

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 9 July 2012.

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

IN ATTENDANCE: Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr A Wood (Corporate Director of Finance and Procurement), Mr P Leeson (Corporate Director Education, Learning and Skills Directorate), Ms A Honey (Corporate Director, Customer and Communities), Mr A Ireland (Corporate Director, Families and Social Care), Ms M Peachey (Kent Director Of Public Health), Mr G Wild (Director of Governance and Law) and Mr G Mills (Democratic Services)

UNRESTRICTED ITEMS

42. Minutes of the Meeting held on 11 June 2012 *(Item 3)*

The minutes of the meeting held on 14 May 2012 were agreed and signed by the Chairman as a true record.

43. Revenue & Capital Budget Outturn 2011 - 12, Roll Forward and Key Activity

(Item 4– Report by Mr J Simmonds, Cabinet Member for Finance and Business Support and Mr A Wood the Corporate Director of Finance and Procurement)

(1) This report set out the provisional revenue and capital budget outturn for 2011-12 and detailed :

- where revenue projects had been rescheduled and/or were committed
- where there was under or overspending.

(2) The provisional outturn on the revenue budget showed an under spend of £8.242m (excluding schools). This under spend was £4.213m lower than the projected under spend reported in May but is after £8m had been transferred to reserves for highways maintenance (£6m) and investment in technology and communications (£2m) to deliver further savings. The proposals for the use of the £8.242m of the Revenue budget were detailed in Appendix 2 of the Cabinet report.

(3) Mr Carter said that the budget for last year had been a difficult one and he placed on record his thanks to all who had supported its delivery. Mr Carter also spoke in particular about the investment undertaken by the County Council to improve the condition of Kent's roads. Mr Wood said the accounts and the budget

outturn would be reported to the next meeting of the Governance and Audit Committee.

(4) Cabinet resolved to;

(i) note the provisional outturn position for 2011-12

(ii) Agree that £2.526m of the 2011-12 revenue under spending be rolled forward to fund existing commitments, as detailed in section 2 of Appendix 2 of the Cabinet report.

(iii) Agree that £0.4m of the 2011-12 roll forward be used for a central communications and engagement budget within the Customer & Communities directorate, as detailed in section 4 of Appendix 2 of the Cabinet report.

(iv) Agree that the £5.316m remainder of the 2011-12 revenue under spending be set aside in the Economic Downturn reserve.

(v) Note that £9.774m of capital re-phasing from 2011-12 would be added into 2012-13 and later years, as detailed in Appendix 3 and the 2012-13 Capital Programme would also be adjusted to reflect other 2011-12 variances as reported in the outturn.

(vi) Note the final monitoring of the key activity indicators for 2011-12 as detailed in Appendix 4 of the Cabinet report.

(vii) Note the final financial health indicators for 2011-12 as detailed in Appendix 5 of the Cabinet report.

(viii) Note the final monitoring of the prudential indicators for 2011-12 as detailed in Appendix 6 of the Cabinet report.

(ix) Note the impact of the 2011-12 provisional revenue budget outturn on reserves as detailed in section 3.6.

(x) Note that the schools' revenue and capital reserves had reduced by some £1.381m. The details being set out in the Cabinet report.

44. Revenue & Capital Budget Monitoring Exception Report 2012 - 13

(Item 5– Report by Mr J Simmonds, Cabinet Member for Finance and Business Support and Mr A Wood the Corporate Director of Finance and Procurement)

(1) This was the first exception report for 2012-13 and reflected the position for each of the portfolios. The initial forecast for the year reflected an overall under spending position for the authority which was very promising position at this stage of the year, especially considering a £100m savings requirement. The net £2.732m under spending shown in the report reflected pressures within Specialist Children's Services. These are well known and reflected a continuation of the issues experienced in 2011-12, but these were more than offset by under spending on Adult Social Care, waste and treasury costs.

(2) Cabinet resolved:

(i) to note the initial forecast revenue and capital budget monitoring position for 2012-13.

(ii) note the changes to the capital programme.

