

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 23 January 2013.

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

ALSO PRESENT: Mr D Shipton (Head of Financial Strategy BSS), Ms Liz Harrison (Economic Development Manager, BSS), Phil Lamacraft (Senior Commercial manager, BSS)

IN ATTENDANCE: Mr D Cockburn (Corporate Director of Business Strategy and Support), Mr M Austerberry (Corporate Director, Environment and Enterprise), Mrs A Beer (Corporate Director of Human Resources), Mr M Burrows, (Director of Consultation and Communications), 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 Mrs L Whitaker (Democratic Services)

UNRESTRICTED ITEMS

Apologies

Apologies were received from Mr Paul Carter, Leader of the County Council

27. Minutes of the Meeting held on 3 December 2012

(Item 3)

The minutes of the meeting held on 3 December 2012 were agreed and signed by the Chairman as a true record.

28. Any items which the Chairman decides are relevant or urgent

(Item 4)

None

29. Provisional Local Government Finance Settlement 2013/14 & KCC Draft Budget 2013/14

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

Cabinet considered a report detailing the Local Government Finance settlement 2013/14 (for information) and the KCC Draft Budget 2013/14 (for endorsement and comment to County Council).

Mr Simmonds introduced the report to Cabinet; he spoke initially about the Local Government Finance Settlement. He reported that the settlement was one of the most complex to date and thanked officers for their hard work in realising the budget. The complexity of the settlement had been further compounded by the late release of information; the settlement was announced on Thursday 20th December 2012. Therefore, the analysis of the information, calculation of the effects and modification to the draft budget had been completed in a very short time.

He continued to describe the draft budget for consideration by Cabinet; in particular he referred to the following:

- That it included the detailed Local Government Settlement and the possible implications for KCC and the budget forecast for the 2013/14. In addition the report contained information regarding the Capital Programme, Treasury Strategy, possible tax base and a recommendation to Personnel Committee regarding a staff pay offer.
- He reported, and apologised for, the necessity of some very late changes to the draft budget that had been necessary since the agenda for the meeting was published.
- He referred to the extensive consultation that had been undertaken to gather views of residents on the draft budget. He regretted that more people had not taken the opportunity to be involved, but did not feel that this was a result of any fault in the exercise by KCC. However the responses that were received, particularly from the two MORI workshops, had helped to shape the budget and to identify changes.
- He reminded cabinet that, three years ago the administration had agreed that savings of £340 million would have to be made over the next four years. This and other economic factors would affect residents of Kent, and it was agreed that as far as was possible Council Tax would be frozen in order to alleviate some of those pressures. In order to achieve this freeze, Kent must show a balanced budget.
- Although the process has been difficult the current administration had now produced 12 consecutive years of balanced budgets. This achievement had been further pronounced in the last two years when significant savings had been expected and KCC had not only met those requirements but had delivered an underspend. He thanked not only the Finance Directorate but each individual Directorate for carefully monitoring spending and adapting practices over the years.
- That KCC recognised the dangers inherent on relying on one-off payments such as the Council Tax Freeze Grant and other similar payments from Government and he assured Cabinet Members that where payments were accepted and spent contingencies were in place to maintain services should grants be revoked. As an example of this practice he reported to members that last year 50% of the Council Tax Freeze monies had been held over to this year to mitigate any ill effects should the grant be stopped.
- He argued that although the Rt Hon Mr Pickles claimed that the cut to local government spending was 1.9%, that the effect of the cut in real terms for KCC would be a further £40 million cut in government funding and that this equated to a 9.5% reduction and equated to a 4% reduction in the Council's total spend.
- Two major changes were apparent within the settlement that had not been forecast. Changes to the calculation of the Early Intervention Grant and the Local Authority Central Spend Equivalent Grant created a further £13.5million

spending gap which at the last minute the draft budget had to be accommodated to find meet. These changes were not part of the consultation but the budget had been adapted in such a way that front line services had not been impacted and therefore the results of the consultation were still reflected and no further consultation was deemed to be necessary.

The Cabinet Member continued, and reported on the Treasury Management Strategy

- He reported that the Council had managed cash flow in such a way that no further borrowing had been required. The disparity between the return on money in the bank and the interest on savings was high and therefore it had been considered sensible to use reserves to satisfy need and moreover, to cover maturing borrow to the value of £75million.

