

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 28 April 2014.

PRESENT: Mr D L Brazier, Mr G Cooke, Mr M C Dance, Mr G K Gibbens, Mr R W Gough, Mr P M Hill, OBE, Mr J D Simmonds, MBE, Mr B J Sweetland and Mrs J Whittle. Ms Susan Carey was in attendance to speak to the item 7 (minute 57.)

UNRESTRICTED ITEMS

53. Apologies

(Item 2)

(1) Apologies were received from Mr Carter CBE, Leader and Chairman and Mr Mike Austerberry, Interim Corporate Director, Growth, Environment and Transport.

(2) Mr Simmonds, Vice Chairman, took the Chair in the absence of Mr Carter, CBE. As a result Ms Susan Carey, Deputy Cabinet Member for Finance was in attendance to speak to Item 6 – Revenue and Budget Monitoring Report.

(3) Mr Austerberry was substituted by Mr John Burr, Director of Highways, Transportation and Waste.

54. Declaration of Interests

(Item 3)

No declarations were received.

55. Minutes of the Meeting held on 24 March 2014

(Item 4)

The minutes of the previous meeting held on 24 March 2014, were agreed as a correct record and signed by the Chairman.

56. Other items which the Chairman decides are relevant or urgent

(Item 5)

None.

57. Select Committee - Commissioning - Final Report

(Item 6 – report of Mr Angell, Chairman of the Select Committee on Commissioning)

(1) Mr Angell, Chairman of the Select Committee on Commissioning and Committee Members Mr Birkby, Mr Cowan and Mr Vye, were in attendance to speak to the item. Mr Angell introduced the report and in particular referred to the following:

- i. That the report focused on issues of procurement, contract

management, decommissioning and recommissioning and the provision of social value.

- ii. That the report made recommendations relating to the reduction of barriers to good commissioning. There were five key recommendations:
 - Two outward looking: ensuring that better engagement with the commissioning market place was enabled; and that the market place was developed and supported
 - Two inward looking: That the need for cultural change within KCC should be identified and implemented; and that the current commissioning process should be simplified and standardised.
 - Finally, the report considered the role of members in a successful commissioning authority.

(2) Mr Birkby spoke to the item; he acknowledged that Kent County Council was already commissioning services very well in some areas but that the standard was not currently consistent across the council. He believed that elected member involvement would provide the overarching monitoring and review that was required to create that consistency.

(3) Mr Cowan addressed Cabinet. He thanked the Chairman for the fair and accessible way in which he had managed the Committee and the witnesses for their open and honest accounts. He reminded members that the Labour Group would not support commissioning or outsourcing of services but hoped to influence the debate as part of the Committee. Mr Cowan set out the issues that were of particular importance to the Labour Group:

- That any services procured or commissioned should only be so from entities within which KCC had retained a 51% share, in order that control could be maintained and standards could be enforced
- That Voluntary Sector grant funding should remain but with more rigorous controls imposed on the award. This would avoid voluntary organisations being disadvantaged by an onerous process. Witnesses from the voluntary sector had given clear evidence that voluntary organisations were well- equipped to deliver services but not to conduct production of complicated bids or staffing arrangements such as tupe.

(4) He went on to make the following points:

- i. That the new Social Value Act which had come in to force in January 2013 should be properly reflected in the council's policies.
- ii. That a Member Committee should be established in order to monitor and control all commissioning processes and resulting contracts.
- iii. That staff should be protected and wherever possible services should be kept 'in-house'. KCC officers giving evidence had been clear that this was achievable with changes to working practices.

(5) Finally, Mr Vye brought the following to the attention of members:

- i. That the skills of the voluntary and community sector should be captured in order to help deliver the objectives of the council where it was appropriate and that grants should be considered where this was

- necessary to enable smaller organisations to engage.
- ii. That recommendation 19 related to the breaking up of contracts into smaller lots had been included in order that the work of smaller organisations in particular localities might be continued and excellent services provided, but officers were clear that meeting reduced budgets would be made more difficult should this be introduced.
 - iii. That recommendation 26 which suggested the creation of a member oversight group would help to address such issues. He suggested that if the committee were established it should be tasked with helping to create strategic commissioning policy.

(6) Mr Gibbens, Cabinet Member for Adult Social Care and Health addressed the meeting and welcomed the report. He spoke of the excellent work that was currently being undertaken by the voluntary sector and agreed that these relationships should continue where at all possible. There were many good ideas, that should be investigated, contained within the report. He reported that ASC currently maintained a grant system and argued that this type of funding would never completely. He particularly welcomed the emphasis of the report on good management and urged that this continue, he noted that management was often made easier when less providers were involved in delivery but restated his commitment to the voluntary sector.

(7) Mrs Whittle, Cabinet Member for Children's Social Care and Health welcomed the recommendation that members were involved in the management of commissioned services. She hoped that this group might also provide an early warning where voluntary organisations had experienced financial difficulties in order that KCC could offer support or direct the organisation to other grant awarding bodies such as the Lottery to ensure that services were not affected. Reducing reliance on one financial source would also strengthen the voluntary sectors ability to manage change.