(iii) agreed that £0.114m of saving on the Transforming Short Breaks for Disabled Children be used to ease the pressures on the MASH projects.

45. Approval of the Annual Governance Statement (To follow)

(Item 6– report by Mr Alex King, Deputy Leader and Mr G Wild, Director of Governance and Law) (The Chairman declared consideration of this item to be urgent on the grounds that the report contained information that needed to be presented to members at this meeting prior to being submitted to the next meeting of the Governance and Audit Committee)

(1) The Annual Governance Statement (AGS) explains how the Council has complied with its Code of Corporate Governance and identifies any gaps in control or significant weaknesses that have arisen in year. The completed statement was included within the Council's Annual Accounts that are subject to external audit. The statement is required by regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

(2) Resolved that endorsement be given to the overall wording of the Annual Governance Statement, including the description of the Governance Framework and the specific weaknesses disclosed. The report would now be submitted to the next meeting of the Governance and Audit Committee.

46. Children's Services Improvement Plan - Progress Update

(Item 7– report by Mrs Jenny Whittle, Cabinet Member for Specialist Children's Services and Mr Andrew Ireland Corporate Director for Families and Social Care)

(1) This was the fourth report to Cabinet on progress made in implementing the Children's Services Improvement Plan, and improving practice and performance in services provided to children and care leavers in Kent. The last report was in December 2011 and this report outlined progress since then.

(2) Mrs Whittle supported this report with a presentation and spoke of the key areas and actions which were being taken on a number of fronts and said the Council had continued to make significant progress and sustain levels of good performance. The County Council was now attaining the majority of the targets set out in Kent's Improvement Notice and those areas which were proving challenging were being robustly addressed, with clear action plans in place to improve performance. With a clear sense of direction and continued close scrutiny and management oversight, the clear aim of all those involved was to continue to make significant improvements over the next year.

(3) Mr Carter said it was pleasing to note the continuing good levels of progress which were being made and in particular it was very pleasing to note that staff were actively embracing the changes and challenges that the Improvement Programme presented. He also welcomed the fact that the multi-agency work was going so well.

(4) Cabinet resolved to note the report.

47. The Integrated Youth Service: Youth Justice Plan 2012/13

(Item 8 – report by Mr Mike Hill, Cabinet Member for Customer and Communities and Mrs Amanda Honey, Corporate Director for Customer and Communities) (Mr Nigel Baker was present for this item)

(1) The Youth Justice Plan sets out how the Integrated Youth Service (IYS) will work during 2012/13 towards the principal aim for the youth justice system, “the prevention of offending by children and young people”. The Plan is a statutory requirement (Section 40, Crime & Disorder Act 1998) for local authorities and is submitted to the Youth Justice Board for England & Wales for their approval. The Plan will also be submitted to the full County Council in the Autumn following its consideration by the Corporate Board and the Cabinet Committee for the Customer and Communities Directorate.

(2) The key themes in the Plan include:

- (i) the partnership arrangements within the county which are responsible for the management of youth justice services
- (ii) the targets for the performance of the Service
- (iii) planned new developments and the activity forecasts for the core youth justice services
- (iv) the resources the Service has available to deliver the objectives of the Plan.

(3) Mrs Honey said the Plan supported the ongoing work in Children services and had amongst its key objectives early intervention measures aimed at reducing the number of young people entering the Youth Justice System. Mr Baker spoke of the links the Plan had with the Troubled Families programme and to supporting young people engaging in education and employment.

(4) Cabinet resolved to endorse the Youth Justice Plan 2012/13 for the integrated Youth Service prior to its submission to the County Council for approval as the statutory Annual Youth Justice Plan.

48. Community Safety Framework 2012-2015

(Item 9 – report by Mr Mike Hill, Cabinet Member for Customer and Communities and Mrs Amanda Honey, Corporate Director for Customer and Communities) (Mr Stuart Beaumont the Head of Community Safety and Emergency Planning was present for this item)

(1) This framework document covered the period 2012 to 2015 and is intended to provide a clear roadmap of how the numerous and complex services within KCC contributed towards the Community Safety landscape in Kent through prevention, protection and intervention. It was intended to be a handbook for County Councillors

and senior and operational managers to help raise awareness of community safety issues within County Council service areas and clarified:

- An overview of who does what in community safety;
- How all the different agencies work together
- What has been achieved so far; and
- What the policies and plans and key issues are for the future.