He further described the budget recommendations:

- 2 full quarter figures for 2012/13 had allowed a greater level of assurance in the underspend predicted and carried forward in the 2013/14 predictions. However, Mr Simmonds urged caution and reminded members that changes in levels of need and other external factors could impact on the level of underspend realised.
- He was concerned that the administration had been criticised by political opponents for spending reserves. He argued that the decision was the right one for reasons previously described and, particularly in light of government advice regarding sensible levels of reserves, was justified. The Council's reserves were largely allocated to specific contingency plans, but without these the general reserve was approximately £32 million, which would equate to approximately 2-3 weeks turnover. This was in line with Government recommendations for unallocated reserves at an authority of the size of KCC. He was happy that the spend to date had been necessary and proportionate but that the reserves were now at an appropriate level and would not be utilised further unless absolutely necessary.

Mr Simmonds referred to the recommendations that would be put to the County Council meeting and recommended that Cabinet endorse them for adoption by the Council. Comments were also welcomed.

The recommendations to County Council were proposed as:

1. Cabinet is asked to endorse the following, for consideration and approval by County Council on 14th February 2013:

(a) The Revenue Budget proposals for 2013/14 including the proposed changes since the consultation, included in the published draft Budget, and the resulting change to the overall budget requirement.

(b) A requirement from Council Tax of £509.579m to be raised through precept on District Councils.

(c) A Council tax freeze at 2012/13 levels. Levels for each property band as set out below.

Council Tax Band	A	B	C	D	E	F	G	H
	£698. 52	£814. 94	£831. 36	£1,047. 78	£1,280. 62	£1,513. 46	£1,746. 30	£2,095. 56

(d) The Capital investment proposals for 2013/14, together with the necessary borrowing, revenue, grants, capital receipts, renewals, external funding and other earmarked sums to finance the programme. Note that delivery of the programme will be subject to the approval to spend on individual schemes and the level of Government support available in future years

(e) The Prudential Indicators as set out in Appendix B of the draft MTFP 2013/15

2. Cabinet is asked to agree the Treasury Management Strategy as set out in section 4 of the draft MTFP 2013/15

Mr Simmonds continued. He reported on the situation with Council Tax and explained that the responsibility for Council Tax Benefit Grant had been transferred from Central to Local Government and simultaneously reduced by 10%. In addition restrictions on how the council could mitigate this reduction were placed on the grant. The unfortunate consequence would be that some households on a lower income would now be expected to pay Council Tax where they had not previously. Pre-emptive work had been undertaken with districts in order that they were prepared to manage the potential consequences of this change and additionally financial support had been offered to alleviate any negative impact, whilst also aiding the effective and efficient recovery of the tax which formed a crucial element of the County budget.

Mr Alex King reminded Members of the Cabinet that in 1997 when the Conservative took charge of the Council reserves were at a very low level and had since been replenished.

Mr Wood, Corporate Director of Finance and Procurement and Mr Shipton, Head of Financial Strategy were invited to speak further on the technical detail behind some of the content. The officers referred to the following information to which Cabinet should have particular regard:

- Changes would be necessary between the draft under consideration and the version that would be presented for agreement by the County Council in February – and detailed the ones that were identified currently:
 - Ordinary residence: Government guidance on how to establish a person's ordinary residence had been received and created possible future financial risk for the Council. Assumptions had needed to be made about the number of individuals who would present to KCC for support for future care. After careful consideration and work by Mr Ireland, Corporate Director for Families and Social care and Mr Graham Gibbens, Cabinet Member for Adult Social Care and Public Health it was agreed that the budget be further strengthened against this risk by allocating an additional £750,000 to this area.
 - Social Care Prices:

A number of contracts were ready for renewal and while it was expected that savings would be realised through the newly introduced procurement process, after further consideration the initial predictions related to contract costs were considered to have been overly optimistic. Therefore an additional £300,000 - £400,000 had been allocated to cover any unavoidable price increases. It was hoped that these additional allocations would be covered from emerging underspends also not yet reported. In addition it was hoped that there would be surplus on the collection funds that could be diverted, but this would not be known until 31st January 2013.

