

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 12 October 2015.

PRESENT: Mr P B Carter, CBE (Chairman), Mr M A C Balfour, Mr G Cooke, Mr M C Dance, Mr R W Gough, Mr P M Hill, OBE, Mr P J Oakford, Mr B J Sweetland, Miss S J Carey and Mrs P T Cole

UNRESTRICTED ITEMS

131. Apologies and Substitutions *(Item 2)*

Apologies were received from:

- i. Deputy Leader & Cabinet Member for Finance and Procurement, Mr John Simmonds, who was substituted by the Deputy Cabinet Member for Finance and Procurement, Ms Susan Carey.
- ii. Cabinet Member for Adult Social Care and Public Health, Mr Graham Gibbens, who was substituted by the Deputy Cabinet Member for Adult Social Care and Public Health, Ms Penny Cole
- iii. David Cockburn, Head of Paid Service.
- iv. Patrick Leeson, Corporate Director for Education and Young People's Services, who was substituted by Gillian Cawley, Director of Education
- v. Andrew Scott-Clarke, Director of Public Health who was substituted by Dr Faiza Khan, Consultant in Public Health

132. Declarations of interest in matters appearing on the agenda

No declarations of interest were received.

133. Minutes of the Meeting held on 21 September 2015 *(Item 4)*

The minutes of the meeting held on 21 September 2015 were agreed as a correct record and signed by the Chairman accordingly.

134. Revenue and Capital Budget Monitoring for 2015-16 - July *(Item 5)*

Cabinet received a report providing the budget monitoring position for July 2015-16 for both revenue and capital budgets, including an update on key activity data and seeking approval of necessary changes to the Capital Programme.

Deputy Cabinet Member for Finance and Procurement, Mrs Susan Carey introduced the report, and in particular referred to the following:

- i. The report contained information available to the end of July 2015 and the predicted final position for the 2014/15 budget; currently an overspend of £12.958million, following management action identified.
- ii. The Corporate Management Team had been tasked with urgently identifying further management action in order to deliver a balanced budget and would review areas of spend for reduction that would not affect front line services.
- iii. Each Directorate had significant pressures to which Ms Carey referred in turn, contained within the report, at para.3.6 and included asylum costs, increased demand for adult social care services, increased waste volumes and higher levels of emergency highway repair than predicted.

In relation to the Capital budget Ms Carey made the following comments:

- i. That the working budget for the 2015/2016 capital budget was £367million and included the usual rephasing of projects. Once this rephasing had been taking into account most projects were in time and on budget.
- ii. 'Real' variances were contained in section B of the report and related to additional costs on the Trinity School build, some highways work and the Incubator Development are all of which would be met by contributions from other agencies.
- iii. Rephasing to which she drew particular attention included
 - a. Special School review which had been rephased to reflect delays at the planning, acquisition and cost renegotiation stages
 - b. Seven Oaks Grammar School Annex which had been deferred awaiting a decision from the Secretary of State on the legality of the proposals
 - c. The single system for Early Help
 - d. Various SELEP projects and integrated transport schemes.

In conclusion, Ms Carey reminded members that the forecast was concerning and that it was imperative that action were taken to regain control of spending and deliver a balanced budget.

The Leader thanked Ms Carey for her comprehensive overview and referred to the pressures on the asylum budget. He stressed the importance of securing a refund from the government of the reasonable additional costs incurred by the council in supporting the increasing number of unaccompanied young people seeking asylum. These costs were currently approaching £7million and must be set out in a comprehensive manner in order to ensure that Government could see that these costs were reasonable.

Andy Wood, Corporate Director of Finance and Procurement responded at the request of the Leader; he explained that some of the difficulties and perceived inconsistencies identified by the home office related to changes in unit costs that occurred over time, when services reached saturation point, for example when in-house foster placement capacity was exhausted and alternative placements must be arranged or the number of staff supporting those placements increased. This had been set out in a clear and exhaustive manner but had not yet been sufficient to overcome all obstacles to securing a refund from Government. A further discussion with the Home Office was scheduled for later in the week.