(2) Cabinet resolved to endorse the draft Kent County Council Framework for Community Safety 2012 – 2015 which would now be submitted to the County Council for final approval.

49. Children's Services Improvement Panel - Minutes of 7 June 2012
(Item 10)

Cabinet resolved to note and endorse the minutes of the Children's Services Improvement Panel held on 7 June 2012.

Exempt Items

Cabinet resolved that under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contained information that could lead to the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

50. Kent Academies, Batch 2 Procurement - Wilmington Academy
(Item 12—report by Mr Mike Whiting, Cabinet Member for Education, Learning and Skills, Mr Roger Gough Cabinet Member for Business Strategy and Support and Mr Patrick Leeson, Corporate Director for Education, Learning and Skills) Mrs Rebecca Spore, the Director of Property and Infrastructure was present for this item)

See Record of Decision on page 6

51. Excellent Homes for All - Kent Housing Private Finance Initiative (PFI)
(Item 13 – report by Graham Gibbens: Cabinet Member for Adult Social Care and Public Health and Andrew Ireland: Corporate Director, Families and Social Care) (Mr David Weiss, Ms Sara Naylor and Ms Andrea Melvin were present for this item)

See record of Decision on page 8.

Record of Decisions

52. Kent Academies, Batch 2 Procurement - Wilmington Academy-Record of Decision

DECISION TAKEN BY

Cabinet – 9 July 2012

DECISION NO.

12/01900

This is an unrestricted Record of Decision of a matter which was considered at the Cabinet meeting as exempt under Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.

Subject: Kent Academies, Batch 2 Procurement – Wilmington Academy

1.1 The report requested Cabinet's approval to progress the Wilmington Academy project by entering into the Design and Build Contract with the Preferred Bidder for Batch 2.

1.2 Wilmington Academy is the second scheme within KCC's Batch 2 Academies Programme which comprises the following Academies:

The Skinners' Kent Academy, Tunbridge Wells, (Sample Scheme)

Wilmington Academy

Knole Academy, Sevenoaks

St Augustine Academy, Maidstone

The John Wallis Academy, Ashford

Dover Christchurch Academy

1.3 The Batch 2 Programme was procured, by KCC, using Pfs' National Framework. Following the 'Preliminary Invitation To Tender' (PITT) round of the competition, two finalists were invited to participate in the final 'Invitation To Tender' (ITT) round by designing the Sample Scheme up to RIBA Stage C. In October 2010, Wilmott Dixon Construction (WDC) was selected as the Preferred Bidder for Batch 2.

1.4 Appointing WDC as Preferred Bidder has enabled KCC to invite the Company to develop the designs for each of the remaining Batch 2 schemes, without the need to host another competitive procurement. To govern this process, a 'Future Schools Agreement' had been entered into by KCC and WDC. Under the terms of the 'Future Schools Agreement' these schemes are termed 'Future School Schemes', (also referred to 'follow-on schemes' or 'non-sample schemes'). The Future Schools Agreement sets out the process for issuing WDC with a 'Future Schools Notice', which invites them to participate in the scheme.

1.5. The proposed scope of the project is 7,300m² of new build accommodation and the retention of a significant amount of the existing buildings. The new build elements are approx 5,400m² which includes general teaching, specialist teaching, catering facilities, library facilities, and administrative accommodation; and a Sports Centre Complex of approx 1,900m² which includes a lecture theatre facility. The lead the Wilmington Academy is the is the fourth Academy to be sponsored by the

Leigh Academy Trust and the Sponsor brings a proven educational vision to the project, which is based on the 'schools within schools model'. This ensures that each child belongs to a 'college' with its own identity, Senior Leadership Team, and accommodation; whilst also benefitting from the wider specialist facilities and economies of scale that the Academy has to offer.