- Transfer of NHS Funds from Public Health
£49.8m of funds to be transferred from the NHS for Public health duties to become the responsibility of the Local Authority in April have not yet been reflected in the budget
 - Social Fund
Figures had also been announced and would be included in the final version
 - Collection Fund
The surplus or deficit from this fund, as mentioned, would also be available before the Council meeting and would be included.
 - Early Intervention Grant
The Government had held back £150million as a top slice from this Grant before it was awarded as part of the Local Government Settlement. An announcement would be made as to how that would now be allocated. Officers were hopeful that some of this funding could be secured by Kent to deliver Early Intervention work.
- These changes should be acknowledged by cabinet when considering the recommendations of the report.
 - Mr Wood confirmed that he was satisfied that the current level of reserves was healthy and appropriate and that he had a statutory duty to be so before signing off the draft budget for approval by council.
 - Mr Shipton added that as yet the date for the final settlement announcement was not known and that the settlement on which the draft budget was based was provisional. However no significant changes were expected.

In addition, included within the draft was an estimate for the new Education Services Grant, which replaced the LACSEG but as yet no formal announcement as to its value, had been made. This might continue to be an unknown factor with the budget as it is expected that the grant will be calculated quarterly.

Mr Alex King requested that Cabinet Members and respective Directors spoke in turn about the draft budget and their particular portfolio.

Mr Graham Gibbens, Cabinet Member for Adult Social Care and Public Health drew attention to the following points:

Adult Services:

- He assured members that the Adult Social Care Transformation Programme had been fully costed, and independently reviewed, in order that it was realistic and achievable. He was confident that alongside KCC and colleagues in health the central tenants of the programme were beginning to embed.

- He concurred with Mr Wood's reference to the ongoing pressures that occurred within these services, particularly in relation to certain demographics and the care required by those people with Learning Disabilities. The draft budget this year, as in previous years, was mindful of this and aimed to mitigate those risks wherever possible.

Public Health

- He confirmed Mr Wood's report that £49.8m of funding would be transferred from the NHS to the Local Authority for Public health duties to begin on 1st April 2013.
- The settlement was confirmed for a period of two years.
- He welcomed the settlement, and felt that it reflected negotiations with Government to ensure that Public Health was properly funded.
- He briefly outlined where the Local authority could now have influence and where this funding might be utilised, in particular he highlighted; tobacco control and health inequalities.
- In addition the County Council would work closely with District Councils to ensure their input and involvement.
- He envisaged increased public health commissioning across the council and an emphasis on preventative work aimed at keeping people out of hospital and further integration of the work of Public health and Social care professionals.

Mrs Peachey, Director of Public Health additionally referred to the following:

- That the settlement was agreeable and that government had listened to the views and concerns of Local Government in deciding it. This was particularly the case where issues had arisen around funding levels for West Kent, which had been fully addressed in the final settlement.

Mrs Jenny Whittle, Cabinet Member for Specialist Children's Services referred to the following themes:

- She assured Members that savings within her portfolio were reasonable and achievable and that they would be delivered with great care.
- She explained that her confidence was founded on the recent 'adequate' rating afforded by OFSTED and the benefits this would bring for the council, in particular the ability to recruit experienced, well-qualified and permanent Social Workers therefore reducing the council's reliance on agency workers, who had given great service but could not always provide the consistency that families in crisis needed so badly.
- She argued that early intervention was not only better for the families, where a breakdown might be avoided but also more financially efficient for KCC. As evidence of the success of early intervention, she referred to demand led services, particularly fostering and adoption services which had seen high demand over recent years but where the number of children now needing to be taken into care or needing care services appeared to have plateaued. In addition the number of care proceedings being brought was reducing across the county. This was evidence of the benefits of early intervention and likely to realise a reduction in legal costs within the portfolio budget.
- That efficiencies would not only relate to need management or changes to delivery other savings had been identified too. For example the sharing of management overheads for Children's centres over the 97 sites in the County as it was not financially viable to maintain current levels of one manager per

centre. Further savings would continue to be secured by careful scrutiny of contracts with outside providers to ensure value for money.