The other matter to which Mr Wood referred as a considerable pressure was Home Care costs within Adult Services, an area in which local government and the NHS

were both experiencing pressures owing to a significant increase in demand despite good work being undertaken in the area of reablement, in addition to atypical inflation compared to CPI / RPI. Home care hours were included within the report and had increased by 10% in the last 6 months against a predicted reduction of 40% by March 2016. It was important that work was undertaken to understand why this was the case in order to control and reduce any overspend.

The Cabinet Member for Specialist Children’s Services, Mr Oakwood spoke on the matter of unaccompanied asylum seeking children. He reported that despite entering a time of year when arrivals would traditionally be expected to decline the number continued to increase. At the time of the meeting, there were 872 unaccompanied asylum seekers under the age of 18 in Kent of whom 60% - 70% were 16 & 17 years old which meant that the 18+ care leavers budget would soon come under considerable pressure.

The Leader agreed and reiterated the importance of seeking a solution from government, in particular he regarded projections on the 18+ care leavers budget as critical to negotiations for a sensible solution with government, which was needed urgently.

Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing spoke on the matter of unaccompanied asylum seeking children, he referred to the fact that 77 new arrivals had presented in the last weekend and that this was equal to the caseloads of 5 social workers, almost a full team.

He also referred to the issue of home care; he reported that a significant portion of the demand increase could be attributed to patients discharged from hospital following admission last winter who needed double and sometimes triple handed care packages. This had also placed a significant pressure on domicillary care agencies and so some out of contract arrangements had been undertaken in some areas of the County which inevitably put the unit costs up. The Leader remarked that the pressures in this area, on Kent and other counties with larger elderly populations were greater than in some other areas of the country and that he hoped that this would be reflected in the Government’s spending review due on November 25th.

It was resolved that:

CABINET	
12 October 2015	
1.	The report, including the latest monitoring position on both the revenue and capital budgets, be noted.
2	The changes to the capital programme as detailed in the actions column in table 2 of the annex reports and summarised in Appendix 1 be agreed
REASON	
1.	In order that Cabinet can effectively carry out monitoring requirements.
2	In order that the budget accurately reflects the real time position and is fit for purpose enabling necessary actions to be taken.
ALTERNATIVE	
None.	

OPTIONS CONSIDERED	
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

135. Early Help and Preventative Services Commissioning Intentions for 2016-17
(Item 6)

Cabinet received a report on the reassessment of Early Help and Preventative Services contractual and grant arrangements intended to ensure a flexible and integrated model of support would be in place to achieve the best outcomes for children and young people and the most efficient use of resources.

The report outlined the proposals for future commissioning intentions, including the realignment of approaches with Public Health to ensure maximum utilisation of resources and integrated approaches to service delivery and sought agreement to progress as described

Florence Kroll, Director of Early Help and Preventative Services and Joanna Hook, District Manager; Gravesham Early Help and Preventative Service were in attendance to speak to the item.

The Cabinet Member for Community Services, Mr Mike Hill referred to the Youth Commissioning element of the report for which he was responsible. He reported that a significant proportion of these services had first been commissioned out three years ago and the results had been generally successful, providing a greater quantity of high quality youth work than before whilst also saving the Council money. It was now time to recommission these services and the redesign if approved would put in place 12 district based contracts compared to the 47 currently in place, which would enable easier and better contract management. He was pleased that smaller providers had been encouraged to collaborate in order to compete for the larger contracts and was convinced that this would protect good service already in place. Finally he welcomed the fact that the budget for youth services had remained unchanged despite the considerable pressures on the Council's budget.

The Cabinet Member for Specialist Children's Services, Peter Oakford welcomed the report which he felt reflected the excellent work undertaken to review the current grant and contractual arrangements and improve the offering and efficiency of Early Help and Preventative Services in Kent and he fully supported the direction of travel set out within it.

Florence Kroll described the contents of the paper for members which had been informed by significant diagnostic phase, undertaken over the last 6 months and including stakeholders, young people, providers and staff in both Early Help and Preventative Services and Social Care. This period had established that the highest number of referrals related to family work or emotional health and wellbeing.

