

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 20 January 2014.

PRESENT: Mr R J Parry (Chairman), Mr M Baldock, Mr R H Bird (Substitute for Mrs T Dean), Mr N J D Chard (Substitute for Mr L B Ridings, MBE), Mr G Cowan, Mr P Garten, Mr C P D Hoare, Mrs S V Hohler, Mr A J King, MBE, Mr C R Pearman (Substitute for Mr J E Scholes), Mrs P A V Stockell and Mr R Truelove

ALSO PRESENT: Mr J D Simmonds, MBE and Miss S J Carey

IN ATTENDANCE: Mr A Wood (Corporate Director of Finance and Procurement), Mr D Shipton (Head of Financial Strategy), Mr K Abbott (ELS Director Finance Business Partner) and Mrs A Taylor (Scrutiny Officer)

UNRESTRICTED ITEMS

32. Minutes of the meeting held on 17 April 2013

(Item A4)

1. RESOLVED that the minutes of the meeting held on 17 April 2013 be approved as a correct record and that they be signed by the Chairman.

33. Minutes of the meeting held on 12 November 2013

(Item A5)

1. Mr Baldock raised a number of queries about the minutes of the meeting held on 12 November 2013.

RESOLVED that the minutes of the meeting on 12 November be deferred and considered at the next meeting of the Scrutiny Committee.

34. Draft Budget 2014/15 and Medium Term Financial Plan 2014/17

(Item B1)

1. The Cabinet Member for Finance and Procurement explained that there were extensive savings to be made by the County Council. Continued Government cuts and increasing pressures on the County Council meant that the scale of the task to balance the budget should not be underestimated. Reduced grants, increased costs and rising demand for services meant savings of over £250m would need to be found over the next three years.
2. Mr Wood gave a presentation on the 2014/15 Budget and 2014/17 Medium Term Financial Plan (MTFP). POST MEETING NOTE: Mr Wood's presentation was circulated to Members on 29 January 2014.

3. One Member commented on the complexity of putting the budget together, each year it had got more difficult to produce a balanced budget which served the people of Kent well. The ever increasing numbers of residents over the age of 85yrs presented a significant cost problem to the Council. In response to a question around whether the Council had allocated enough money for the increased number of people over 85yrs. Mr Simmonds explained that extra money had been put into the adult social care budget, and that to the best of Members' and Officers' knowledge there was sufficient funding in the budget for changes in demography.
4. There had been an increase in the money put into the adults with learning disability and in care budgets, a Member asked how the future need was predicted and allocated. Mr Simmonds explained that the work the Council had undertaken with Newton Europe, an efficiency specialist, had helped to predict the future need in this area of the service. Mr Wood explained that this area was a complex area to work through; past trends were used as an indicator of future demand. It was possible to determine the numbers of young people transitioning into the relevant age brackets, and it was often necessary to look at individual cases to determine when they would be likely to enter the care system. Within Children's Services work was being undertaken to see where unit costs could be reduced. In-house foster carers and permanent social workers would help to reduce the cost.
5. Members discussed the level of detail contained within the budget book and MTFP. The majority of Members considered that the budget book contained an appropriate level of detail and that the subsequent explanation by the Director and Cabinet Member demonstrated the depth of skill which went into the process. It was always possible for Members to arrange individual briefings with Officers and the Cabinet Member to discuss areas of the budget in detail.
6. Comment was made on the timing of the release of information from the Government, there was a very tight timescale in which to put together the budget information.
7. In relation to the cessation of the Kent Safe Schools project Mr Abbott confirmed that the three year contract ended in summer 2014. Schools were now buying this service directly and so this specific contract had become duplicated.
8. In relation to the Connexions service Mr Abbott explained that over the past 3 years the contract with Connexions had been scaled back, there was no dedicated funding available for this service and the contract with Connexions would cease in March 2014.
9. The Youth Opportunity Fund would be ending; however young people would continue to get support through an integrated service which was built into the budget rather than a direct cash payment.
10. Mr Shipton would send a written response to Members regarding a query on the following issues:
 1. Connecting with Kent (Budget Book pg13 line 5)
 2. The re-provision of AE accommodation in Sittingbourne. (Budget Book pg27 line 2)