- A number of permanent appointments at senior level over the last 12 months had helped to make secure the services provided and the delivery of budget targets within this difficult portfolio.

Mr A Ireland, Corporate Director of Families and Social Care made the following further points:

- That there existed a significant invest to save element within the figures for the transformation project, utilising the NHS monies referred to previously, and that those service would be available to view on line in the new financial year.
- That he concurred with Mrs Whittle's comments that the restructure of the Children's Services management structure and detailed review had strengthened the department significantly, and he thanked colleagues in finance for their help with this work.

Mr Mike Whiting, Cabinet member for Education, Learning and Skills addressed the Cabinet. He made the following comments:

- That the next financial year would be one of further change within his portfolio, much of it brought about by changes to legislation and funding.
- Some funding would be devolved to schools, but the responsibility to provide school places, and a good education for the Children of the County would remain with KCC.
- The Budget included a further reduction in spending of 8.7%, on top of the significant savings made over the last two years. In light of this it was encouraging that last year saw the county's best ever results reported.
- KCC was committed to continued spending on school improvements, despite reductions in funding for such work. In addition investment in the early years sector would also continue
- He welcomed the higher than expected cash receipts achieved through sales of services to schools and academies through Edukent and these monies would be reinvested within the Education Portfolio.
- Efficiency savings continued to be realised in the area of Home to School transport, attributed largely to the change in policy and the success of the Kent Freedom Pass. Further innovative work would continue in this area to reduce costs whilst maintaining services for those in need, for example through personalised budgets for families with Children with statements of Special Educational need, where it was appropriate.
- He assured members that despite uncertainty surrounding government funding the budget was deliverable and risks were mitigated and that whilst delivering a balanced budget educational standards would continue to improve and he commended the budget to cabinet for endorsement to County Council

Mr P Leeson, Corporate Director of Education, Learning and Skills added to Mr Whiting's comments:

- He welcomed the County Council's commitment to funding a robust school improvement service, support services for Early Years and provide a skills and employability strategy for 14-24 year olds despite the significant changes to

grants and funding from central government. These commitments would allow us to continue to focus on raising educational attainment in Kent.

- That the Education Services Grant would be announced later this month but pre-emptive steps were being taken to further integrate services with other departments such as families and Social Care to find efficiencies and reduce costs, whilst maintaining and improving services.

Mr Bryan Sweetland, Cabinet Member for Highways Environment and Waste made the following comments:

- That the 0.3% increase to the directorate budget was welcomed. However, despite there being no reduction in the overall budget, it was considerably changed from last years. This was largely accredited to the fact that efficiency savings were being made in the delivery of services but that these savings had been directed back into the budget.
- That further savings would be made via the ongoing Joint waste Collection and disposal contracts that existed between KCC and the Borough Councils. In addition these agreements were crucial to continued increase in recycling rates.
- This increased recycling rate would in time be translated to an increase in income generated, and resale of items such as fabric. KCC would lead on this work in the South East of England through South East 7.
- High Speed rail services to Deal and Sandwich would continue to be funded where necessary to support business in the East of the County.
- He thanked, on behalf of the Cabinet, those staff within the Highways department, District staff, residents and schools for their response to the inclement weather in the last 72 hours, which allowed all primary and most secondary routes to remain open all weekend, and most schools to open on Monday morning as normal.
- He assured Cabinet that the hard work and investment within his portfolio would continue. New funding had been secured for resurfacing of roads and a find and fix initiative would begin shortly to correct pothole damage incurred as a result of the weather.

Mr Roger Gough, Cabinet Member for Business Strategy, Performance and Health Reform, addressed the Cabinet and made the following points:

- The corporate centre continued to contribute to the savings made by the council in several ways. It had reduced in size to mirror the way in which the Council as a whole had been streamlined. In addition it had restructured by bringing activities into the centre from the departments and them rationalising that activity in order that it could be delivered to the same standard more efficiently.
- Partnership working to provide ICT functions in relation to both the networks and to operational activity had realised efficiency savings for all concerned.
- That the budget referred to work that would take place to reshape the property portfolio, a project which would continue for some years to find innovative solutions to the way in which the council worked and delivered services.
- That the strong positive contribution in this area from Legal Services was welcomed.