1.6. As a result of the Secretary of State's July 2010 announcements, the Wilmington Academy budget was reduced to £13,959,638 (at 1st Quarter 2011 prices). As the Feasibility Study had not yet commenced when the reduced budget was announced, no affordability gap was evident. The Preferred Bidder's interim design proposals, the Future School Scheme Proposal (FSSP) did not demonstrate an affordability gap. An affordability pressure does exist, however, in that the requirement of temporary accommodation, in order to shorten the construction programme, has not been costed by the Preferred Bidder. Discussions are ongoing between the Trust and KCC over how this shortfall can be met.

2.1 Cabinet agreed to :

(i) the Final Business Case for the Wilmington Academy being submitted to EFA and Department of Education for final departmental approval by EFA, DFE and the Treasury;

(ii) the Director of Property and Infrastructure be authorised on behalf of the County Council to agree final contractual terms, provided that no affordability gap occurs.

(iii) the Director of Property and Infrastructure Support in consultation with the Director of Law and Governance be authorised to enter into any necessary contracts/ agreements on behalf of the County Council, following approval to final contractual terms as set out in paragraph of the exempt report in relation to Wilmington Academy and the Future Schools Agreement: and.

(iv) The Director of Property and Infrastructure Support be authorised as the nominated Authority Representative within the relevant agreements and to enter into variations as envisaged under the contracts.

Any interests declared when the Decision was taken:

None

Reason(s) for decision, including alternatives considered and any additional information

The reasons for this decision are as set out in this Record of Decision

Background Documents: none

53. Excellent Homes for All - Kent Housing Private Finance Initiative - Record of Decision

DECISION TAKEN BY

Cabinet – 9 July 2012

DECISION NO.

12/01904

This is an unrestricted Record of Decision of a matter which was considered at the Cabinet meeting as exempt under Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.

Subject: Excellent Homes for All – Kent Housing Private Finance Initiative.

1.1 In September 2008 Cabinet approved the Outline Business case for the Excellent Homes for all housing PFI project and the progression of its procurement. This report updated Cabinet on the project which was being procured in partnership with five Kent District Council's and would result in the provision of at least 220 new homes for vulnerable people in Kent.

1.2 The project would be reviewed will be reviewed again by the Homes and Communities Agency, the Department of Communities and Local Government and the Treasury before the Council appointed a preferred bidder and before any PFI agreement was entered into. The review was designed to ensure that the project remained affordable and value for money, and to ensure appropriate risk share between the public and private sectors in the Project Agreement.

1.3 This matter was reported to the Health and Social Care Cabinet Committee on 10 May 2012 and a joint briefing was organised for local ward members. An Equalities Impact Assessment screening has been completed and the documentation and specification has been reviewed in line with this. The Social Care & Public Health Cabinet Committee discussed a number of questions regarding the nomination rights under the contract, the rent setting regime for the housing, and environmental sustainability. Comments were made regarding the PFI process and the value for money of PFI deals. It was explained that progress has been made on PFI contracts since the early deals were signed and that individual projects need to be judged on their own merits. It was resolved that the decision should be taken by the Cabinet, to agree the delegated authorities set out in the report, the use of the designated sites and to approve the required Authority annual contribution, be endorsed.

1.4 Cabinet resolved

(i) to grant delegated authority to the Corporate Director for Families and Social Care (or other nominated officer), in consultation with the Cabinet Member for Adult Social Care and Public Health, to sign on behalf of the County Council all necessary contract documentation, including the Project Agreement which would enable the project to become operational.

(ii) grant delegate authority to the Corporate Director for Families and Social Care (or other nominated officer), in consultation with the Cabinet Member for Adult Social Care and Public Health, to sign on behalf of the County Council the Back to Back Agreement to share the risks and benefits of the project with the County Council's District Council partners.

(iii) to approve the use of the designated sites for the project, and;

(iv) to give approval for the required contribution from Kent County Council of £175,000 per annum for the duration of the contract period.

Reason(s) for decision, including alternatives considered and any additional information

The reasons for this decision are as set out in this Record of Decision

Background Documents: none