(8) Mr Sweetland, Cabinet Member for Traded Services stressed the importance of maintaining ties with voluntary sector organisations, even where grant funding might cease. He welcomed the focus that the report brought to the role of Members in holding to account the Executive and officers implementing change. Finally he acknowledged the usefulness of a focus on 'social value' and hoped that the desire to maintain and create social value through such relationships would be valued in a new commissioning culture.

(9) Mr Cooke, Cabinet Member for Corporate and Democratic Services welcomed the report and commented specifically on recommendation 26, the creation of a Member oversight Committee or Group. He reminded members that the Member steering group was now reconstituted and had within its remit issues of Member training development. Ensuring that members had the right skills to engage in the oversight of a commissioning council would be a priority for this group.

(10) Mr Simmonds concluded the discussion by reminding members that the protection of front line services would continue to be of the highest importance but that there were further improvements to the commissioning and procurement processes that would enable the council to make further savings and meet reduced funding targets. He agreed that continued work with voluntary sector organisations, linked to apprenticeships, was critical to maintain services but that a

professional approach to delivery must be maintained by all service providers.

(11) Finally he too agreed that training members would be crucial to the success of the programme and welcomed the reports recommendation to ensure that members were involved.

(12) No further comments were received. Cabinet noted the report by consensus and the absence of objection.

58. Revenue and Budget Monitoring Report

(Item 7)

(1) Cabinet received a report providing the budget monitoring position for January 2013-14 for both revenue and capital budgets, including an update on key activity data.

(2) Ms Carey introduced the report for Cabinet and referred in particular to the following information contained within it:

Revenue

- i. That an underspend of £14million was expected, reduced to £9.7million after the rephasing of projects and other actions.
- ii. Emergency costs related to the floods were currently reported at approx £2.3m. Reserves had been used to meet these costs and this evidenced the prudence of the administration's approach to reserve levels. £8.6m had now been allocated to KCC from the Government, £5.4million of which would sit within the revenue budget and would be allocated to repair programmes.
- iii. A claim was being pursued to the Bellwyn scheme which sought a further £1.2 of funding.
- iv. That £4million of the 2014-15 budget was derived from the predicted underspend and so it was crucial that the Council met that target in order to fulfil its commitments for next year.
- v. Children Services continued to experience pressures related to 'agency' costs and Asylum costs. In relation to the latter KCC continued to invoice the Government for costs related to those asylum seeking young people who had exhausted all rights of appeal but had yet to be deported, but as yet no payment had been agreed.
- vi. An underspend was predicted for the E&T Directorate owing to a reduction in waste tonnage but this was likely to be reduced by pressures elsewhere in the budget.
- vii. Additional government funding had been received in respect of the Council's Schools programme

Capital

- i. The working budget was currently £256million; with a forecast spend of £225million. A variance of £31million which could be largely attributed to the rephasing of projects that had been delayed for a variety of reasons

(3) Ms Carey concluded that the report showed further improvements on the last report considered by Cabinet and it was predicted that the forecast underspend would be met, and exceeded.

(4) Andy Wood, Director of Finance and Procurement spoke to the item. He referred to the £14million underspend dropping to £9.8million after rephasing and other management actions but in fact confirmed that this figure had been further reduced by £1.2 million later in the report and therefore the underspend was predicted at £8.7million. He thanked members and officers for the work done to achieve the underspend predicted.

(5) Mr Brazier Cabinet Member for Environment and Transport reported that the Environment and Transport Directorate continued to work toward resolution of pot hole problems caused by the flooding over Christmas and it was expected that the work would be completed by May 2014.

(6) It was RESOLVED that

1. the latest monitoring position on both the revenue and capital budgets be noted; and
2. the changes to the capital programme as detailed in the actions column in table 2 of the annex reports be agreed.

59. Strategic Economic Plan and Kent & Medway Growth Deal

(Item 8)

(1) Cabinet received a report detailing the content of the Strategic Economic Plan recently submitted by the South East Local Economic Partnership to Government and containing the Kent and Medway Growth Deal. The report also set out the anticipated next steps for the plan and funding arrangements.

(2) Mr Dance, Cabinet Member for Economic Development introduced the report and in particular made the following points:

- i. That the growth plan for the South East LEP would £1.1billion and that after following the federated model currently in place for the SELEP, the KMEP element sought to secure £501.5 million for project delivery over six years.
- ii. That projects would need to be prioritised for 2015-16 and in the summer Government would announce plans for funding future projects as set out in the strategic document.
- iii. That the document was well produced and timely and that Ross Gill be thanked

(3) Ross Gill, Economic Strategy and Policy Manager, spoke to the items on added the following information to the comments of the Cabinet Member:

- i. That a large proportion of the £501million mentioned by the Cabinet Member would be allocated to transport investment and Government had now requested that the projects put forward be prioritised and ranked.
- ii. That although the fund currently took the form of a 'single pot' there were already certain ring fenced items, skills capital investment being one of

those areas.

- iii. Funding would come on stream in April 2015 for one year but that after that the future of the funding was uncertain.

(4) Mr Simmonds spoke about the skills and employment aspect of the document and the difficulty created by bidding for capital funds where revenue funding was not currently being considered.

(5) Mr Dance responded to the discussion by describing the membership of the KMEP which included businessmen, BIS and others. There were, he reported, more businesses than politicians and that was good news for partnership working and future success.

(6) The report was noted.