Mr Mark Dance, Cabinet Member for Regeneration and Economic Development, made the following points:

- He reported that it had been possible despite the difficult financial climate to continue to support and in some areas to increase support to businesses in Kent.
- He reported that innovative solutions continued to be sought through business lead groups such as the Business Advisory Board and the Kent Economic Board
- Projects such as 20:20 Vision to be held in April, where 700 businesses were expected to attend along with thousands of guests, and the Kent Excellence in Business Awards continued to be delivered, in conjunction with partner organisations, for the benefit of business in the County
- The budget would allow for the County show to continue to be supported, and this provided a valuable showcase for the rural business community in Kent.
- He thanked Officers within the Directorate, particularly those involved in bid writing at which the Council had been successful in securing funding for various exciting projects such as Expansion East Kent and TIGER.
- Planned activity for the future included a bid to the regional growth fund, round 4 for areas of Kent that has not benefited from the work so far. These areas tended to be more affluent but Mr Dance explained that a bid was being put together which had every chance of success.
- The LEP continued to be crucial to the delivery of infrastructure support projects in the South east and Mr Dance reminded cabinet that it would become more influential.
- The 'Make Kent Quicker' broadband roll out continued to progress and would be rolled out in the near future.

Mrs A Honey, Corporate Director of Customer and Communities made the following additional comments:

- She assured Cabinet that the Council was committed to including and involving staff in changes so that they felt engaged in any changes that might occur to terms and conditions or to the structure of the department within which they worked.

Mr D Cockburn, Corporate Director of Business Strategy and Support added his comments as follows:

- That the drive for continued efficiency of operation would continue in order to consolidate and build upon the success that had been seen during the 2012/13 financial year. In particular, Mr Cockburn referred to the success of procurement savings applied and the introduction of new technology to create more efficient the major corporate systems at KCC. The cost reduction that this provided to the corporate overhead would continue to be diverted to increased resources for the delivery of front line services.
- That cabinet should note that there were £20million of savings contained within the draft budget of the kind he had described; related to efficiency and transformation work

Mr Mike Hill, Cabinet Member for Customer and Communities addressed Cabinet as follows:

- That the last year had been difficult for the Customer and Communities Directorate as it had for others. In addition to savings made by the directorate

over the previous 5 years; external funding, which currently provided 40% of the directorate income, was reduced as external agencies faced their own funding pressures.

- The savings requirement for the directorate over the life of the next budget would be £5.3million, approximately 7% of the total spent last year.
- Savings identified had been achieved by restructuring management teams, integrating services and streamlining back office functions. However he warned that efficiency savings were finite and some savings identified would have an impact on frontline services and some savings identified would be secured by service transformation.
- These transformation savings would be made in two areas
 - Youth Services
The role of the Council would change from that of deliverer to commissioner with delivery provided by the voluntary and community sector. A robust in-house service would be maintained and the excellence of services provided, maintained.
 - Customer Services Integration
Face-to face interactions and transactions had been migrated to the telephone or on-line.

Mr Hill referred to the Capital programme for which this budget marked the completion of five years of innovative work which had included the completion of the Turner Gallery and Library buildings in various locations across the county. Although he acknowledged that Capita funding would be harder to find in the future he looked forward to rolling out the 'Gateway' programme and to provide Deal with a new Youth Centre.

In conclusion he summarised the Directorate's budget which he believed would deliver saving without detrimental impact on front line services provided for residents of Kent and congratulated the Council's finance team on a difficult budget well managed.

Mrs Honey reiterated Mr Hill's comments about front line services. She reported that currently there were 21 front line services within the directorate and welcomed the council's commitment to protecting all of them in a difficult financial period.

Mr Alex King made the following points:

- That energy, effort and commitment had been shown throughout the organisation to continue to deliver services. He believed that critical to this achievement had been the success of the 'One Council' ethos. He hoped that chief officers would congratulate all of their staff for this.
- That creating budgets especially in such financial times was a difficult and worrying time for many people but he argued that Kent had a significant part to play not only for its residents but for helping to address the issues of the nation
- The county council was not afraid to put the needs of Kent families and businesses first in that process
- He further congratulated the team who had kept the roads of Kent open and safe in the recent snowy weather but he also remarked on the importance of the way in which the work was communicated and that had also been a great success.
- In particular he wished to record the thanks of the Cabinet for the work that officers in Finance had done to create a balanced and timely budget.

