is the norm. In the South East, the Government will itself have taken 11 months simply to come forward with post inquiry changes to the South East Plan.

The diagram of the proposed timetable is unrealistic in almost all its proposed stages.

The County Council for its part, agrees that 'a Delivery Plan' outlining how various agencies will invest and help deliver the Regional Plan is an important part of Regional Planning and should be part of the final document, with 2-3 rolling programmes of implementation.

(C) Strengthening Sub-Regional Economies – the Role of the Local Authorities

The Government foresees the promotion of economic development and regeneration relying more heavily on local authorities than in the past, with stronger collaboration between the R.D.A. and local authorities The R.D.A.s will lead on development of the regional strategy, informed by the local authorities contribution to the evidence base. Local authorities will work with partners to deliver parts of the strategy at sub-regional and local levels.

The requirement, therefore, is for the local authorities to build capacity both in the analysis of needs and in plan promotion. The Government foresees such enhanced capability as:

- aiding understanding of the conditions in which businesses flourish,
- permitting better prioritisation,
- leading to a greater delegation from R.D.A.s,
- improving engagement with the private sector,
- aiding local authorities advice into the regional strategy.

To assist improvement in local authority capability for economic development, the Government intend to place a duty on authorities to assess economic conditions in their area. In July of last year the intent was that duty should be with upper tier authorities. That is still thought to be the case.

3 options are postulated:

Option 1:
Primary legislation placing a duty on 'lead authorities' to assess the economic condition of their local areas. Lead authorities to have a duty to consult certain other partners and to require information from them. In this instance local authorities in two tier areas would be the County Councils. Guidance on how to undertake an assessment would come from central Government.

Option 2:
As for 1 but with lead authorities having no requirement to take on board central government guidance. That would take the form solely of advice.

Option 3:
No additional economic assessment power introduced. There would be reliance on existing powers and duties, e.g. under the wellbeing and planning duties.

Comment

A formal and legislative power to assess the economic conditions of a sub-

region is both helpful and adds clarity to local authority responsibility. Of the two remaining options, it seems to KCC that central government guidance, needs to be no more than advisory (Option 2). This allows more flexibility for the assessment to take into account local conditions and priorities, but enables advice on the length, detail and checklist of factors for assessment.

Paragraph 5.19 of the SNR consultation specifies that in two tier authorities, upper tier authorities will undertake the assessments on their own or jointly with other upper tier authorities. The duty will be with upper tier authorities but Districts will be fully involved and agencies of central Government including the Homes and Communities Agency and R.D.A.s will need to be consulted.

The Consultation asks how should other partners be involved.

Comment

Kent and Medway have clear geographical boundaries defined to the north and east by the River Thames and the sea. London has its own form of governance and transport and economic connections with Sussex are relatively weak. Kent's relationship with Essex and Surrey need to be explored carefully, but a prior judgement is that Kent and Medway provide a sound and tried geographic, transport and economic basis on which to undertake the formal sub-regional assessment.

This being so relationships arising from the duty within the KCC area can best be handled through Kent's new Kent Regeneration Board – on which all the principal agencies in Kent will be represented. The new partnership will have the presence of representatives from SEEDA, District Councils, Delivery Boards for Kent Thames Gateway and Ashford, and other key stakeholders.

Kent and Medway Councils therefore propose their model as to the mechanism not only to involve partners in the assessment of economic conditions, but also as a means to consider economic and regeneration policy, and to prioritise jointly programmes and action to improve economic performance.

The capacity of local authorities to coordinate and undertake economic assessment is considered by the SNR. An important feature is that lead authorities' capacity and performance to undertake assessments (and to take action on the back of them) will in future be part of the evidence for the new Comprehensive Area Assessment. Moreover, the Government (at para 5.25) expects the new duty will incur additional costs, and undertakes to fund reasonable costs that so arise. (para 5.26)

The SNR highlights the possibility of local authorities joint working on economic development through:

1) Multi Area Agreements and

2) In Metropolitan areas, acquisition of PTA powers to coordinate, plan and subsidise public transport.

Comment

Within Kent and Medway, the need for joint working between KCC and the Unitary Council is well understood. The Councils intend that the work of the Kent Regeneration Board and the equivalent in Medway are strongly aligned.

Essex are pursuing an MAA agreement with the Unitaries of South Essex, namely Thurrock and Southend. Currently no formal MAA with Essex is intended, but joint work on the Thames Gateway Initiative and on specific transport projects will continue.

The SNR (at para 5.38) stated that the Government will not wish to unduly constrain the scope of sub-regional partnerships and is prepared to consider a wide range of functions. The Government intends to legislate to allow development of formal legal status for collaboration arrangements in support of economic development.

Comment

It is apparent that much of the thinking to enable more collaborative work arises from the difficulties that may arise where there are small unitary authorities, or county boundaries cutting across economic sub-regions.