The proposed realignment would see the current complex contractual arrangements aligned to become 12 district youth contracts, 1 young carers contract, 4 family

contracts and small local grants to be awarded with districts in order to continue to support small, local arrangements. In order to ensure that the work was aligned with Public Health commissioning for emotional health and wellbeing the contracts would be commissioned in two phases as follows:

- Phase 1 – The 12 District youth contracts and the young carers contract would be awarded in April 2016 along with implementation of arrangements for small grants
- Phase 2 – The 4 Family contracts would be awarded in October 2016.

She reported that the budget was £8.5million reducing to £7.4million and included all of the budgets in scope which would be allocated as set out in the report at paragraph 5.1.

It was hoped that this proposed framework, whilst still supportive of smaller, local services, would be better aligned to other services, more accessible to users, have reduced waiting times and facilitate more straight forward contract management.

In response to comments from the Leader Ms Kroll confirmed that she and Thom Wilson had worked together on the commissioning intentions contained within the report. The Leader welcomed the intentions set out and suggested that the expected outcomes be clearly set out and monitored by the appropriate groups as the contracts were awarded and work undertaken. To facilitate that, he requested a report to a future meeting of Cabinet detailing those expected outcomes in more detail.

It was resolved that:

CABINET	
12 October 2015	
1.	The outlined commissioning intentions as set out in the report, having particular regard to the intention to cease grant funding at the end of March 2016 be agreed.
2	To facilitate the realignment of services as set out, authority be delegated to the Corporate Director, in consultation with the relevant Cabinet Member to extend some external contracts for 3 months where necessary
3.	That work be undertaken to re-commission Early Help services in 2016 as set out in the report
4.	That a report be returned to Cabinet at a future meeting containing a detailed description of the expected outcomes of the commissioning exercise.
REASON	
1.	In order that the proposed intentions are properly supported by the Executive.
2	In order that the realignment of services can be facilitated efficiently.
3	In order that re-commissioning can begin as required without unnecessary delay
4	In order that the executive and other bodies can properly monitor the outcomes of the proposals.

ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

136. Proposed responses to recent Government Consultations
(Item 7)

Cabinet received a report setting out the Council’s proposed responses to two recent Government Consultations.

The first, “Enabling closer working between the Emergency Services”, was issued by the Home Office, Department for Communities and Local Government and Department of Health, and sought views on proposals to increase joint working between emergency services.

The second, “Reforming the Powers of Police Staff and Volunteers”, was issued by the Home Office and sought views on the ways in which powers and roles were designated to police staff and volunteers by Chief Police Officers.

Mr Hill, Cabinet Member for Community Services introduced the item for Cabinet and explained the background to, and purpose of the consultations. He spoke to the Emergency Services consultation in most detail. He confirmed that Kent County Council was happy to support closer partnership working between the organisations to which the consultation referred but that this would be better achieved, as it had been already in Kent, by voluntary collaborations and not a statutory duty. Furthermore, KCC expressed in its proposed response, concerns regarding the proposed strengthening powers and increased involvement for the Police and Crime Commissioner which were not thought to be necessary or appropriate by KCC.

Mr Nick Chard, KCC elected member for Sevenoaks East spoke to the item and in particular, made the following points:

- i. That he supported comments made by the Cabinet Member as to the level and success of collaborative working in Kent to date and confirmed that the current governance arrangements had not hampered those collaborative efforts in any way.
- ii. That he believed that an enforced single employer model would be fraught with technical and other difficulties that would serve to stifle collaboration and damage mutual trust.
- iii. He identified within the proposed response a solution that would allow the Government to achieve the underlying aims of the proposals without the need for the introduction of a single employer model. The creation of a Joint Governance Board would increase those involved in current collaborative efforts but would retain the current employer model.
- iv. That he hoped that any future arrangements would take into account the response of KCC and others like it in order to build on the current good collaborative work undertaken in Kent.

In response to a question from the Leader, Mr Chard confirmed that further, and broader, collaboration was desirable and possible under current governance arrangements.