Mr King referred cabinet members to the comments of the Scrutiny Committee that had been held on the Monday prior to Cabinet. Mr Simmonds described the Scrutiny Committee as a useful meeting, and noted the information that had been produced. He was glad that useful interactions had been able to take place with the MORI workshops, staff meetings, consultation, scrutiny committee and the discussion taking place all of which would help to shape the budget for the County Council meeting in February.

Having regard for the information received, including the additional information that the Corporate Director of Finance and procurement had provided, Cabinet RESOLVED that:

RECORD OF DECISION

<p>CABINET Provisional Local Government Finance Settlement 2013/14 & KCC Draft Budget 2013/14 23 January 2013</p>																			
<p>1.</p>	<p>That the following recommendations to be considered by County Council on 14th February 2013 be endorsed for approval:</p> <p>(1) The Revenue Budget proposals for 2013/14 including the proposed changes since the consultation, included in the published draft Budget, and the resulting change to the overall budget requirement.</p> <p>(2) A requirement from Council Tax of £509.579m to be raised through precept on District Councils.</p> <p>(3) A Council tax freeze at 2012/13 levels. Levels for each property band as set out below.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg);">Council Tax Band</td> <td style="text-align: center;">£698.52</td> <td style="text-align: center;">£814.94</td> <td style="text-align: center;">£831.36</td> <td style="text-align: center;">£1,047.7</td> <td style="text-align: center;">£1,280.6</td> <td style="text-align: center;">£1,513.4</td> <td style="text-align: center;">£1,746.3</td> <td style="text-align: center;">£2,095.5</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> <td style="text-align: center;">C</td> <td style="text-align: center;">D</td> <td style="text-align: center;">E</td> <td style="text-align: center;">F</td> <td style="text-align: center;">G</td> <td style="text-align: center;">H</td> <td></td> </tr> </table> <p>(4) The Capital investment proposals for 2013/14, together with the necessary borrowing, revenue, grants, capital receipts, renewals, external funding and other earmarked sums to finance the programme. Note that delivery of the programme will be subject to the approval to spend on individual schemes and the level of Government support</p>	Council Tax Band	£698.52	£814.94	£831.36	£1,047.7	£1,280.6	£1,513.4	£1,746.3	£2,095.5	A	B	C	D	E	F	G	H	
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	available in future years (5) The Prudential Indicators as set out in Appendix B of the draft MTFP 2013/15
2.	That the Treasury Management Strategy as set out in section 4 of the draft MTFP 2013/15 be agreed
REASON	
1.	In order that the County Council is aware of the view of cabinet in their considerations
2.	In order that the Council has an up to date Treasury Management Strategy in accordance with the CIPFA Treasury Management Code of Practice
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

30. Revenue and Budget Monitoring Exception Report

(Item 6 – report by Mr J Simmonds, Cabinet member for Finance and Business Support and Mr A Wood, Corporate Director of Finance and Procurement)

Cabinet received a report on the results of the budget monitoring work completed since the previous report was considered by Cabinet in December 2012

Mr Simmonds introduced the report for Cabinet and drew attention to the following points:

- He emphasised the importance of the monitoring reports in the formulation budget that had been considered in the previous item., Without the careful monitoring of performance, trends and need the assumptions on which the budget was formed would not be possible.
- The Gross underspend to date was £6.7million, an increase of £1.5million, and by the end of the year it was predicted that it would stand at approximately £7.1million. He praised this achievement in light of the difficult savings already made.
- The Education Learning and Skills Directorate underspend was up by £500,000, largely accredited to the savings achieved since the introduction of the new Home to School transport policy and the popularity of the Freedom pass. As a member who represented a rural area he did note the importance of provision for those areas. These savings were offset slightly by an increase in SEN Home to School spending. This increase reflected an increase in those presenting for and receiving help. The council would continue to seek better and more efficient ways of providing help for these families, including, when the circumstances are appropriate, personalised budgets.
- Specialist Children’s Services showed some over budget spend, largely as a result of legal costs incurred for assistance with cases being pursued and in

relation to the support for ARE asylum seekers, a cost which was currently the centre of negotiations with Government.