This situation does not arise in Kent where KCC and Medway are the transport and education authorities. However, the functions, powers and income and fund holding capabilities of the new Kent Regeneration Board need to be carefully considered.

Cabinet Members may wish to see the functions of the Board evolve from joint-working to more executive authority over time.

The SNR report touches upon joint transport, economic and education powers The consultation seems to have a blind spot on the need for such joint functions to be complemented by a stronger sub-regional framework for statutory planning on the same sub-regional basis.

4. Recommendation

It is recommended that Cabinet:

1) Approve the comments and response to the Sub National Review Consultation
2) Agree that these views be sent to Government with the final wording of such correspondence to be agreed by the Member with portfolio for Regeneration and Supporting Independence.

Leigh Herington
05.06.08

APPENDIX 1

SUBJECT CONTENT OF REGIONAL STRATEGY

4.13 Each region will need to determine its priorities to achieve sustainable economic growth and development over the period of the plan. In terms of policies and spatial priorities we propose that every regional strategy should cover:

- an overview of the key regional challenges over the plan period;
- how economic growth can best be delivered having regard to employment and the key drivers of productivity as well as regeneration.
- a distribution of housing supply figures and opportunities of unavoidable climate change, achieving development in a way which is consistent with national targets for cutting carbon emissions;
- those areas within the region identified as priorities for regeneration investment and intervention; and
- strategic requirements and provision for transport, waste, water, minerals, energy and environmental infrastructure, insofar as these are not already specified in national policy.

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By: Head of Democratic Services and Local Leadership

To: Cabinet – 16 June 2008

Subject: Decisions from Cabinet Scrutiny Committee – 21 May 2008

Classification: Unrestricted

Summary: This report sets out the decisions from the Cabinet Scrutiny Committee and invites a response from Cabinet.

Introduction

1. The Leader has agreed the decisions from Cabinet Scrutiny Committee will be reported to the following meeting of the Cabinet for a response. The responses will be reported back to the Cabinet Scrutiny Committee.

2. The decisions from the meeting of the Cabinet Scrutiny Committee on 21 May 2008 are set out in the Appendix to this paper.

Recommendation

4. That Cabinet agree responses to these decisions, which will be reported back to the Cabinet Scrutiny Committee.

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Background Information: *Nil*

APPENDIX

Cabinet Scrutiny Committee – 21 May 2008

Title	Purpose of Consideration	Invitees	Decisions
Wingfield Bank, Northfleet – declaration of land surplus to highways requirements	To question the Cabinet Member for Environment, Highways and Waste, the Director and Kent Highways Services, the Regeneration and Project Manager and the Director of Property in relation to the way in which this transaction has been handled	**Mr K A Ferrin, MBE,** Cabinet Member for Environment, Highways and Waste**; Mr G Mee,** the Director of Kent Highways Services**; Mr J Farmer,** Regeneration and Project Manager**; Mr M Austerberry,** Director of Property**; and Mr C Meredith,** Northfleet Action Group	1. That the Cabinet Scrutiny Committee supports the decision of the Cabinet Member for Environment, Highways and Waste, that the land at Wingfield Bank, Northfleet, should be declared surplus to highways requirements 2. The Chairman of the Cabinet Scrutiny Committee will write to the Cabinet Member for Finance, Mr N J C Chard, enclosing a copy of the petition presented to him by Mr Colin Meredith of the Northfleet Action Group, and asking Mr Chard to advise the petitioners what the process will be now in terms of the disposal of this land, including the proposed consultation process

Title	Purpose of Consideration	Invitees	Decisions
Kent Concessionary Travel Scheme for the over 60's and people with disabilities	To explore the reasons for the Cabinet's decision in this matter and, in particular, certain alleged inaccuracies in the report and whether the decision was made with the benefit of prior consultation with District and Borough Councils	**Mr K A Ferrin, MBE,** Cabinet Member for Environment, Highways and Waste and **Mr James Cook**, Public Transport Team Leader	1. That the Cabinet's initiative to allow pass holders to travel free between 9.00am and 9.30am be welcomed 2. That the Committee expresses regret that the decision was made without the benefit of prior consultation with District and Borough Councils 3. That the Committee would support active consultation commencing as soon as possible with District and Borough Council Leaders with regard to the proposed implementation of the Cabinet's decision. 4. That the Committee agrees to reconsider the matter when any significant changes are proposed to the national scheme.
Joint Working Arrangements with Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council	To question the Leader of the Council and the Director of Law and Governance about how these proposals related to the County Council's proposals for enhanced two-tier working and how the arrangements will work in practice, in relation to other decision-making and deliberative structures,	**Mr P B Carter,** Leader of the Council **and Mr W Wild,** Director of Law and Governance.	1. That the Committee notes the current position and asks the Leader to keep this Committee updated with regard to the development of the Joint Working arrangements in the four East Kent District Councils.

	e.g. local boards and/or neighbourhood forums, the LSP, JTB's etc.		