3. Arts development and the £11m levered into the county. (Budget Book pg29 line 51)
4. Freedom Pass saving (MTFP p96)
5. Development Planning (Budget Book pg 53 line 71)
6. Property and Infrastructure Support (Budget Book pg 63 line 160)

POST MEETING NOTE: A response to the above queries was circulated to Scrutiny Committee Members on 29 January 2014.

11. In response to a query about why the cost of streetlighting had gone up Mr Shipton agreed that this was disappointing, however it was due to the cost of energy which was more significant than any savings made by turning streetlights off.
12. In response to a question around the freedom pass and the level of takeup amongst those eligible for assistance with the pass, the figures were a best estimate. It was impossible to prejudge which families may or may not apply for assistance with the pass. It was important to remember that the Freedom Pass was a totally discretionary service.
13. There was a discussion around the Big Society fund and it was confirmed that no further money was being allocated to it as applications had been disappointingly low.
14. In relation to the Children's Centre, the money contained within the budget reflected the decisions the Cabinet Member had recently taken with regard to closures and part time opening etc.
15. In response to a query around the pension costs of school staff Mr Abbott explained that these were historic costs that the Council had to fund, however it was possible to recharge some of this cost to the Dedicated Schools' Grant.
16. In relation to the one off costs in the budget book pg 61 line 138, every year staff left the authority and this resulted in associated redundancy costs to the authority, it was a case of spend to save and whilst there were likely to be further redundancies this would result in staff savings of around £50million per year. Miss Carey made it clear to Members that redundancy was not the first option and the Council always sought to redeploy staff where possible.
17. There was a discussion around the costs of elected Members, it was confirmed that there had been a careful look at the cost of democracy and there was due to be an Electoral Boundary Review by the Local Government Boundary Commission for England during the next year. Members were reminded that compared to some other similar authorities the cost per member at Kent County Council was low.
18. In response to a query about the Officers confidence in achieving the income targets set out within the Budget Book and MTFP Mr Wood explained that the budget was based on reasonable estimates, Officers were reasonably confident and services had been sensible about income generation. Mr Simmonds explained that staff were encouraged to use their expertise, for example CRB checks were now undertaken for other organisations which was generating income.

19. A Member asked about progress with EduKent, Mr Abbott explained that there were 16,000 separate contracts within EduKent, providing £22million income.
20. There was a discussion around the Hardelot Centre, this was one of KCC's outdoor education centres teaching young people life skills, it was generally highly regarded although some members queried whether there were other options in Kent which could offer a similar experience to young people.
21. Officers were congratulated on the work completed in such a short period of time. It was appreciated that many areas were a best estimate with risks associated. Mr Simmonds and Mr Wood were asked which were the most concerning areas given the risks relating to the budget.
22. Mr Wood explained that Children's Services was potentially a very volatile budget. Demand curves demonstrated the high cost of some placements, some of which the Council was unable to do very much about, e.g. secure accommodation.
23. Mr Simmonds commented on the Safeguarding aspects of KCC's duty. Public reaction was changing due to technology and the speed at which people could communicate. It was considered that within the current reorganisation staff morale had remained relatively high.

RESOLVED that the Scrutiny Committee:

24. Thank Mr Simmonds, Miss Carey, Mr Wood, Mr Shipton and Mr Abbott, and their teams, for the work undertaken on the budget.
25. Thank Mr Simmonds, Miss Carey, Mr Wood, Mr Shipton and Mr Abbott for attending the meeting and answering Members' questions.

35. Exempt Minute - 17 April 2013

(Item C1)

2. RESOLVED that the minutes of the meeting held on 17 April 2013 be approved as a correct record and that they be signed by the Chairman.