- Adult Services costs had been reduced over the last few months as a result of a reduction in need, this trend had ceased and was a reminder that predictions in the budget must be carefully monitored.

In addition, Mr Simmonds congratulated Kent County Council on providing, in times of austerity, a Capital Programme valued at £600million.

Mr Sweetland, Cabinet Member for Highways Environment and Waste, spoke further on the comments made by Mr Simmonds about provision of bus services in rural areas. He reminded cabinet that 200 rural bus routes were subsidised by Kent County Council and the 2013/14 budget contained £6million commitment to continue to do so, this had been protected because as Mr Simmonds had rightly said the Freedom Pass and other concessionary schemes were useful only where routes existed.

The popularity of the Freedom Pass continued, with 27,500 now in use. Most recipients paid £100 to receive the pass and this price had been frozen within the 2013/14 and the support for those from low income families would also remain in place for the next financial year.

It was RESOLVED that:

RECORD OF DECISION

CABINET Revenue and Budget Monitoring Exception Report 23 January 2013	
1.	That the forecast revenue and capital budget monitoring position be noted
2.	That the changes to the capital programme be noted
REASON	
1&2	In order that the Cabinet conducts its monitoring activities effectively.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

31. BDUK - Expanding and Improving Broadband Coverage in Kent

(Item 7 – report by Mr Roger Gough, Cabinet member for Business Strategy, Performance and Health Reform and Mr D Cockburn, Corporate Director of Business Strategy and Support)

Cabinet received a report providing information about the ongoing BDUK project to introduce Broadband to every property in Kent and Medway and ensure that most would be able to access superfast broadband. Members were to have regard to the

information contained within the report before taking their decision the recommendation within the exempt report at item 8 of the agenda was considered.

Mr Gough introduced the report for Cabinet and in particular made reference to the following:

- That the project had now progressed to a crucial point. Achievements had been made to secure attractive broadband prospects for Kent, set out in section 3.2 of the report.
- That officers had managed the complex BDUK process well and this had enabled Kent to secure an early position within the scheme.
- That work conducted with DEFRA scheme had strengthened the project and its potential impact on rural communities.
- He thanked officers for the achievement so far secured and for the strong leadership they had provided to the partnership process with District Councils as part of this project.
- That the uncertainties caused by the protracted negotiations on European State Aid at Government level had now been resolved and would not impact negatively on the Council's timeframe as it seemed it might at one point. Mr Gough referred to the report and clarified the timeframe contained therein for members.
- First services would come on line next year and to all properties in 2015.

It was RESOLVED that:

The information within the report be NOTED and considered in conjunction with the information contained within the report at item 8 before a decision was reached.

Motion to exclude the Press and Public

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.

Exempt Items – Public minutes

32. BDUK - Expanding and Improving Broadband Coverage in Kent

(Item 8 – report by Mr Roger Gough, Cabinet member for Business Strategy, Performance and Health Reform and Mr D Cockburn, Corporate Director of Business Strategy and Support)

Cabinet received an exempt report providing further information about the ongoing BDUK project which was exempt from publication under paragraph 3 of schedule 12a of section 100a of the Local Government Act 1972.

Mr Gough presented the report to Cabinet and officers, Liz Harrison, Economic Development Manager and Phil Lamacraft, Senior Commercial Manager were in attendance to respond to questions.

Cabinet discussed the information contained within the report, and that received from the Portfolio holder and officers and having regard to the information received during the public report at item 7 the recommendations within the report were put.

It was RESOLVED that:

RECORD OF DECISION

CABINET	
BDUK – Expanding and Improving Broadband Coverage	
23 January 2013	
1.	That authority be delegated to the Head of Paid Service in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform to enter into a contract to deliver the Kent and Medway BDUK project
2.	That authority be delegated to the Head of Paid Service in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform to enter into a grant agreement with BDUK to draw down the £9.87 million of Government funding.
REASON	
1&2	In order that the BDUK project can be progressed in a timely and efficient manner and the outcomes delivered to residents of Kent as quickly and efficiently as possible.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.