Mr Roger Gough, Cabinet Member for Education and Health Reform, referred to the response to Question 1 of the consultation. He expressed concern that too heavy a focus on the new duty, particularly if it were to be rigidly applied, would fail to recognise all of the work of the modern Ambulance Service in Kent, for example the preventative services carried out by paramedics. He asked that in order that concerns were fully expressed the last sentence of this answer be strengthened to more fully reflect the desire that any new duty not negatively impact current partnership arrangements.

Mr Gary Cooke, Cabinet Member for Corporate and Democratic Services asked members to consider whether those questions to which the proposed response replied 'no comment' should in fact be commented upon in order to support the other views contained in the proposed response. Following some discussion it was agreed that question 3 be responded to more fully in order to express concerns regarding a single employer model.

Mr Hill, Cabinet Member for Community Services, introduced the second consultation for Cabinet, "Reforming the Powers of Police Staff and Volunteers". He described the proposals being consulted upon and confirmed that KCC welcomed the suggestion that the Chief Constable would be able to confer powers more flexibly to meet the needs of the local community more fully. He reported that of most significance for KCC would be the potential impact of reforms on the Community Warden Scheme and welcomed the potential for consideration of appropriate powers by the Chief constable in relation to those roles.

No further comments or questions were received.

It was RESOLVED that:

CABINET	
12 October 2015	
1.	That the proposed response to the "Enabling closer working between the Emergency Services" consultation be endorsed for submission with the following amendments: a) That the response to Question 1 be amended so that the last sentence be strengthened to more fully reflect the desire that current partnership arrangements be recognised and valued and any new duty did not negatively impact on those arrangements. b) That the response to Question 3 be amended from 'No comment' to express concern that a single employer model may compromise some of the preventative work currently conducted by the Fire Authority, particularly but not exclusively, in relation to fire safety in HMO's.

2	That the proposed response to the “Reforming the Powers of Police Staff and Volunteers” consultation be endorsed for submission
REASON	
1 & 2.	Although no formal decision to submit the responses was required, KCC having in place a protocol which facilitated officer responses in consultation with relevant members, Cabinet resolved to endorse the submissions on this occasion In order that officers and members of the public were fully aware of the support of the combined executive for the responses as proposed and amended.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

137. Facing the Challenge - Property and Infrastructure Support Local Authority Trading Company (LATC)
(Item 8)

Public minute of the discussion and resolutions which took place in both open and closed sessions of the meeting under items 8&9 of the agenda.

Cabinet received two reports, one to which access was unrestricted and one which was exempt from publication under paragraph 3 of Schedule 12a of the Local Government Act 1972 and during the discussion of which, following a motion agreed, the press and public were excluded from the meeting.

The reports sought approval for the establishment of a Local Authority Trading Company (LATC) to deliver the Council’s Property services.

Ms Rebecca Spore, Director of Property and Infrastructure introduced the reports for Members and reported that as a result of a review conducted as part of the Facing the Challenge programme 12-18 months previously and rigorous market testing; it had been proposed that a LATC be established for the purpose of delivering property services. Since that time, she explained, a business case had been produced and refined and was set out in full in the exempt report.

Members were provided with information regarding the establishment of the LATC and, should it be agreed to proceed, the proposed governance arrangements once established.

Cabinet also received a detailed risk register, which set out any risks identified with the proposals and the mitigating actions proposed and the section 151 officer’s reports.

Proposed targets for the LATC were discussed and were confirmed by officers as realistic and achievable.

A full discussion of the business case and other information contained within the report and appendices took place and officers answered questions from Cabinet in relation to various elements of the proposals and arrangements post establishment.

It was RESOLVED

CABINET	
12 October 2015	
1.	That the formation of a wholly owned Limited Company, subject to the comments of the Trading Activities Sub Committee (Governance and Audit), to deliver KCC’s Property Service based on the principles outlined in the exempt report, be agreed. [The Local Authority Trading Company (LATC) will be established as soon as possible but trading will not commence until the necessary resources, approvals and commissioning functions for KCC are in place].
2	That authority be delegated to the Director of Infrastructure in consultation with the Cabinet Member for Corporate and Democratic Services to put in place the necessary arrangements to facilitate the establishment and ongoing control over the Local Authority Trading Company.
REASON	
1 & 2.	In order that the proposed outcomes, set out in the exempt report, can be achieved.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.